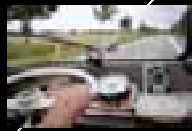
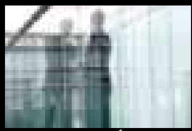
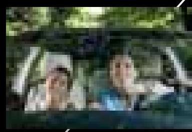
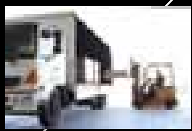
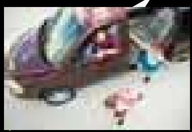
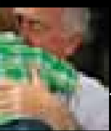
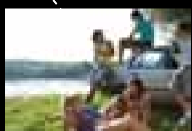
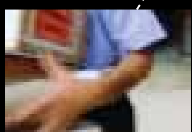
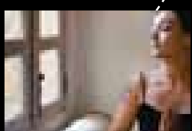
transurban

ANNUAL REPORT 2009





CONTENTS

Who we are

We are a values-based, value-driven toll road owner-operator with assets and projects in Australia and North America. We have:

→ Interests in six Australian toll roads and two US toll roads (one under development)

→ Three customer tolling brands in Australia, and around five million account and non-account customers globally, and

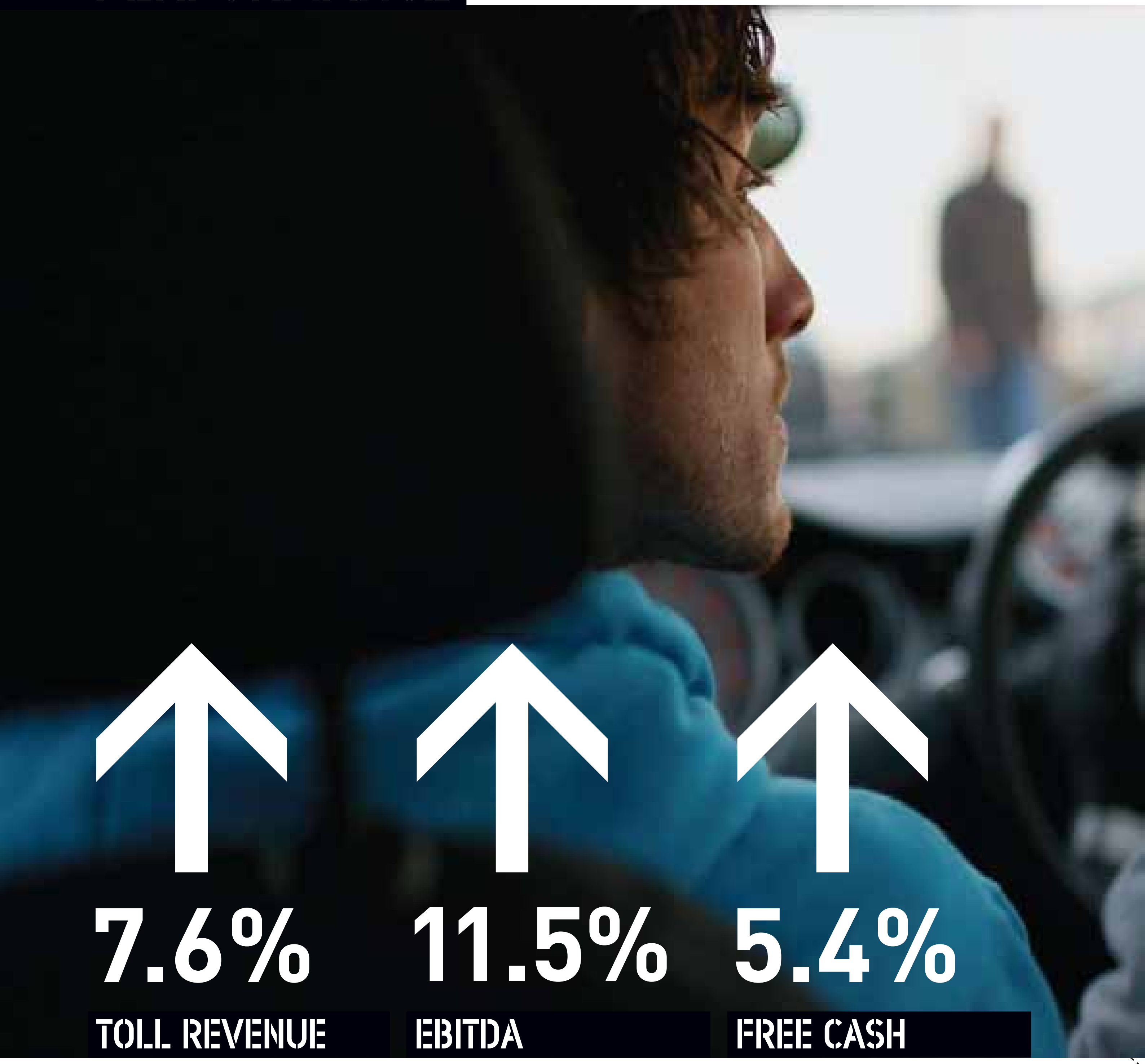
→ Corporate headquarters in Melbourne, Australia.

TRUCK DRIVER DANNY IS SAVING TIME AND DIESEL FUEL FOR HIS DAILY DELIVERIES

THE ROBERTS FAMILY FROM BAULKHAM HILLS TAKE A THREDBO HOLIDAY: 48 SETS OF TRAFFIC LIGHTS AVOIDED

LUCRECIA AND GAVIN KEEP FIT BY CYCLING AND RUNNING ON THE M7 SHARED PATH

OUR PERFORMANCE



7.6%

TOLL REVENUE

PROPORTIONAL TOLL REVENUE WAS $778.7 MILLION, UP 7.6%. Statutory toll revenue was $678.3 million, up 7.9% on the previous year.*

11.5%

EBITDA

UNDERLYING PROPORTIONAL EBITDA (EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION) was $583.4 million.*

5.4%

FREE CASH

UNDERLYING FREE CASH FLOW was $283.2 million, up 5.4%.#

Some highlights for the year...

- →Traffic across the Transurban portfolio was resilient.
- →Statutory toll revenue was $678.3 million, up 7.9% on the previous year.
- →Proportional toll revenue was $778.7 million, up 7.6%.*
- →Underlying proportional EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) was $583.4 million, up 11.5%.*
- →Underlying free cash flow was $283.2 million, up 5.4%.#
- →$980 million of debt was refinanced, including $465 million on the M2 in May and $515 million of non-recourse debt on the Eastern Distributor after year end.
- →$26.6 million in cost reductions was achieved, exceeding the targeted savings.
- →We were included for the third straight year in the Dow Jones Sustainability Indexes World list of high-performing companies and were again listed as a member company of the FTSE4Good Index.

* The Group's proportional result more clearly reflects the underlying business performance. In addition, the exclusion of certain items permits a more appropriate and meaningful analysis of the Group's underlying performance on a comparative basis. The Group acknowledges that this presentation differs from the statutory accounting format.

Free cash flow is calculated as cash flow from operations from 100% owned subsidiaries plus dividends received from less than 100% owned subsidiaries and equity accounted investments less the estimated annualised maintenance capital expenditure for 100% owned subsidiaries for the remaining concession life.

OUR WORLD

TRANSURBAN'S STRONG PERFORMANCE IN FY09 WAS SET AGAINST A GLOBAL BACKDROP OF RISING UNEMPLOYMENT, SLOWING ECONOMIES AND A CHALLENGING CREDIT ENVIRONMENT.

Such a difficult economic environment highlighted the resilience of our roads portfolio, which has proven to be one of the strongest across the globe.

We have measured our assets' performance against a number of global peers and the result is compelling – see graph on the facing page.

Traffic grew on most and revenue was up on all roads in our portfolio.

The strength of our core portfolio also helped Transurban's smooth passage through a challenging credit environment.

Successful refinancing of the debt on two of our major assets, the Hills M2 and the M1 Eastern Distributor in Sydney, demonstrated that high-quality toll road assets remain attractive to lenders.

PUBLIC PRIVATE PARTNERSHIPS

The Public Private Partnerships (PPPs) model for the funding and delivery of infrastructure projects was the subject of debate in our key markets this year.

This debate was framed by the broader recognition among key stakeholders in the public and private sector alike, that there is an urgent need for infrastructure solutions to road congestion problems in our cities.

In Australia, the Federal Government has set up an advisory body, Infrastructure Australia, which has identified a number of priority projects across the country.

The debate about PPPs in the US remains focused on the role the private sector should play in infrastructure financing and operation, in the context of the pending reauthorisation of the Federal Surface Transportation program and the inadequate levels of public sector funding for infrastructure investment.

In both markets we believe the private sector is well placed to address critical transportation needs and deliver value and innovation. This is particularly true of Transurban's owner-operator model, which best aligns the interests of multiple stakeholder groups across the public and private sector.

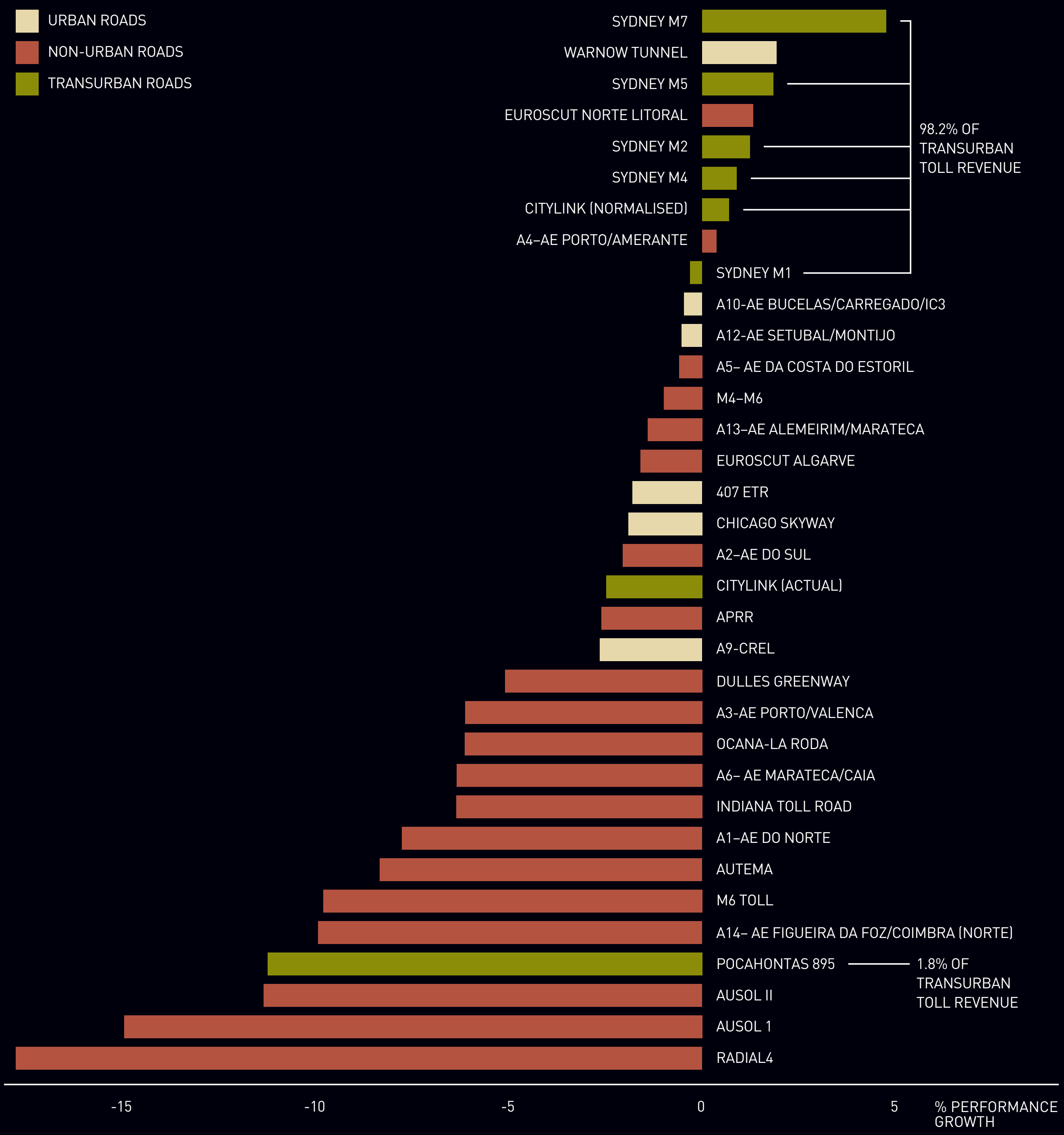
CLIMATE CHANGE

Climate change continues to be a key focus for both government and the private sector.

In the US and Australia, the Federal governments are still considering their approach to climate change and we will continue to monitor any developments regarding these policy discussions.

Meanwhile, we have a range of asset-specific climate change initiatives under way, including analysis of the possible physical impacts of climate change on our infrastructure.

TRAFFIC ON TRANSURBAN ROADS VERSUS GLOBAL PEERS



CityLink normalised for construction works associated with the CityLink M1 upgrade.

Average daily traffic data shown for the year to 30 June 2009 versus prior year.

MIG, Cintra, Brisa and Transurban roads with publically available full year comparative data have been selected.

CHAIRMAN'S REPORT

TRANSURBAN BOARD (FROM LEFT) **LINDSAY MAXSTED, NEIL CHATFIELD, JEREMY DAVIS, CHRIS LYNCH, DAVID RYAN, GEOFF COSGRIFF, BOB EDGAR AND RODNEY SLATER.**

FORMER BOARD MEMBERS
SUSAN OLIVER AND CHRIS RENWICK

"COLLECTIVELY, OUR ASSETS ARE AMONG THE BEST PERFORMING TOLL ROADS GLOBALLY."

DAVID RYAN AO, CHAIRMAN

IN THE FACE OF A VOLATILE GLOBAL ECONOMY AND CHALLENGES IN OUR SECTOR, TRANSURBAN HAS EMERGED AS A STRONG PERFORMER IN FY09.

Our assets continue to excel, with all seven recording revenue growth. Four of those roads generated double digit percentage increases in proportional EBITDA.

Collectively, our assets are among the best performing toll roads globally.

Alongside this strong performance, we have further enhanced our business by exceeding our targets for cost reductions. This is something everyone in the business has worked hard to achieve and ensures we are relentless in creating value for our security holders.

Such uncertain times have highlighted our proven track record as a toll road owner-operator and the resilience of our prime assets.

REVENUE, EBITDA, CASH FLOW UP

FY09 saw toll revenue and EBITDA up on all assets, along with free cash from operations.

On a proportional basis, adjusted to reflect the contribution of individual assets in proportion to Transurban's equity ownership, our results were:

→ Toll revenue was $778.7 million, a 7.6 per cent increase over the previous year
→ Underlying proportional EBITDA was 11.5 per cent higher at $583.4 million, and
→ Underlying free cash from operations was $283.2 million, an increase of 5.4 per cent.

Our statutory reporting results also showed positive growth and you will find them outlined in the financial section of this report.

Traffic was robust across our Australian portfolio, with four of our six roads recording growth. Construction works impacted actual traffic on our largest asset CityLink; however traffic continued to grow on a normalised basis.

REFINANCING

We successfully refinanced $980 million in non-recourse debt for the Hills M2 and Eastern Distributor in May 2009 and July 2009, respectively.

The refinancing demonstrates strong bank support for our assets, with new lenders providing funds and foreign banks willing to lend to Transurban. Our refinancing activities in recent months have shown there is clear lender appetite for exposure to high-quality toll road assets.

PROGRESS ON PROJECTS

Our focus is on creating value for security holders through a disciplined approach to how we grow our business. In our markets, our projects are progressing well. In Australia, heavy construction on Transurban's Southern Link section of the M1 upgrade is finished, with the entire project opening in stages before its expected completion in 2010. We expect to see traffic increase on CityLink through FY10, with the project's full benefit starting in FY11.

The Capital Beltway HOT lanes project in the US is 18 months into a five-year build. The tolling and traffic management systems are also under development.

OUR PEOPLE

This year, our Board changed significantly, with two directors, Susan Oliver and Chris Renwick, stepping down just before the end of FY09. I thank them for their contributions over the years. The Board welcomed Neil Chatfield, who joined the Board in February this year, and Rodney Slater, who, in June 2009, became our first US-based board member. Dr Bob Edgar, our most recent appointment, joined the Board just after year end.

Thank you also to the management team and the employees of Transurban for your crucial role in our success this year. We are fortunate to have such a dedicated and talented group of people.

I would also like to acknowledge our government partners and other stakeholders. Transurban is built on the strength of these long-term relationships.

Transurban has a suite of great assets and is a business committed to excellence. We have the foundations that allow us to look for growth opportunities – within and outside our business – to sustain Transurban long term. We value your support and look forward to the year ahead.

David Ryan AO, Chairman

CEO'S REPORT

CHRIS LYNCH, CEO

THE 2009 FINANCIAL YEAR HAS BEEN AN IMPORTANT YEAR OF CONSOLIDATION FOR TRANSURBAN AFTER IMPLEMENTING SOME SUBSTANTIAL CHANGES TO THE BUSINESS TOWARDS THE END OF THE 2008 FINANCIAL YEAR.

In the past 12 months we have done a lot of hard work to ensure we consolidate our position as a strong, stable business. We are proud of the achievements of our people, particularly in the current economic climate.

Our results – with revenue up on all assets, underlying free cash up 5.4 per cent and underlying proportional EBITDA growth of 11.5 per cent – demonstrate that we have a solid business, and our focus is well placed on how we can make it even better.

SAVINGS

In FY09 we continued to reduce costs across the business.

In June 2008 we announced a cost reduction program to take $20 million out of the ongoing cost structure by the end of FY09. We upgraded that figure to $21.4 million at last year's results. In the past year we have achieved cost reductions of $26.6 million on a proportional basis, which included a 5.9 per cent reduction in operating costs, an 8.5 per cent reduction in business development costs and a 10.5 per cent reduction in corporate costs.

This is about excellence – only incurring costs where we think we can add value.

OPPORTUNITIES

We have the opportunity, also, to enhance the value of our already-strong asset portfolio. The Monash-CityLink-West Gate (M1) Upgrade in Melbourne is a prime example, with traffic expected to increase by 7 per cent within five years of completion. Construction is progressing well.

We are also negotiating with the New South Wales (NSW) Government on widening the Hills M2 and are in early talks on similar works to the M5 motorway in Sydney.

Our approach to unlocking further growth opportunities across our portfolio is rigorous. We have strict investment criteria we apply to any potential opportunity. Those opportunities have to make sense for everyone involved – governments, communities and our security holders.

SAFETY

This year, and since joining Transurban in April 2008, it has been my personal priority to further build on our commitment to providing a safe workplace for our employees – and safe roads for our customers.

We have been recognised with a national safety award for our work in Australia on the CityLink tunnels and received a NSW Police Services award for an emergency field exercise on Hills M2.

But safety is really about everything from routine road inspections to ensuring our business minimises the rate of lost-time injuries in the office. Every bit counts – and I am confident that we are well on the way to promoting a more safety-conscious culture.

A TEAM EFFORT

At year end companies like ours primarily talk about performance – and results are clearly crucial for investors. But this is also a time to reflect on factors that are harder to quantify but just as important to success – and that is always our people. I want to thank our employees for their contributions and commitment to making our business a better and stronger one.

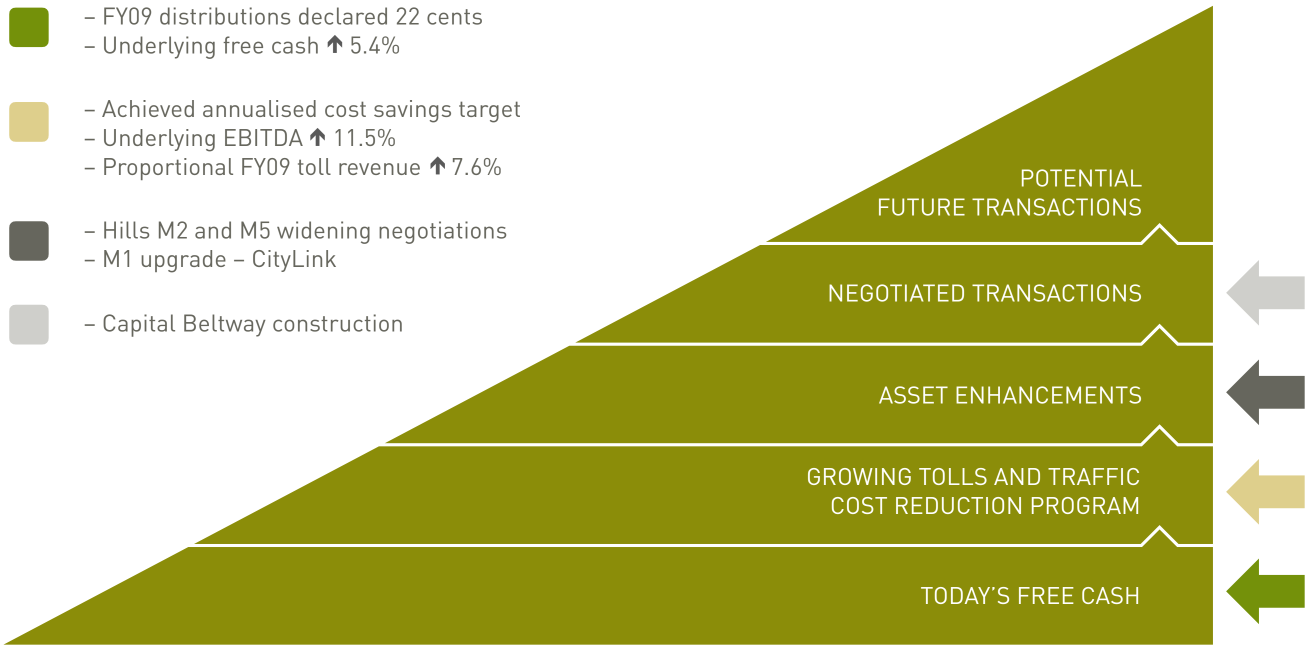
I also want to congratulate them on their service to the community. Our employees' response to the Victorian bushfires was outstanding on a number of levels. The generosity of spirit has been great to observe and be part of.

We look forward to continuing our journey, striving each day to better serve our security holders and the communities in which we operate.

Chris Lynch, Chief Executive Officer

"IN THE PAST 12 MONTHS WE HAVE DONE A LOT OF HARD WORK TO ENSURE WE CONSOLIDATE OUR POSITION AS A STRONG, STABLE BUSINESS"

CHRIS LYNCH, CEO



KEY VALUE DRIVERS

The key drivers of Transurban security holder value are:

TODAY'S FREE CASH

Our existing portfolio of toll road assets is generating solid cash returns. This is the foundation of our business.

GROWING TOLLS AND TRAFFIC/ COST REDUCTION PROGRAM

We have mandated toll increases on our toll roads, most of which are in heavily populated urban areas where traffic continues to grow. We are continuing to drive costs out of the business to maximise returns to security holders. The targeted cost reductions we announced in June 2008 have exceeded expectations.

ASSET ENHANCEMENTS

Upgrades to our existing roads will deliver more value to investors and to the community. We are currently enhancing CityLink in Melbourne, with plans to upgrade Hills M2 and the M5 in Sydney.

NEGOTIATED TRANSACTIONS

Negotiated transactions in the US are another building block of security holder value. In Virginia, we have one project in construction and another in exclusive negotiation.

POTENTIAL FUTURE TRANSACTIONS

We will continue to look for further opportunities in the US and Australia that fit our strict investment criteria.

HIGHLIGHTS FROM OUR PORTFOLIO

TRAFFIC AND REVENUE GROWTH IN FY09

	TRAFFIC	REVENUE	EBITDA
MELBOURNE			
CITYLINK	**(2.7%)**	**6.8%***	**12.2%**
SYDNEY			
HILLS M2	**1.0%**	**3.5%**	**4.8%**
EASTERN DISTRIBUTOR M1	**(0.6%)**	**6.9%**	**10.5%**
M4 MOTORWAY	**0.6%**	**20.0%**	**21.9%**
WESTLINK M7	**4.5%**	**9.2%**	**14.6%**
M5 MOTORWAY	**1.6%**	**1.3%**	**1.1%**
VIRGINIA, US			
POCAHONTAS 895	**(11.6%)**	**0.6%**	**(1.3%)**

* Normalised to include contribution from revenue protection provision associated with the upgrade project. Toll revenue increase without normalising was 3.6%.

MELBOURNE
CITYLINK

- Traffic volume for the year was 241.1 million transactions, and toll revenue was $368.4 million.
- Construction associated with the M1 Upgrade was the primary reason for the lower traffic. Adjusted for the impact of construction, our FY09 transactions were up 0.4%.
- Revenue continues to grow due to factors such as quarterly toll price increases in line with our concession and improved revenue recovery due to improvements in the capture and processing of vehicle information.
- The M1 Upgrade – a joint project of the Victorian Government, Transurban and other partners – will have a staged opening, with the entire project due for completion by the end of 2010. The project is expected to lift traffic on CityLink by 7 per cent within five years of completion.
- CityLink replaced its Central Computer Control System, which is critical technology that facilitates the daily running of the road and tunnels. The upgrade ensures CityLink's systems continue to evolve in line with the needs of future operations.

SYDNEY
HILLS M2

- Traffic volume for the year was 34.0 million trips, and toll revenue was $124.9 million, up 3.5 per cent.
- Truck tolls were increased at both M2 toll points on 1 April 2009 and again after year end on 1 July 2009. The increases are part of a phased strategy to gradually bring truck tolls into line with the M2 Project Deed's allowance for a truck toll three times the price of a car. The toll paid by trucks had been two and half times the car toll.
- Hills M2 raised the toll for cars from $4.40 to $4.95 on 1 July 2009 at the main toll plaza only. It was the first increase in more than two and a half years.
- Transurban is continuing negotiations with the New South Wales (NSW) Government and the state's Roads and Traffic Authority (RTA) on our proposal to upgrade the M2 to three lanes on the majority of the road.
- Electronic tag and video accounts grew by about 8 per cent at Roam Express, a Transurban business and the preferred tolling and customer service provider for Hills M2.

EASTERN DISTRIBUTOR (M1)

- Traffic volume for the year was 17.3 million trips, and toll revenue was $78.8 million.
- Toll price increases for cars in April 2008 and for trucks in October 2008 contributed to the increase in revenue this year even though traffic declined slightly.
- The Eastern Distributor's tolling system was upgraded to make its mixed cash and electronic tolling more efficient. On the road, new vehicle detection equipment and violation cameras were installed. Vehicle classification and image processing software was also upgraded. The road remained open during the transition to the new system.
- Several revenue recovery initiatives were implemented during the year, including outsourcing enforcement notice processes and payment to Roam Express.

M4 MOTORWAY

- Traffic volume for the year was 40.8 million trips, and toll revenue was $106.2 million.
- Preparations have begun for handing back the M4 to the NSW Government when the concession ends in February 2010.

WESTLINK M7

- Traffic volume for the year was 43.7 million trips, and toll revenue was $160.2 million.
- There was consistent traffic growth on both weekends and weekdays, with the strongest increases on the southern section of the M7.
- Roam electronic tag and video accounts increased by more than 10 per cent over the previous year. Roam, the tolling and customer service provider for Westlink M7, is owned by Transurban.

M5 MOTORWAY

- Traffic volume for the year was 43.0 million trips, and toll revenue was $157.0 million.
- From 1 July 2008, the M5 began accepting casual user passes from Roam, Roam Express and the RTA. The additional payment option makes it easier for visitors to Sydney or infrequent customers to use the road. Cash continues to be accepted on the M5.

VIRGINIA, US
POCAHONTAS 895

- Traffic volume for the year was 5.3 million trips, and toll revenue was A$18.5 million/US$13.8 million.
- Revenue increased slightly despite the decline in traffic due to a toll price increase at the main toll plaza in January 2009.
- A priority for Pocahontas 895 in FY09 was improving systems for the safety of customers, staff and vendors. This included installing weather monitoring systems on the main bridge span, roadside cameras in high-use areas of the road, and security systems in the toll and office facilities.
- Construction started on the Airport Connector in late 2008 and is running on schedule, with completion expected in 2011. Transurban will manage and operate the new road, which will provide a direct link between Pocahontas 895 and Richmond International Airport.

HOW WE DO BUSINESS

OUR APPROACH TO MANAGEMENT

Last year, Transurban adopted a new management framework that underpins everything we do.

Known internally as 'the wheel', its segments represent our areas of focus:

→ **Safety** – this needs to be embedded in everything we do, from our workplaces to our roads.
→ **People** – we aim to provide the best environment to encourage our employees to thrive.
→ **Excellence** – we always look for opportunities to improve – and then deliver on outcomes.
→ **Financial discipline** – being accountable for every dollar we spend has helped drive a solid performance across our suite of assets.
→ **Growth** – we are extracting value from our existing portfolio and using strict criteria to weigh up new opportunities.
→ **Relationships** – as a long-term owner operator, relationships lie at the core of our success.
→ **Environment** – environmental excellence is a critical part of being a sustainable business.

Our values – honesty, integrity, humility and accountability – are at the heart of the wheel.

Together, our values and how we perform in all segments of the wheel will be reflected in our corporate reputation and the sustainability of our business and, ultimately, the returns we generate for investors.

FY09 is the first full year we can report on our progress under this new structure. On page 15, we highlight some of the key activities and events within each segment of the framework.

OUR APPROACH TO SUSTAINABILITY

At Transurban sustainability is not an add-on, or a program run alongside traditional business operations. It is a business outcome. A sustainable company manages all dimensions of its business well – covering economic, social and environmental aspects.

Our business management framework shows sustainability as one of the key drivers of the Group's corporate reputation and total security holder return.

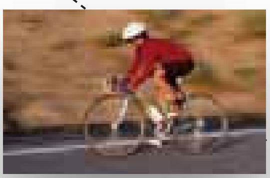
We now have a structure in place to reflect this – our business-wide Sustainability Framework. The framework, approved by the Transurban Board in January 2009, gives our management and employees a clear articulation of:

→ The definition of sustainability for Transurban
→ The business case for sustainability at Transurban
→ Our sustainability aspirations, and
→ Our fundamental business-wide sustainability commitments.

The framework also determines our annual sustainability priorities, and it is the foundation for specific sustainability action plans developed by teams across our business. Each of these teams is responsible for delivering its own plan, which helps to embed a culture of sustainability within Transurban.

If we maximise the opportunities and manage the risks from our economic, environmental and social activities, we will create long-term value for our security holders.

More information will be provided in Transurban's 2009 Sustainability Report, which will be published on www.transurban.com.



"WE'RE MEASURING OUR PERFORMANCE AGAINST THE BUSINESS FRAMEWORK BECAUSE SUCCESS IN THESE AREAS IS CRUCIAL TO CREATING VALUE FOR INVESTORS."

CHRIS LYNCH, CEO

BUSINESS FRAMEWORK

SAFETY

- Won Australian Federal Government's National Safer Communities Award for CityLink tunnel safety project in Melbourne
- Passed one million hours without a lost-time incident in construction of Capital Beltway HOT lanes in Washington, DC area
- Earned Police Services award for Hills M2 emergency field exercise in Sydney

PEOPLE

- Appointed new leadership team and completed restructure of the business
- Scored 81% in our employee opinion survey's employee engagement measure, which quantifies commitment and active contribution to the company

EXCELLENCE

- Upgraded roadside camera technology or made improvements in back office processes on our majority-owned assets in Australia, which allowed us to capture additional revenue on those roads
- Recognised for achievements in finance, sustainability and Public Private Partnerships with a range of awards

FINANCIAL DISCIPLINE

- Achieved $26.6 million in cost reductions, which exceeded our targeted savings of $21.4 million
- Refinanced $980 million* of non-recourse debt on two of our assets, the Hills M2 and Eastern Distributor in Sydney, ahead of schedule and in a difficult credit environment

* The refinancing of $515 million on the Eastern Distributor was completed just after year end.

GROWTH

- Completed 18 months of a five-year build on the Capital Beltway HOT lanes, scheduled to open in 2013
- Finished heavy construction on Southern Link section of M1 Upgrade, which will positively impact our cash flows after its expected completion in late 2010
- Continued negotiations with government on the Hills M2 Upgrade in Sydney and on the I-95/395 HOT lanes in Virginia, US

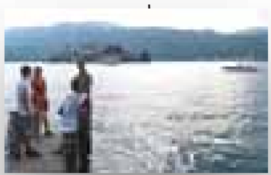
RELATIONSHIPS

- Helped raise over $1 million for Melbourne children's hospital through our CityLink co-sponsored Run for the Kids event
- Made submissions to Federal Government for development of Infrastructure Australia blueprint
- Hosted international industry group IBTTA's first Asia Pacific tolling summit in Sydney

ENVIRONMENT

- Developed sustainable purchasing policy to encourage suppliers, contractors and joint venture partners to pursue sustainable business practices
- Completed an audit of waste and its management on our majority-owned roads in Australia—CityLink, Hills M2 and the Eastern Distributor—so we can develop strategies for reducing waste and increasing recycling efforts

For more details on these achievements, see our online 2009 Annual Report at www.transurban.com.



CORPORATE GOVERNANCE

TRANSURBAN IS COMMITTED TO MAINTAINING A HIGH STANDARD OF CORPORATE GOVERNANCE.

This statement outlines the key aspects of the Transurban Group's corporate governance framework and main governance practices for the reporting period by reference to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles and Recommendations).

The Transurban Group believes that throughout the reporting period it complied with the ASX Principles and Recommendations.

This statement applies to all entities comprising the Transurban Group as described in the Directors' Report. The term 'Board' refers to the Board of each relevant entity unless otherwise stated.

Materials relating to the Transurban Group's corporate governance practices, including the charters and policies referred to in this statement, can be found in the "Corporate Governance" section of the Transurban website.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

BOARD RESPONSIBILITIES (RECOMMENDATION 1.1)

The Board Charter sets out the responsibilities and accountabilities of the Board, the extent to which the Board has delegated certain aspects of its responsibilities to executive management, and the arrangements by which the Board operates to discharge its duties.

The Board is accountable to security holders for the performance of the Transurban Group, and its main responsibilities include:

- → reviewing and ratifying the Transurban Group's business strategies and monitoring their implementation;
- → appointing and evaluating the performance of the CEO, ratifying the appointment of executives reporting to the CEO and reviewing the CEO's evaluation of their performance;
- → succession planning for the CEO and for executives reporting to the CEO;
- → the financial integrity of the Transurban Group through reviewing and approving financial reports, overseeing systems of internal control and financial reporting, establishing and reviewing financial performance objectives, and approving operating and capital budgets and treasury policies;
- → approving distribution payments and capital management activities;
- → reviewing and ratifying systems of risk management and legal compliance, and approving policies relating to corporate governance, occupational health and safety, and environmental impacts and performance; and
- → evaluating the performance of each individual director and of the Board collectively.

The day to day management of the Transurban Group is the responsibility of executive management, subject to specific delegations of authority approved by the Board. Any expenditures or actions in excess of these delegated authorities are approved by the Board.

PERFORMANCE OF SENIOR EXECUTIVES (RECOMMENDATION 1.2)

New senior executives are provided with an induction program to allow them to participate fully and actively in management decision-making at the earliest opportunity.

Each year, Key Performance Indicators (KPIs) are set for senior executives, against which their performance is measured. KPIs relate to both the performance of Transurban and the performance of the executive individually. Performance reviews for senior executives were carried out during the reporting period for the 2008 financial year and further information regarding KPIs and performance payments can be found in the Remuneration Report contained in the Directors' Report. Performance reviews for the 2009 financial year were conducted in July 2009.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

The Board is structured so that its membership provides the mix of qualifications, skills and experience to enable it to effectively discharge its responsibilities, and that its size facilitates effective discussion and efficient decision-making.

Transurban Holdings Limited (THL) and Transurban Infrastructure Management Limited (TIML) as responsible entity of Transurban Holding Trust (THT) have common directors and Board meetings of THL and TIML are held concurrently. As at the date of this Annual Report, the Board comprised the following directors:

Director	Board membership
David Ryan	Chairman, Non-executive, Independent
Neil Chatfield	Non-executive, Independent
Geoff Cosgriff	Non-executive, Independent
Jeremy Davis	Non-executive, Independent
Bob Edgar	Non-executive, Independent
Chris Lynch	CEO, Executive
Lindsay Maxsted	Non-executive, Independent
Rodney Slater	Non-executive, Independent

The composition of the Board altered during the reporting period. Neil Chatfield was appointed to the Board on 18 February 2009. Susan Oliver and Chris Renwick retired from, and Rodney Slater was appointed to, the Board on 22 June 2009. Subsequent to the reporting period, Bob Edgar was appointed to the Board. These changes were significant steps in the Board renewal process announced at Transurban's 2008 Annual General Meeting.

As at the date of this Annual Report, the Board of Transurban International Limited (TIL) comprised the following directors:

Director	Board membership
David Ryan	Chairman, Non-executive, Independent
Jennifer Eve	Non-executive, Independent
James Keyes	Non-executive, Independent
Chris Lynch	CEO, Executive

Each Board member's skills, experience, relevant expertise and period in office are set out in the Directors' Report. The number of meetings held by each Board during the reporting period and the number of meetings attended by each director are also set out in the Directors' Report.

DIRECTORS' INDEPENDENCE AND CONFLICTS OF INTEREST (RECOMMENDATION 2.1)

It is the Board's policy that a majority of directors should be independent directors and the Chairman should be an independent director.

The Board considers that all of its non-executive directors are currently independent directors.

The Board regularly determines which directors are considered to be independent directors in light of their interests as disclosed to the Board. In making this determination, the Board considers whether a director's security holding in the entity, his/her relationship with security holders, suppliers and competitors, and tenure as a director, would materially affect their ability to exercise unfettered and independent judgement in the interests of the entity's security holders.

In considering potential conflicts of interest, the Board looks at a director's business and other relationships and assesses the materiality of those relationships for both the Transurban Group and the director. While the Board believes it is inappropriate to determine materiality solely on the basis of arbitrary dollar, profit or turnover percentage tests, when assessing materiality for the Transurban Group, thresholds suggested in accounting standards are used. Consequently, interests equal to more than 5% of revenue, equity or profit are potentially material. However, the Board seeks to determine whether a director is generally free of any interest and any business or other relationship which could materially interfere with the director's ability to act in the best interests of the Transurban Group and, in that assessment, interests of a lesser value might also be relevant.

Transurban Group entities follow protocols so that every director knows of any individual director's conflicts of interest or potential conflicts of interest in a particular matter to be considered by the Board. These protocols are consistent with obligations imposed by the Corporations Act and the ASX Listing Rules. They require each director to disclose any contracts, offices held, interests in transactions, and other directorships held, to signal any potential conflict.

If any director considers a potential conflict of interest could exist or may arise involving any member of the Board, a sub-committee is established to assess the matter. The sub-committee excludes the potentially conflicted director and will consider the matter and make a determination on whether or not the director has a conflict of interest. The determination is then conveyed to the affected director. If the sub-committee decides there is no conflict, the sub-committee is required to report its actions and recommendations to the Board after each sub-committee meeting. If a conflict is deemed to exist, the sub-committee will report its actions and recommendations to the Board excluding the conflicted director.

Independent external professional advice relating to their roles and responsibilities is available to directors at the relevant entity's expense. Before seeking such advice, directors are required to consult with, and obtain the approval of, the Chairman. The director must consult a suitably qualified adviser in the relevant field and inform the Chairman of the fee payable for the advice. A copy of the advice must be provided to the relevant Board.

ROLES OF THE CHAIRMAN AND THE CEO (RECOMMENDATIONS 2.2 AND 2.3)

The Chairman is responsible for leading the Board, facilitating the proper briefing of all directors on all matters relevant to their role and responsibilities, facilitating effective discussion of matters considered by the Board, and managing the Board's relationship with executive management.

The CEO is responsible to the Board for implementation of strategies and policies determined by the Board.

The roles of Chairman and CEO are exercised by separate individuals and the Chairman is an independent director.

BOARD COMMITTEES

The Board currently has four standing committees to assist it in carrying out its responsibilities and to allow detailed consideration of complex issues: the Audit and Risk Committee, the Sustainability Committee, the Nomination Committee, and the Remuneration Committee (together, the Committees). During the reporting period the Audit Committee and the Risk Committee were combined into a single Audit and Risk Committee.

Special purpose committees are established where necessary to deal with specific projects.

Each Committee operates under a charter, approved by the Board, which sets out the authority, membership and responsibilities of the Committee, together with any relevant administrative arrangements and any other matters considered appropriate by the Board.

Minutes of Committee meetings are circulated with the papers for the following Board meeting. At that Board meeting, the Chair of each Committee will highlight key issues under consideration by the Committee, and the directors may request additional information on the Committee's activities.

The Board periodically reviews the appropriateness of the existing Committee structure, as well as the membership and the charter of each Committee. A review was undertaken during the reporting period. It was as a result of this review that the Audit Committee and the Risk Committee were combined into a single Audit and Risk Committee. Changes to the composition of the Board during the reporting period also necessitated changes to the membership of each Committee.

Further information on each Committee is set out below and elsewhere in this statement. Additional details in relation to the members of each Committee, as well as the number of meetings held by each Committee during the reporting period and each member's attendance at those meetings, are set out in the Directors' Report.

NOMINATION COMMITTEE (RECOMMENDATION 2.4)

The primary responsibility of the Nomination Committee is to provide advice to the Board on the appointment of new directors.

In discharging this responsibility, the Nomination Committee:

- → makes recommendations on the size and composition of the Board and on transparent and formal procedures for identifying and screening candidates for appointment to the Board, and implements these identification and screening procedures when required;
- → develops and oversees an induction and education program for new directors;
- → makes recommendations regarding succession plans for the Board; and
- → establishes processes for the review of the performance of individual directors and the Board as a whole.

Non-executive directors must be able to meet the Board's expectations concerning time commitment The Nomination Committee therefore reviews the commitments of non-executive directors, including before their appointment to the Board. Directors are required to consult with the Chairman before accepting appointment as a director of any entity outside the Transurban Group.

PERFORMANCE ASSESSMENT (RECOMMENDATION 2.5)

The Board acknowledges the importance of the regular review of the performance of the Board, the Committees and individual directors against appropriate measures.

During the reporting period, a formal assessment of the performance of the Board, the Committees and individual directors was undertaken. The assessment was facilitated by an external consultant and involved interviews and a comprehensive questionnaire. The external consultant prepared a formal report which was presented to, and discussed by, the Board. The actions agreed by the Board in response to the recommendations made in the consultant's report have been documented and completion of these items is monitored by the Board. The external consultant also met with the Chairman to discuss the peer assessment of each director's performance and the Chairman then met with each director to discuss the same. The external consultant's review also included an assessment of the Chairman's performance. A nominated director then met with the Chairman to discuss the peer assessment of his performance.

Committee	Audit and Risk Committee*	Sustainability Committee	Nomination Committee	Remuneration Committee
Members as at the date of the Annual Report**	Lindsay Maxsted (Chair) Neil Chatfield Jeremy Davis David Ryan	David Ryan (Chair) Bob Edgar Lindsay Maxsted Rodney Slater	David Ryan (Chair) Neil Chatfield Geoff Cosgriff Jeremy Davis Bob Edgar Lindsay Maxsted Rodney Slater	Geoff Cosgriff (Chair) Jeremy Davis David Ryan
	The members are all non-executive, independent directors.	The members are all non-executive, independent directors.	The members are all non-executive, independent directors.	The members are all non-executive, independent directors.
Further information				
	See the Audit and Risk Committee Charter.	See the Sustainability Committee Charter.	See the Nomination Committee Charter.	See the Remuneration Committee Charter.

* The Audit Committee and the Risk Committee were combined during the reporting period to form a single Audit and Risk Committee.

** Susan Oliver was Chair of the Risk Committee and a member of the Audit Committee, the Sustainability Committee and the Nomination Committee until her retirement on 22 June 2009. Chris Renwick was Chair of the Sustainability Committee and a member of the Risk Committee and the Nomination Committee until his retirement on 22 June 2009. Bob Edgar joined the Sustainability Committee subsequent to the reporting period.

It is the Board's intention to conduct a formal assessment of the performance of the Board, the Committees and individual directors each year. This will be supplemented by self-assessments undertaken by individual Committees, the results of which are reported to the Board. During the reporting period, the Risk Committee and the Sustainability Committee each undertook such a self-assessment by reference to the objectives and responsibilities set out in its charter. Shortly after the reporting period, the Remuneration Committee also undertook such a self-assessment.

Formal letters of appointment are issued to new directors. An induction program has also been put in place to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity. The program is designed to enable new directors to gain an understanding of the Transurban Group's financial, strategic, operational and risk management position, the rights, duties and responsibilities of directors and the role and responsibilities of senior executives.

Directors also have access to continuing education to update and enhance their skills and knowledge.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

CODE OF CONDUCT (RECOMMENDATION 3.1)

Transurban has a Code of Conduct to nurture the values underpinning its corporate culture. It sets out Transurban's expectations in relation to business practices, behaviour towards fellow employees, customers, suppliers and other business partners, ethical practices and the recognition of stakeholder interests. The code requires that all employees act with integrity, fairness and respect for others, and in compliance with the letter and spirit of all relevant laws and regulations and Transurban policies. It also encourages employees who become aware of unethical behaviours to report these to senior management.

Compliance with the code is a condition of employment by Transurban. A copy of the code is provided to new employees and is discussed as part of their induction training. New employees are also required to complete online training in relation to the code.

WHISTLEBLOWER POLICY

In keeping with the spirit of the Code of Conduct, Transurban has developed a Whistleblower Policy to encourage directors, senior executives, employees, contractors and suppliers who have witnessed, or know about, any misconduct to report it without fear of reprisal. The policy sets out, at a high level, the way in which Transurban will respond to and investigate reports of misconduct.

The policy is provided to new employees and is discussed as part of their induction training. This is supplemented by subsequent face-to-face training on the policy.

DEALING IN SECURITIES RECOMMENDATION 3.2)

Transurban has a Dealing in Securities Policy which establishes a procedure for dealings by directors, senior executives, employees, contractors and their related parties ("Employees") in Transurban securities and in securities of other entities with whom Transurban may have business dealings.

The policy prohibits Employees from dealing in securities at any time if they are in possession of price-sensitive information. Dealing is also not permitted during designated "Closed Periods" except with prior approval in circumstances of financial hardship.

Employees may generally deal in securities during "Open Periods" if prior approval for the proposed transaction is obtained in accordance with procedure set out the policy. For the purposes of the policy, dealing includes hedging.

The policy prohibits Employees from dealing in securities on a short-term basis (except in circumstances of financial hardship). Employees who have rights to securities under a long term incentive plan may not hedge against those rights until they have vested. Employees are also prohibited from entering into margin lending arrangements using Transurban securities as security.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

AUDIT AND RISK COMMITTEE (RECOMMENDATIONS 4.1, 4.2 AND 4.3)

The Audit and Risk Committee is structured so that it consists only of non-executive, independent directors, is chaired by an independent chair (who is not chair of the Board) and has at least three members. All members are financially literate, have appropriate financial expertise and an appropriate understanding of the industry in which the Transurban Group operates.

The purpose of the Audit and Risk Committee, as set out in its charter, is to assist the Board in overseeing the integrity of financial reporting, the effectiveness of systems of financial risk management and internal control, and the internal and external audit functions. The responsibilities of the Committee to fulfil this purpose include:

→ reviewing the statutory financial reports of the Transurban Group and management's representations in relation to them and advising the Board whether to adopt the reports;
→ assessing the Transurban Group's accounting, financial and internal control systems and, if necessary, making recommendations for improvement;
→ reviewing the objectives, competence and resourcing of the internal audit function, including determining whether the internal audit function should be an internal or external function;
→ reviewing, overseeing the implementation and monitoring the progress of, the internal audit plan and work program;
→ making recommendations to the Board for the appointment, remuneration and replacement of the external auditor, and in relation to the terms of the auditor's engagement; and
→ agreeing the overall scope of the external audit, reviewing external audit plans and progress reports, and monitoring the effectiveness of the external auditor.

The CEO, the CFO, the internal auditor and the external auditor must attend Committee meetings if requested. Other members of management and advisers may also be invited to attend meetings.

CORPORATE GOVERNANCE

The Committee has unrestricted access to management and rights to seek explanations and additional information from management. It also has unrestricted access to the internal auditor and the external auditor. The Committee meets with the external auditor without management present on a regular basis.

EXTERNAL AUDITOR INDEPENDENCE

The Transurban Group's policy is to appoint an external auditor who is suitably qualified and whose independence in unequivocal.

PricewaterhouseCoopers was initially appointed as the Transurban Group's external auditor in 1996 and subsequently re-appointed in December 2001. The appointment of the external auditor has been approved by security holders as required by the Corporations Act. PricewaterhouseCoopers is required to rotate audit engagement partners on listed entities at least every five years. A new audit engagement partner was introduced for the financial year beginning 1 July 2007.

The Board has approved an External Auditor Independence Policy which is intended to maintain the independence of the external auditor by regulating the provision of non-audit services by the external auditor.

Under the policy, certain non-audit services are not permitted to be provided by the external auditor. It is intended that the external auditor only provide a permissible non-audit service where there is a compelling reason for it to do so. The provision of permissible non-audit services must be pre-approved by either the Audit and Risk Committee, the Chair of the Committee, or the CFO (where the proposed fee for the service does not exceed $5,000). The CFO provides a verbal report to the Committee at each meeting describing any non-audit services approved by the CFO or the Chair of the Committee since the last meeting.

Details of the fees paid to the external auditor during the reporting period, including a breakdown of fees paid for non-audit services, are set out in the Directors' Report.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

CONTINUOUS DISCLOSURE (RECOMMENDATION 5.1)

Transurban's Continuous Disclosure Policy and Procedure sets out its practice in relation to continuous disclosure.

The policy establishes a best practice procedure for compliance with Transurban's continuous disclosure obligations, provides guidance for the identification of material information and requires the reporting of such information to the Company Secretary for review. The policy also ensures that Transurban and its personnel are aware of the penalties for a contravention of Transurban's continuous disclosure obligations.

The Company Secretary has primary responsibility for the effective operation of the policy and for all communications with the ASX in relation to continuous disclosure issues. Under the policy, personnel must immediately notify the Company Secretary as soon as they become aware of information that should be considered for release to the ASX. The Company Secretary reviews that information, determines (after appropriate consultation) whether disclosure is required and, if so, co-ordinates the actual form of the disclosure, its approval and prompt release. Under the policy, all ASX releases are required to be cleared by either the Board (or a Board sub-committee) or the CEO (or in the CEO's absence, the CFO or a designated director).

All information disclosed to the ASX is promptly posted on the Transurban website. All material used in presentations to investors and analysts is released to the ASX immediately prior to the making of those presentations.

The Board considers potential disclosure issues at each of its meetings. Particular attention is given to emerging and changing circumstances with a view to determining whether any disclosures are required in respect of those matters.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

COMMUNICATIONS (RECOMMENDATION 6.1)

Transurban's Security Holder Communication Policy is designed to promote effective communication with security holders.

The policy outlines the range of communication tools used to give security holders and other stakeholders ready access to information about Transurban. These tools include the Transurban website, meetings and briefings and written materials. Security holders are encouraged to elect to receive information in electronic format.

Transurban uses its website to complement the official release of information to the ASX. As noted above, all ASX announcements and related information (for example, information provided to analysts or the media during briefings or presentations) are promptly posted on the website. The annual and half year results are also published on the website.

Transurban regards its Annual General Meeting as an important opportunity for engaging and communicating with security holders. Security holders are encouraged to attend and participate in the Annual General Meeting, which is typically held in October each year. The full text of the notice of meeting and explanatory material is published on the Transurban website.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

RISK OVERSIGHT AND MANAGEMENT AND INTERNAL CONTROL (RECOMMENDATIONS 7.1 AND 7.2)

Transurban views effective risk management as central to achieving its objectives.

The Board is responsible for reviewing Transurban's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Transurban has a Risk Management Policy that sets out its commitment to risk management and identifies the associated roles and responsibilities of the Board, management and employees in the oversight and management of risk. The policy is supplemented by an enterprise wide risk management framework (compliant with the Australian / New Zealand Standard (AS/NZ 4360:2004) that seeks to embed risk management processes into Transurban's business activities and functions.

Within the framework, each business unit is required to formally profile its risk environment by creating and maintaining a register of identified risks, a risk treatment plan and a risk management plan which are stored in a risk management information system. The outcomes of risk profiles and progress in the management of risks are regularly reported to executive management. Executive management has also established a strategic risk register which it reviews on a quarterly basis.

The purpose of the Audit and Risk Committee, as set out in its charter, is to assist the Board in overseeing Transurban's risk profile and policy and the effectiveness of its risk management framework and supporting systems. During the reporting period, material and strategic risks, and the status of risk treatment plans, were considered in detail by the Risk Committee (before it was combined with the Audit Committee). Management also reported to the Committee and to the Board as to the effectiveness of Transurban's management of material business risks. Transurban's internal auditors also reviewed the effectiveness of the risk management framework. Further development of the reporting and control self-assessment process is underway as part of Transurban's commitment to continuous improvement.

CEO AND CFO CERTIFICATIONS (RECOMMENDATION 7.3)

The CEO and the CFO have provided certifications to the Board in connection with the financial statements for the Transurban Group and the individual entities comprising the Transurban Group for the year ended 30 June 2009. The certifications state that the declaration provided in accordance with section 295A of the Corporations Act as to the integrity of the financial statements is founded on a sound system of risk management and internal control and that system is operating effectively in all material respects in relation to financial reporting risks.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

REMUNERATION COMMITTEE (RECOMMENDATION 8.1)

The primary responsibility of the Remuneration Committee is to provide advice to the Board on remuneration of directors, senior executives and employees and to make recommendations in relation to the Transurban Group's remuneration policies and practices.

In making recommendations, the Committee will take into account all factors it deems necessary and may consult external remuneration consultants. The objective of any remuneration policy is to motivate directors, senior executives and employees to pursue the long-term value and success of the Transurban Group within an appropriate control framework and maintain the clear relationship between performance and remuneration.

REMUNERATION (RECOMMENDATION 8.2)

The remuneration of non-executive directors consists entirely of directors' fees and Committee fees. Non-executive directors are not eligible to receive any performance based compensation. In 2008, following security holder approval at the 2008 Annual General Meeting, non-executive directors based in Australia were invited to sacrifice fees to acquire Transurban stapled securities. This arrangement was suspended in May 2009 following legislative changes announced in the 2009 Federal Budget. Further details of the remuneration paid to each non-executive director during the reporting period are set out in the Remuneration Report contained in the Directors' Report.

The remuneration and incentive package for the CEO and key management personnel is also disclosed in the Remuneration Report contained in the Directors' Report. The remuneration mix of the CEO and each of his executive management team members comprises fixed remuneration, short term cash incentives and equity based incentives.

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Transurban Holdings Limited and Controlled Entities ABN 86 098 143 429

(including Transurban International Limited and Transurban Holding Trust)

Financial statements for the year ended 30 June 2009

Transurban Holdings Limited ABN 86 098 143 429
Financial statements - 30 June 2009

Contents

Directors' report

The directors of Transurban Holdings Limited, Transurban International Limited and Transurban Infrastructure Management Limited, as Responsible Entity for Transurban Holding Trust, present their report on the Transurban Group for the year ended 30 June 2009.

Group accounts

The Transurban Group financial statements have been prepared as an aggregation of the financial statements of Transurban Holdings Limited and controlled entities (THL), Transurban International Limited and controlled entities (TIL) and Transurban Holding Trust and controlled entities (THT) as if all entities operate together. They are therefore treated as a combined entity (and referred to as "the Group"), notwithstanding that none of the entities controls any of the others.

The financial statements have been aggregated in recognition of the fact that the securities issued by THL, TIL and THT are stapled together and comprise one share in THL, one share in TIL and one unit in THT (Stapled Security). None of the components of the Stapled Security can be traded separately.

Directors

With the exception of the changes noted below, the following persons were directors of Transurban Holdings Limited, Transurban Infrastructure Management Limited and Transurban International Limited during the whole of the financial year and up to the date of this report.

	Transurban Holdings Limited	Transurban Infrastructure Management Limited	Transurban International Limited
Non-executive Directors			
David J Ryan AO	✓	✓	✓
Neil G Chatfield (Appointed 18 February 2009)	✓	✓	
Geoffrey O Cosgriff	✓	✓	
Jeremy G A Davis AM	✓	✓	
Robert J Edgar (Appointed 21 July 2009)	✓	✓	
Lindsay P Maxsted	✓	✓	
Susan M Oliver (Retired 22 June 2009)	✓	✓	
Christopher J S Renwick AM (Retired 22 June 2009)	✓	✓	
Rodney E Slater (Appointed 22 June 2009)	✓	✓	
Jennifer Eve			✓
James Keyes			✓
Executive Director			
Christopher J Lynch	✓	✓	✓

Results

The consolidated net loss for the year for the Group was $16,134,000 (2008: $105,346,000), an improvement of 84.7 per cent. The net loss attributable to ordinary equity holders of the Group for the year was $24,575,000 (2008: $109,686,000), an improvement of 77.6 per cent.

Principal activities

The principal activities of the Group during the financial year were the ownership, development and operation of toll roads.

Distributions

Distributions paid to the ordinary equity holders of the Group during the financial year were as follows:

	30 June 2009 $'000	30 June 2008 $'000
Distributions proposed		
Final distribution payable and recognised as a liability: 11.0 cents (2008: 29.0 cents) per fully paid Stapled Security payable 28 August 2009	**141,095**	319,076
	141,095	319,076
Distributions paid during the year		
Final distribution for 2008 financial year of 29.0 cents (2007: 27.5 cents) per fully paid Stapled Security paid 29 August 2008	**319,076**	294,744
Interim distribution for 2009 financial year of 11.0 cents (2008: 28.0 cents) per fully paid Stapled Security paid 27 February 2009	**140,041**	303,297
Total distributions paid	**459,117**	598,041
Distributions paid in cash or satisfied by the issue of Stapled Securities under the distribution reinvestment plan during the years ended 30 June 2009 and 30 June 2008		
Paid in cash	**172,161**	396,858
Executive loans - repayments	**551**	1,535
Satisfied by issue of Stapled Securities	**286,422**	199,615
Funds available (from)/for future distribution reinvestment plans	**(17)**	33
	459,117	598,041

Review of operations

Total toll revenue increased by 7.9 per cent to $678.3 million on a statutory reporting basis. This reflects continued revenue growth across all of the Group's assets throughout the year.

Key operational highlights for the year were as follows:

CityLink (Melbourne)
Traffic volume for the year ended 30 June 2009 was 241.1 million transactions. This represented a decrease of 2.7 per cent on the prior year, reflecting the impact of heavy construction on the M1 upgrade through the year. Toll revenue increased to $368.4 million, an increase of 6.8 per cent on the prior year, this was largely driven by quarterly toll price increases.

Construction on the M1 upgrade continued throughout the year. The project is scheduled for completion in 2010.

Transurban's investment in CityLink is 100 per cent.

Hills M2 (Sydney)
Traffic volume for the year ended 30 June 2009 was 34.0 million transactions, an increase of 1.0 per cent on the prior year. Toll revenue increased by 3.5 per cent to $124.9 million driven by truck toll price increases in October 2008 and April 2009.

Transurban's investment in Hills M2 is 100 per cent.

Review of operations (continued)

M1 Eastern Distributor (Sydney) – Airport Motorway Group
Traffic volume for the year ended 30 June 2009 was 17.3 million transactions, a decrease of 0.6 per cent on the prior year. The increase in toll revenue was due to a truck toll price increase in October 2008 and the full year effect of a car toll price increase in April 2008.

Transurban's investment in the M1 Eastern Distributor is 75.1 per cent.

M4 (Sydney) – Statewide Roads Group
Traffic volume for the year ended 30 June 2009 was 40.8 million transactions, an increase of 0.6 per cent on the prior year. Toll revenue for the year was $106.2 million, an increase of 20.0 per cent on the prior year. The increase in toll revenue was due to a toll price increase for cars and motorcycles in August 2008 and the full year effect of a truck toll increase in May 2008.

The concession to toll the M4 Motorway ends on 15 February 2010. The end of concession handover to the NSW Government is on track.

Transurban’s investment in the M4 is 50.61 per cent.

M5 (Sydney) – Interlink Roads Pty Limited
Traffic volume for the year ended 30 June 2009 was 43.0 million transactions, an increase of 1.6 per cent on the prior year. Toll revenue for the year was $157.0 million, an increase of 1.3 per cent on the prior year.

Transurban’s investment in the M5 is 50.0 per cent and is accounted for as an associate.

Westlink M7 (Sydney)
Traffic volume for the year ended 30 June 2009 was 43.7 million transactions, an increase of 4.5 per cent on the prior year. Toll revenue for the year was $160.2 million, an increase of 9.2 per cent.

On 14 August 2008, Transurban exercised its pre-emptive right under the Westlink Equity Participants Deed to acquire an additional 2.5 per cent of the Westlink M7 for a consideration of $38.0 million.

Transurban’s investment in the M7 is now 50.0 per cent and is accounted for as an associate.

Pocahontas 895 (Virginia USA)
Traffic volumes for the year ended 30 June 2009 were 5.3 million transactions, a decrease of 11.6 per cent on the prior year. Toll revenue increased by 0.6 per cent to US$13.8 million (A $18.5 million, an increase of 20.1 per cent) driven by a toll price increase in January 2009.

Construction on the Richmond Airport Connector commenced in the current financial year and is expected to be completed in 2011.

Transurban’s investment in Pocahontas 895 is 75.0 per cent, held through Transurban DRIVe (our co-investment vehicle in North America). Transurban DRIVe is accounted for as an associate.

Capital Beltway Express (Virginia USA)

Construction on the Capital Beltway (I-495) High Occupancy Toll (HOT) lane project started in July 2008. Transurban and its construction partner Fluor are developing the HOT lanes under a 75 year concession agreement with the Commonwealth of Virginia. The HOT lanes are scheduled to open in late 2012.

Transurban’s investment in Capital Beltway Express is held through Transurban DRIVe. Transurban DRIVe holds 90.0 per cent equity in the project, and Transurban holds 75.0 per cent of Transurban DRIVe. Transurban DRIVe is accounted for as an associate.

Significant changes in the state of affairs

There were no significant changes to the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

On 8 July 2009, the M1 Eastern Distributor debt of $515 million, due to mature in November 2009, was refinanced. The new debt facility has been provided by six banks: Australia and New Zealand Banking Group, Bank of Tokyo Mitsubishi UFJ, Calyon Australia, Commonwealth Bank, Mizuho Corporate Bank, Ltd. Sydney Branch and Westpac Banking Corporation. The facility has a 3 year tranche (approximately 38% of the total facility), a 5 year tranche (approximately 50%) and a 7 year tranche (approximately 12%).

Matters subsequent to the end of the financial year (continued)
At the date of this report the directors are not aware of any other circumstances that have arisen since 30 June 2009 that have significantly affected, or may significantly affect, the Group's operations in future financial years, the results of those operations in future financial years, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Likely developments in the operations of the Group and the expected results of operations have not been included in these financial statements because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation

The Group is subject to environmental regulations under Australian Commonwealth and State laws and certain applicable laws in the USA. The Group maintains a comprehensive environmental management plan to monitor the performance of its motorways, and any external parties responsible for operating any of the Group's motorways, and takes remedial steps where necessary.

There were no significant breaches reported during the financial year on the Group's controlled assets.

Information on directors

David J Ryan AO, BBus, FCPA, FAICD. *Chairman & Independent non-executive director.*
David was appointed to the Board on 29 April 2003. He has a background in commercial banking, investment banking and operational business management. He has held senior executive management positions in investment banking and industry, as well as being the Chairman or a non-executive director of a number of listed public companies.

David is a non-executive director of Lend Lease Corporation Limited and non-executive Chairman of Tooth & Co Limited and ABC Learning Centres Limited (administrators appointed) (receivers and managers appointed).

At Transurban, David is Chairman of the Board, Chairman of the Nomination Committee, Chairman of the Sustainability Committee, a member of the Audit and Risk Committee and a member of the Remuneration Committee.

David holds interests in 60,945 Stapled Securities.

Christopher J Lynch B Comm, MBA, FCPA, FAICD. *Chief Executive Officer.*
Chris joined Transurban as CEO Elect in February 2008 and was appointed to the Board on 18 February 2008. He became CEO in April 2008.

Chris came to Transurban from one of the world's largest resources and mining companies, BHP Billiton. He held a series of senior appointments there, including 5 years as Chief Financial Officer. His last position at BHP Billiton was Executive Director and Group President - Carbon Steel Materials. Prior to his time at BHP Billiton the bulk of Chris' career was with Alcoa Inc where he was Vice President and Chief Information Officer (1999-2000), CFO Europe (1997-1999), Managing Director of KAAL Australia Limited (1996-1997), and before that in a series of financial leadership roles.

Chris has experience in senior leadership roles in global corporations operating across multiple markets and the development and operation of major projects with large up-front capital requirements.

Chris is also a Commissioner of the Australian Football League, and a former director of BHP Billiton Limited (January 2006 – June 2007), BHP Billiton Plc (January 2006 – June 2007), Samancor Limited (January 2006 – June 2007), and Samarco Limited (January 2006 – June 2007).

Chris holds interests in 233,041 Stapled Securities.

Neil G Chatfield M.Bus, FCPA, FAICD. *Independent non-executive director.*
Neil joined the Board on 18 February 2009. Neil is an established executive and non-executive director with experience across a range of industries. He is currently the Independent Chairman of Virgin Blue Holdings Limited and a non-executive director of Seek Limited, Whitehaven Coal Limited, and Grange Resources Limited.

Neil was most recently an Executive Director and the Chief Financial Officer of Toll Holdings Limited, Australia's largest transport and logistics company, a position he held for over 10 years.

Neil is a member of the Audit and Risk Committee and a member of the Nomination Committee.

Neil does not hold any Stapled Securities.

Information on directors (continued)

Geoffrey O Cosgriff BAppSc, Company Director Diploma, FIE(Aust), FAICD. *Independent non-executive director.*
Geoff was appointed to the Board on 19 December 2000. He has extensive experience in the information technology industry and was the Managing Director of MITS Limited for 10 years. He has also held executive management roles with Melbourne and Metropolitan Board of Works, Melbourne Water Corporation and Logica Australia Pty Ltd. He is a Council Member for Leadership Victoria and is actively engaged in a number of executive coaching and mentoring assignments.

Geoff is a non-executive director of UXC Limited and a director of Infocos Pty Limited. He was formerly a director of Logica Australia Pty Ltd (until June 2008).

Geoff is Chairman of the Remuneration Committee and a member of the Nomination Committee.

Geoff holds interests in 126,012 Stapled Securities.

Jeremy G A Davis AM BEc, MBA, MA, FAICD *Independent non-executive director.*
Jeremy was appointed to the Board on 16 December 1997 and is a Professor Emeritus of the University of New South Wales after retiring from the Australian Graduate School of Management. He was a management consultant with the Boston Consulting Group for 10 years and is a former Director of the Australian Stock Exchange Limited.

Jeremy is currently a non-executive director of Singapore Power and SP AusNet.

Jeremy is a member of the Audit and Risk Committee, a member of the Remuneration Committee and a member of the Nomination Committee.

Jeremy holds interests in 125,005 Stapled Securities.

Robert J Edgar BEc (Hons), PhD *Independent non-executive director.*
Bob was appointed to the Board on 21 July 2009. He recently retired from the ANZ Banking Group where he was Deputy Chief Executive Officer. In a 25 year career at ANZ, he also held the positions of Chief Operating Officer, Managing Director, Institutional Financial Services and Chief Economist.

Bob is currently a director of Nufarm Ltd. He is also Chairman of the Prince Henry's Institute of Medical Research.

Bob is a member of the Nomination Committee and a member of the Sustainability Committee.

Bob holds interests in 7,709 Stapled Securities.

Lindsay P Maxsted Dip Bus, FCA. *Independent non-executive director.*
Lindsay joined the Board on 1 March 2008 following his retirement as CEO of KPMG Australia. He became a partner at KPMG in 1984 and was appointed CEO in 2001. He is currently non-executive Chairman of VicRacing Pty Ltd, Managing Director of Align Capital Pty Ltd and Honorary Treasurer of Baker IDI Heart and Diabetes Institute. He is also a non-executive director of Westpac Banking Corporation and a non-executive director of St George Bank Limited.

Lindsay is Chairman of the Audit and Risk Committee, a member of the Nomination Committee and a member of the Sustainability Committee.

Lindsay does not hold any Stapled Securities.

Rodney E Slater J.D., BS *Independent non-executive director.*
Rodney joined the Board on 22 June 2009 as its first US-based member. He is currently a partner in the public policy practice group of Washington DC firm Patton Boggs, where he has led its transportation practice since 2001. He served as US Secretary of Transportation from 1997 until the end of the Clinton Administration in January 2001, and was also the head of the Federal Highway Administration between 1993 and 1996.

In the US, Rodney's current directorships include Kansas City Southern (railroads), Southern Development Bancorporation, Delta Airlines Inc, ICx Technologies Inc, and Parsons Brinckerhoff. He also served on Transurban's US Advisory Board until November 2008.

Rodney is a member of the Nomination Committee and a member of the Sustainability Committee.

Rodney does not hold any Stapled Securities.

Information on directors (continued)

Susan M Oliver B.Prop. & Const, FAICD. *Independent non-executive director (Retired 22 June 2009)*
Susan was appointed to the Board on 25 June 1996 and retired from the Board on 22 June 2009. Her experience covers private and public sector senior management roles, strategic and technology consulting and business development.

Susan is a former Senior Manager of Anderson Consulting and a former Managing Director of the Australian Commission for the Future Limited. She is currently an executive director and owner of wwite Pty Limited, and a non-executive director of Programmed Maintenance Services Limited. She was formerly a non-executive director of Just Group Limited and a non-executive director and Chairperson of the Remuneration Committee of MBF Australia Limited.

Until her retirement from the Board, Susan was Chairman of the Risk Committee, a member of the Audit Committee and a member of the Sustainability Committee and a member of the Nomination Committee.

Susan held interests in 54,522 Stapled Securities at the time of her retirement from the Board.

Christopher J S Renwick AM BA, LLB, FAIM, FAIE, FTSE. *Independent non-executive director (Retired 22 June 2009)*
Chris joined the Board on 26 July 2005 and retired from the Board on 22 June 2009. He has over 35 years' experience covering mining, operational business management and law. He is non-executive Chairman of Coal and Allied Industries Limited, and a non-executive director of DownerEDI and Sims Group Limited.

Until his retirement from the Board, Chris was Chairman of the Sustainability Committee, a member of the Risk Committee and a member of the Nomination Committee.

Chris held interests in 41,552 Stapled Securities at the time of his retirement from the Board.

Jennifer Eve BA, LLB (Hons), LLM in Corporate Law *Independent non-executive director.*
Jennifer joined the Transurban International Limited Board on 18 September 2006. She is an associate and member of the Funds and Investment Services Team within the Corporate and Commercial Practice Group at Appleby. She practices in the area of company and commercial law, specialising in the formation and administration of investment vehicles including segregated account companies, mutual funds, hedge funds, partnerships and closed-ended funds. Jennifer also has experience involving debt restructuring and intergroup restructuring. Jennifer is also a local team member of the Segregated Accounts Portfolio Team and the Global Islamic Finance Team.

Jennifer was educated in Bermuda, Canada and the United Kingdom. She holds three degrees including a Masters in Corporate Law. She is a member of the Bar of England and Wales (non-practicing) and Bermuda.

Jennifer holds no stapled securities.

James Keyes MA. (Hons) *Independent non-executive director.*
James joined the Transurban International Limited Board on 18 September 2006. He is Managing Director of Renaissance Capital. He is responsible for the Bermuda office, which he established for Renaissance in 2008. He was previously a partner at offshore law firm Appleby. He practised as a lawyer for over 15 years, specialising in mutual funds, corporate finance and securities.

James attended Oxford University in England and graduated as a Rhodes Scholar. He is a member of the Bermuda International Business Association's committee on collective investment schemes.

James holds no stapled securities.

Company secretary

Elizabeth Mildwater BEc, LLB (Hons), MA, GAICD
Elizabeth was appointed Company Secretary on 20 May 2008. Before joining Transurban she was Company Secretary of SP AusNet for three years. She has over 15 years of legal, company secretarial and other relevant experience, including significant in-house legal and company secretarial experience in the electricity transmission and project development areas. Prior to her in-house work, she was a solicitor with Australian law firms Blake Dawson Waldron and Freehills.

Brett Burns BCom, LLB
Brett is General Counsel, Australia for the Transurban Group. Brett is responsible for all Australian legal matters and also provides support to the North American business and Company Secretariat. Brett has worked with the Transurban Group for the past seven years, initially as an external legal adviser and then joining the Transurban Group in 2003.

Juliet Evans
Juliet Evans is a Corporate Administrator on the Funds and Investment Services team at Appleby Corporate Services. She holds the ICSA Certificate in Offshore Business Administration and has six years of experience in the corporate administration field. Juliet is Company Secretary of Transurban International Limited.

Meetings of directors

The number of meetings of the board of directors of Transurban Holdings Limited, Transurban International Limited and Transurban Infrastructure Management Limited held during the year ended 30 June 2009, and the number of meetings attended by each director are listed below.

Meetings of the board of directors of Transurban Holdings Limited and Transurban Infrastructure Management Limited were held jointly.

	Board of Directors Transurban Holdings Limited		Board of Directors Transurban Infrastructure Management Limited		Board of Directors Transurban International Limited	
	Attended	Held#	Attended	Held#	Attended	Held#
David J Ryan	12	12	12	12	4	4
Christopher J Lynch	12	12	12	12	4	4
Neil G Chatfield	2	2	2	2	*	*
Geoffrey O Cosgriff	12	12	12	12	*	*
Jeremy G A Davis	12	12	12	12	*	*
Lindsay P Maxsted	11	12	11	12	*	*
Susan M Oliver (Retired 22 June 2009)	11	11	11	11	*	*
Christopher J S Renwick AM (Retired 22 June 2009)	10	11	10	11	*	*
Rodney E Slater (Appointed 22 June 2009)	1	1	1	1	*	*
Jennifer Eve	*	*	*	*	3	4
James Keyes	*	*	*	*	4	4

Robert J Edgar was appointed to the Board on 21 July 2009.
= Number of meetings held during the time the director held office
* = Not a member of the relevant Board

Meetings of directors (continued)

The number of meetings of each board committee of Transurban Holdings Limited, Transurban Infrastructure Management Limited and Transurban International Limited held during the year ended 30 June 2009, and the number of meetings attended by each director are set out in the following table.

Name	Audit Committee (1)(2)		Remuneration Committee (3)		Nomination Committee (4)		Risk Committee (1)(5)		Sustainability Committee (6)	
	Attended	Held#	Attended	Held#	Attended	Held#	Attended	Held#	Attended	Held#
David J Ryan	4	4	5	5	4	4	3	*	*	*
Christopher J Lynch	4	*	5	*	4	*	4	*	3	*
Neil G Chatfield	1	*	1	*	1	*	1	*	*	*
Geoffrey O Cosgriff	3	*	5	5	4	4	4	4	*	*
Jeremy G A Davis	4	4	5	5	4	4	1	*	*	*
Lindsay P Maxsted	4	4	3	*	4	4	3	1	3	3
Susan M Oliver (Retired 22 June 2009)	4	1	1	*	4	4	4	4	3	3
Christopher J S Renwick AM (Retired 22 June 2009)	1	*	3	*	4	4	2	4	3	3
Rodney E Slater (Appointed 22 June 2009)	*	*	*	*	*	*	*	*	*	*
Jennifer Eve	*	*	*	*	*	*	*	*	*	*
James Keyes	*	*	*	*	*	*	*	*	*	*

Robert J Edgar was appointed to the Board on 21 July 2009.

= Number of meetings held during the time the director held office and was a member of the committee during the year
* = Not a member of the relevant committee

(1) - Effective 23 June 2009, the Audit Committee and the Risk Committee were combined to form the Audit and Risk Committee. Refer to the Corporate Governance Statement for further information.

(2) - Geoffrey Cosgriff, Christopher Renwick, Chris Lynch and Neil Chatfield were not members of the Audit Committee but attended meetings during the year. Susan Oliver became a member of the Audit Committee on 17 February 2009. Neil Chatfield became a member of the new Audit and Risk Committee on 23 June 2009.

(3) - Lindsay Maxsted, Susan Oliver, Christopher Renwick, Chris Lynch and Neil Chatfield were not members of the Remuneration Committee but attended meetings during the year. Chris Lynch was excluded from discussions involving his remuneration during meetings of the Remuneration Committee which he attended.

(4) - Chris Lynch was not a member of the Nomination Committee but attended meetings during the year. Neil Chatfield and Rodney Slater became members of the Nomination Committee on 23 June 2009.

(5) - David Ryan, Jeremy Davis, Chris Lynch and Neil Chatfield were not members of the Risk Committee but attended meetings during the year. Lindsay Maxsted became a member of the Risk Committee on 17 February 2009. Neil Chatfield became a member of the new Audit and Risk Committee on 23 June 2009.

(6) - Chris Lynch was not a member of the Sustainability Committee but attended meetings during the year. David Ryan was appointed Chair of the Sustainability Committee and Rodney Slater became a member of the Sustainability Committee on 23 June 2009.

Remuneration report

The Remuneration Report is presented under the following sections:

A Introduction

The Directors of the Transurban Group present the Remuneration Report prepared in accordance with the requirements of the *Corporations Act 2001* and its Regulations. The information has been audited as required by section 308(3C) of the *Corporations Act 2001*.

For the purposes of this report, Key Management Personnel of the Transurban Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Transurban Group directly or indirectly. They include all Directors of the Group (executive and non-executive) and members of the Executive Committee reporting to the CEO who have authority and responsibility for planning, directing and controlling the activities of the Group. The combined group of these executives (which also includes the five highest paid executives) of the Group are referred to as Senior Executives in this report.

B Board oversight of remuneration

Remuneration Committee

The Board Remuneration Committee of the Transurban Group is responsible for making recommendations to the Board on director and senior executive remuneration policy and structure.

The Remuneration Committee assesses the appropriateness of the nature and quantum of remuneration of executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the attraction and retention of a high performing director and executive team.

Review of remuneration strategy

The Group reviewed its remuneration strategy during the year and reaffirmed value creation as the key measure of the reward framework.

As a result of the review, the Board removed the Business Generation Incentive Plan from the framework. Performance measures in Executive incentive schemes were also reviewed with a focus on maximising shareholder value in the short and long term. Appropriate measures and targets have been implemented which maintain emphasis on earnings growth, shareholder return and other key goals over the next three years.

Through these challenging external market conditions, attracting and retaining highly skilled people remains a fundamental goal of the Group. To this end, Transurban recognises that removing key people of calibre from their existing reward arrangements in other companies may be required. The Group also recognises the need to retain and reward those employees with responsibility to oversee future growth opportunities. The remuneration strategy has sufficient flexibility to accommodate these needs where appropriate.

C Group performance and the link to remuneration

Each element of the Remuneration framework is linked to the Group’s financial performance. Changes to fixed pay are determined by an employee’s performance and by the Group’s capacity to pay. Short Term Incentives (STIs) also require individual performance but are heavily determined by the Group’s EBITDA results. Long Term Incentives (LTIs) are determined through the use of dual performance measures, EBITDA and Total Shareholder Return (TSR). Performance hurdles for both STIs and LTIs are reviewed and determined annually so as to clearly identify expected improvements to the Group’s performance.

Remuneration report (continued)

D Overview of Transurban's Executive Remuneration arrangements

Remuneration strategy and objectives

Transurban's remuneration objective is to attract, retain, motivate and reward employees who are critical to the continued growth and success of the Group.

The Group's reward framework is designed to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group. The key objectives are to:

- Offer competitive remuneration benchmarked against the external market;
- Provide strong and transparent linkages between individual and Group performance and rewards;
- Reward executives for Group and individual performance against targets set by reference to appropriate benchmarks;
- Align the interests of executives with those of security holders by aligning incentives with increased security holder value; and
- Encourage executive security holdings.

Executive remuneration structure

The following table illustrates the structure of Transurban's executive remuneration arrangements:

Remuneration Items		Plans	Conditions	
Variable or 'at risk' remuneration	Long term incentive	Performance Awards Plan (PAP)	Relative TSR hurdle (50%)	Proportional EBITDA hurdle (50%)
		Executive Equity Plan (EEP)	3 year time-restricted equity	
	Short term incentive cash awards		EBITDA target (50%)	Individual KPIs (50%)
Total fixed remuneration	Benefits		Set with reference to role, market and experience	
	Base salary			

* Proportional EBITDA is earnings before net finance costs (revenues and expense), tax, depreciation and amortisation. It includes EBITDA from CityLink (100%), Hills M2 (100%), M1 Eastern Distributor (75.1%), M4 (50.61%), M5 (50%), M7 (50%) and DRIVe (75% including Pocahontas).

Total fixed remuneration

Total fixed remuneration is represented by Total Employment Cost (TEC), comprising cash, superannuation, and prescribed benefits including death and disability insurance, salary continuance insurance and car parking.

Variable or 'at risk' remuneration

Variable remuneration is the link between remuneration and performance. As executives progress in seniority, the proportion of remuneration which is dependent on the performance of the Group increases.

Remuneration report (continued)

Short term incentives

Short term incentives (STI) comprise cash awards tied to individual and group performance indicators. Performance measures for short term incentives are based around company and individual performance. Performance measures for short term incentives are heavily oriented towards financial performance. Other non-financial performance metrics are also included to ensure a broader performance outcome. Group and individual performance measures are set annually and may vary from year to year to allow the Group to establish the most appropriate measures based on business circumstances at the time of setting these measures.

Long term incentives

Long term incentives (LTI) comprise both a Performance Awards Plan (PAP) and an Executive Equity Plan (EEP). The Performance Awards Plan is designed to encourage sustainability of performance in the medium to longer term and is assessed over a period of three years. The plan provides equity-based remuneration which vests subject to Transurban Group's earnings and relative total security holder return performance.

The EEP is designed to encourage executive retention and security holding of this group of employees. Eighty per cent of an executive's LTI allocation is granted in the PAP with the remaining twenty per cent granted in EEP. Details of the LTI are provided on page 37.

Hedging of equity awards

The Group prohibits executives from entering into arrangements to protect the value of unvested equity awards. This includes entering into derivative contracts to hedge their exposure to options or securities granted as part of their remuneration package.

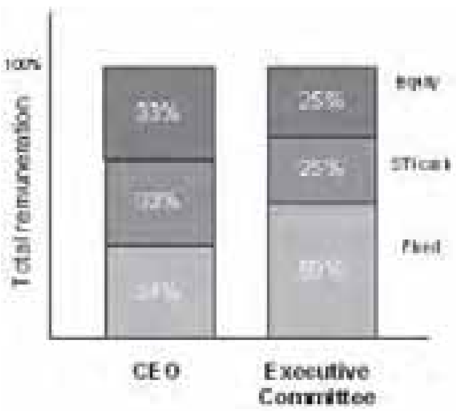
E CEO and Senior Executive arrangements for the year ended 30 June 2009

Determining remuneration levels

The remuneration of the Chief Executive Officer (CEO) and executives is established by the Board, based on the recommendation of the Remuneration Committee. Transurban also undertakes an annual remuneration review to determine the total remuneration positioning against the market.

Remuneration mix

The CEO's remuneration mix comprises 34% fixed remuneration as a proportion of total remuneration, 33% on target short term cash incentives, and 33% equity based incentives. The Executive Committee's remuneration mix comprises 50% fixed remuneration as a proportion of total remuneration, 25% on target short term cash incentives, and 25% equity based incentives. The composition of remuneration is illustrated in the diagram below.



Remuneration report (continued)

Total Fixed Remuneration

Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating additional cost for the Group.

There are no guaranteed base pay increases in any executive's contract of employment. An executive's TEC is reviewed annually by the Remuneration Committee against market data for comparable roles and taking account of internal relativities. The process consists of a review of Group and individual performance, relevant comparative remuneration externally and internally and, where appropriate, independent external advice on policies and practices.

In the 2010 financial year, the Group anticipates restraint in fixed remuneration increases. A freeze in fixed pay has been implemented for financial year 2010 for the CEO, Executive Committee and other senior managers. Any increases for the broader workforce will be targeted to improving internal equity, rewarding high performers and to facilitate succession planning.

2009 Short term incentive structure

The Remuneration Committee considers that a robust performance management system is essential in ensuring a strong link between remuneration and performance. As a result the short term incentive (STI) structure is based on a transparency and accountability model, with a reward mechanism based on goal setting and the employee's line of sight to business performance. The STI comprises cash awards that are received subject to the attainment of clearly defined Group and individual hurdles.

STI payments are made to executives for the achievement of financial and non-financial targets set at the beginning of each financial year, subject to Board discretion. A target STI amount is specified for each executive, expressed as a percentage of the executive's TEC. The CEO has an annual STI target of 100% of TEC. The target STI payment for senior executives is 50% of TEC.

Actual STI payments to each executive depend on the extent to which specific targets set at the beginning of the financial year are met. The measures represent key drivers for the success of the business and shared values for the key management personnel.

For the 2009 financial year, the measures comprise:

Performance measure	Proportion of STI award hurdle applies to	Performance target
Group performance	50% of each individual's target STI award	Proportional EBITDA target which is established by the Board at the commencement of each year based on the Group's budget.
Individual performance key performance indicators (KPIs)	50% of each individual's target STI award	KPIs are established at the beginning of each year with the CEO for his executive team and the Board for the CEO.

On an annual basis, after consideration of performance against targets, the CEO recommends to the Remuneration Committee the STI amount (if any) to be paid to each executive. The committee then recommends the amount to the board for approval. The STI awards are usually paid in August/September following Transurban's annual performance review process. For each component of the award, 50% of the target amount vests at threshold performance relative to budget, 100% of target vests for achievement of target performance and an additional 50% above target can be earned for a predetermined level of outperformance.

The Executive Committee shared five individual Key Performance Indicators (KPI) being Cost Management plus the establishment and implementation of improvement plans in the areas of Sustainability, Risk Management, People Management and Safety. These KPIs comprised 25% of the available STI reward. Improvement in the management of these business activities was identified as critical to the future success of the Group following a period of acquisition in prior years. The Board determined that the Executive Committee either met or exceeded each of the shared KPIs. Cost savings have been achieved beyond the expected targets. There has been significant improvement in the other four KPI's evidenced by the Board in new or updated policies, procedures and reporting frameworks. A safety and risk management culture has been embedded and control effectiveness measures put in place. People related performance planning and review processes have been fully complied with and the Group's sustainability agenda has been clarified and deployed.

Remuneration report (continued)

Individual KPIs, representing the remaining 25% of the reward, were unique to an Executive's area of accountability. The Board reviewed the achievement of these KPIs in determining the Executive's STI reward for 2009. Overall the Board consider that the Executive Committee have performed well against the targets set for the year.

2009 Long term incentive structure

Long term incentive (LTI) grants may be awarded annually to executives based on performance to provide an incentive for future performance and in order to align remuneration with the creation of security holder wealth.

For the 2009 financial year, the CEO and CFO received an LTI allocation of 100% of TEC and senior executives received an LTI of 50% of TEC. Eighty per cent of the LTI allocation was granted in the Performance Awards Plan with the remaining twenty per cent (or a minimum value of $100,000 whichever was the greater) granted in the Executive Equity Plan.

2009 Performance Awards Plan

The Performance Awards Plan (PAP) is a modified version of the 2008 Performance Rights Plan (PRP). Under the PAP eligible executives, including those outside Australia, receive a grant of Performance Awards which entitles participants to receive securities at no cost subject to the achievement of performance conditions. The Board has discretion as to the form of the award at the end of the performance period and may grant cash payments of equivalent value. No dividends or distributions on securities are payable to participants prior to vesting.

Awards were first made under the PAP on 1 November 2008. The tables on pages 47 and 48 provide details of rights granted and the value of rights granted, exercised and lapsed during the year.

Dual performance measures (an earnings measure and relative total security holder return) apply to Performance Awards. The use of dual measures balances the need to improve the underlying performance of the business over the long term as well as achieve appropriate returns relative to the market.

These measures are as follows:

1. A Proportional EBITDA hurdle applies to 50% of the Performance Award. Proportional EBITDA is earnings before net finance costs (revenues and expense), tax, depreciation and amortisation. It includes EBITDA from CityLink (100%), Hills M2 (100%), M1 Eastern Distributor (75.1%), M4 (50.61%), M5 (50%), M7 (50%) and DRIVe (75% including Pocahontas). As this plan is a long term plan, the proportional EBITDA measure will be adjusted to include or exclude the relevant EBITDA from acquisitions and divestments that may occur after the Base Year. In addition, any gain or loss arising from the investment in ConnectEast will be excluded.

This operational measure was chosen to reflect Transurban's underlying business goal of sustainable growth in earnings of existing operations in order to improve security holder value.

2. A relative Total Security holder Return (TSR) hurdle applies to 50% of the Performance Award. From 1 November 2008, Transurban's comparator group for the TSR measure is the S&P/ASX 100 constituents at the date of grant. This peer group reflects the Group's competitors for security holder capital and talent.

TSR measures total return on investment of a security, taking into account both capital appreciation and distributed income. It assumes a notional reinvestment of distributions paid on the security (on a pre-tax basis) in additional securities, at the market price on the day before the securities begin trading ex the relevant distribution. The Group's performance against the hurdle is determined according to Transurban Group's ranking against the TSR growth of the peer group over the three year performance period. A volume weighted average price of securities for the one week up to and including the testing date is used to calculate TSRs.

Relative TSR was selected as a performance hurdle as it ensures an alignment between comparative security holder return and reward for executives.

Remuneration report (continued)

The vesting schedule and performance hurdles for the Performance Awards are as follows:

Performance measure	**Proportion of Performance Award hurdle applies to**	**Performance target**	**% of award vesting**
Proportional EBITDA	50%	5% compound proportional EBITDA annual growth over the three year performance period from the Base Year*	50% of the proportional EBITDA award
		9% compound proportional EBITDA annual growth	100% of the proportional EBITDA award
		Between 5-9% proportional EBITDA growth	Straight line vesting between 50-100% of the proportional EBITDA award
TSR	50%	TSR is ranked at or below the 50th percentile of the comparator group constructed in the Base Year**, tested at the end of each of the three year performance period	0% of the TSR award
		TSR is ranked above the 50th percentile of the comparator group	50% of the TSR award
		TSR is ranked at or above the 75th percentile	100% of the TSR award
		TSR is ranked above the 50th percentile but below the 75th percentile	Straight line vesting between 50-100% of the TSR award

* For the 2009 grant this is the 2008 financial year full year actual proportional EBITDA.
** For the 2009 grant this is the TSR comparator group constructed at the date of grant.

The EBITDA target has been reviewed and adjusted to reflect the new ‘proportional EBITDA’ measure which is ring fenced to current operations.

Performance Awards were granted on 1 November 2008 with a three year vesting period. The awards are tested at the end of each year. If the performance measures are satisfied for the year, one third of the awards are preserved until the end of the three year period. At the end of the three years a cumulative test of the performance measures is applied to any unvested awards.

No retesting is available after the three year performance period. In the event of a change of control of the Group, automatic vesting of awards occurs.

2009 Executive Equity Plan

Equity awards are granted under the Executive Equity Plan (EEP) based on executives’ performance and are designed to encourage retention of executives while focusing on business excellence. The EEP also aligns with Transurban’s remuneration philosophy of encouraging executive security holding.

Individuals who are high performers and in business critical roles are nominated for awards for their past contribution and expected future performance. Board approval is required to grant EEP awards to nominated executives.

Under the EEP, eligible executives receive a grant of stapled securities in the Transurban Group (”securities”) at no cost that are subject to disposal restrictions for three years from the grant date. Participants are entitled to distributions paid on their Securities during the restriction period. If the executive ceases employment with Transurban during the restriction period, their Securities will be forfeited unless the Board decides otherwise.

Awards were first made under the EEP on 1 November 2008. The tables on pages 47 and 48 provide details of awards.

Remuneration report (continued)

Executives outside Australia

In light of US taxation implications, the overseas plan has been adapted to mirror the security awards under EEP with a grant of Performance Rights. Eligible executives based outside Australia receive a grant of Performance Rights at no cost which entitles participants to receive Securities which vest at the end of the vesting period of three years. Cash in lieu of distributions on the Securities is payable to participants during the vesting period. If the executive ceases employment with Transurban prior to the vesting date, their unvested Performance Rights will be forfeited.

All Employee Plans

The Group operated three broad employee-based security plans, the ShareLink Investment Tax Exempt Plan, the ShareLink Investment Tax Deferred Plan and the ShareLink Incentive Plan. These plans were offered to the Group's permanent employees, including executives.

ShareLink Investment Tax Exempt Plan (ITEP)

The ITEP provided employees the opportunity to invest, on a tax-exempt basis, up to $1,000 per annum, of which half is contributed by the Group. This plan was suspended in May 2009 following changes to taxation announced in the Federal budget. The Group intends to reactivate this plan with required modifications once the proposed legislation has been enacted.

ShareLink Investment Tax Deferred Plan (ITDP)

The Investment Tax Deferred Plan provided employees the opportunity to purchase securities, on a tax-deferred basis using pre-tax salary. There is no cap on the amount of salary an employee may elect to contribute and the company provided a matching contribution on a dollar-for-dollar basis to a maximum of $3,000 per annum. This plan was suspended in May 2009 following changes to taxation announced in the Federal budget. The Group also intends to reactivate this plan with required modifications once the proposed legislation has been enacted.

ShareLink Incentive Plan (IP)

In 2009 an allocation of 100 securities at no cost was made to each of the 453 eligible employees in recognition of the Group's prior year performance.

Legacy plans

Transurban has a number of schemes which no longer operate as open plans but under which some Key Management Personnel have outstanding entitlements. No grants were made in the 2009 financial year under any of the legacy plans. Refer to page 48 for details of the legacy plans.

F Contractual arrangements of executive directors and senior executives

Remuneration for the Chief Executive Officer (CEO) and key management personnel are formalised in service agreements. Each of these agreements provides for access to performance related STI payments and other benefits as described above. Although not specified in agreements, executives may be nominated to participate in executive long term incentive plans (or equivalent cash plans for those executives located outside Australia).

Other key details of the agreements relating to remuneration are provided below:

Chief Executive Officer

The Chief Executive Officer (CEO) is employed under an ongoing contract. The current employment contract commenced on 4 February 2008.

Under the terms of the present contract:

- The CEO received fixed remuneration of $2,080,000 per annum, which is reviewed prior to 30 June each year;
- A short term incentive payment of $2,800,000 will be made in September 2009. For subsequent years, the STI target will be 100 per cent of annual TEC. The payment will be the greater of actual performance based on the achievement of business or individual KPIs or 50 per cent of annual TEC;
- An award under the Executive Equity Plan to the value of $416,000 was made on 1 November 2008;

Remuneration report (continued)

- An allocation of Performance Awards to the value of $1,664,000 was granted on 1 November 2008. The Performance Awards will be subject to performance conditions and will vest three years from grant date;
- The CEO's Performance Awards allocation is derived by using an option valuation methodology. A modified Black Scholes with Monte Carlo simulations was adopted for the FY09 allocation. The number of Performance Awards will be derived by dividing the CEO's remuneration value by this valuation;
- The CEO has a contractual entitlement to post-employment vesting of Long Term Incentives.

The CEO's termination provisions are as follows:

- The CEO may resign from his position and thus terminate this contract by giving six months' written notice. Upon termination, the CEO is entitled to retain any unvested LTIs, which will vest in accordance with the performance conditions under the Performance Awards Plan (PAP) as at the time of the allocation.
- The Group may terminate this employment agreement by providing twelve months' written notice or providing payment in lieu of the notice period (based on the fixed component of the CEO's remuneration). Upon termination on notice by the Group, the CEO is entitled to retain any unvested LTIs, which will vest in accordance with the performance conditions under the Performance Awards Plan (PAP) as at the time of the allocation.
- The Group may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs the CEO is only entitled to that portion of remuneration that is fixed, and only up to the date of termination. Upon termination with cause any unvested LTIs will immediately be forfeited.

Other key management personnel

All other key management personnel have ongoing contracts. Total Employment Cost (TEC) for these executives is reviewed annually by the Remuneration Committee and approved by the Board.

Executive termination provisions are as follows:

- The executive may terminate their contract by giving three months' written notice.
- The Group may terminate the executive's employment agreement by providing six months' written notice or providing payment in lieu of the notice period (based on the fixed component of the executive's remuneration). Upon termination on notice by the Group, any LTIs that have vested will be released. LTIs that have not yet vested will be forfeited.
- The Group may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs the executive is only entitled to that portion of remuneration that is fixed, and only up to the date of termination. Upon termination with cause, any unvested LTIs will immediately be forfeited.

In addition to the above terms and conditions, the Key Management Personnel service agreements include the following:

Ken Daley

- A contracted bonus equal to $1,000,000 to be paid on 30 June 2010, subject to meeting performance conditions in relation to Transurban's North American business established at the commencement of the arrangement in June 2007. The performance conditions underlying the bonus are tracking on target.
- Access to any unvested long-term incentives (pro-rated based on time served) subject to stipulated performance criteria.

Michael Kulper

- A bonus arrangement for the completion of the I-95 project which expired without payment on 30 June 2009.

Tom Honan

- A sign-on award equal to $1,000,000 received on commencement. Tom Honan received this award 75% in cash and 25% in Transurban equity purchased on market using a 5 day volume weighted average price of $5.3028.
- For the 2009 year only, Tom Honan's Performance Incentive will equal 100% of TEC as a guaranteed payment, subject to remaining an employee when Performance Incentives are awarded. In subsequent years Tom Honan's target will be 50% of TEC payable at the discretion of the Group.

Remuneration report (continued)

- In November 2008 Tom Honan received an allocation of Long Term Incentives to the value of $1,000,000. In subsequent years the target value will be 50% of TEC.

The Group determined that the arrangements above were necessary to attract Tom Honan from his existing position.

G Non-executive director (NED) remuneration

Policy

The Board seeks to set aggregate remuneration at a level that provides the Transurban Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to security holders.

The amount of aggregate remuneration sought to be approved by security holders and the fee structure is reviewed annually. The board considers advice from external consultants as well as the fees paid to NEDs of comparable companies when undertaking the annual review process.

The constitution and the ASX listing rules specify that the aggregate remuneration of NEDs shall be determined from time to time by a general meeting. The latest determination was at the annual general meeting (AGM) held on 29 October 2007 when security holders approved an aggregate remuneration of $2.1 million per year. The Board is not seeking to increase the aggregate remuneration at the 2009 AGM.

The remuneration of NEDs consists of director’s fees and committee fees. NEDs are not eligible to receive any performance based compensation.

Non-executive director fee structure

Each non-executive director of THL receives a base fee of up to $140,000 for being a director of the Group, apart from the Chairman who receives a fee of up to three times this amount. An additional fee is also paid for each board committee on which a NED sits (ranging from $10,000 to $30,000 for participation in or chairing a sub-committee), apart from the Chairman who does not receive additional fees for chairing or participating in board committees. The payment of additional fees for serving on a committee recognises the additional time commitment required by NEDs who serve on one or more sub committees.

The constitutions of the entities comprising the Transurban Group provide that the total remuneration paid in a year to non-executive directors may not exceed $2.1 million in total for the Group.

In September 2005, the Board resolved to discontinue previously provided retirement benefits for NEDs with effect from 30 September 2005, such that future directors were not entitled to this benefit. The value of benefits accrued up to this date attracts interest at the statutory fringe benefits rate. The accrued `frozen’ retirement benefits plus interest will be paid to directors upon their retirement.

The remuneration of NEDs for the period ending 30 June 2009 and 30 June 2008 is detailed in the tables on pages 43 and 44 of this report.

Equity participation

The Group encourages NEDs to hold Transurban Securities. Under the ShareLink Investment Tax Deferred Plan, approved by security holders at the AGM held on 27 October 2008, NEDs were able to sacrifice a portion of their director fees to acquire Transurban securities through a tax-deferred arrangement. The maximum contribution is capped at 50% of pre-tax NED fees and the company does not provide a matching contribution for NEDs. Transurban equities are purchased on behalf of the participating NEDs and employees based on a pre-determined timeframe and frequency.

This arrangement is in line with the Group’s overall remuneration philosophy and market practice and aligns NEDs with security holder interests.

This plan was suspended in May 2009 following the budget changes to taxation arrangements on shareplans, resulting in no Security purchases over the 2009 financial year. The Group intends to reactivate this plan with required modifications once the proposed legislation has been enacted.

Remuneration report (continued)

H Director and key management personnel remuneration and other disclosures

Details of the remuneration of directors, key management personnel (as defined in AASB 124 Related Party Disclosures) and specified executives of the Group are set out on page 43.

Key management personnel

For the purposes of this report, key management personnel of the Transurban Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Transurban Group, directly or indirectly. They include all Directors of the parent (executive and non-executive) and members of the Executive Committee reporting to the CEO who have authority and responsibility for planning, directing and controlling the activities of the Group.

The Key Management Personnel of the Group are the Directors as per page 25 and the following executives:

- B Bourke - Chief Operating Officer
- D Cardiff - Group General Manager, Human Resources
- K Daley - President, International Development
- M Fletcher - Group General Manager, Public Affairs
- A Head - Group General Manager, Strategy and Corporate Development
- S Hogg - Treasurer
- T Honan - Chief Financial Officer (commenced 15 October 2008)
- M Kulper - President Transurban North America
- E Mildwater - Chief Legal Counsel and Company Secretary

Remuneration report (continued)

Remuneration table

Remuneration of key management personnel, who included the five highest paid executives of the Company and the Group:

2009	Short-term employee benefits				Post-employment benefits		Long-term benefits	Term-ination Benefits	Share-based payments			
Name	Cash salary and fees $	Value of equities acquired in lieu of cash salary/fees $	Cash Bonus $	Non-Monetary benefits $	Super-annuation $	Retirement benefits [3] $	Long service leave $	$	Executive Loan Plan (a) $	PRP/PAP (b) $	EEP (c) $	Total $
Non-executive directors												
D Ryan	385,306	-	-	-	34,694	-	-	-	-	-	-	420,000
N Chatfield	51,035	-	-	-	4,593	-	-	-	-	-	-	55,628
G Cosgriff	165,131	-	-	-	14,869	14,192	-	-	-	-	-	194,192
J Davis	158,760	-	-	-	24,000	23,642	-	-	-	-	-	206,402
R Edgar	-	-	-	-	-	-	-	-	-	-	-	-
L Maxsted	174,399	-	-	-	15,696	-	-	-	-	-	-	190,095
S Oliver[1]	166,367	-	-	-	14,973	26,554	-	-	-	-	-	207,894
C Renwick	119,293	-	-	-	56,778	-	-	-	-	-	-	176,071
R Slater	4,098	-	-	-	-	-	-	-	-	-	-	4,098
J Eve	47,030	-	-	-	-	-	-	-	-	-	-	47,030
J Keyes	47,030	-	-	-	-	-	-	-	-	-	-	47,030
Sub-total non-executive directors	**1,318,449**	**-**	**-**	**-**	**165,603**	**64,388**	**-**	**-**	**-**	**-**	**-**	**1,548,440**
Executive directors												
C Lynch	1,980,839	-	2,800,000	36,881	100,000	-	-	-	-	404,265	75,093	5,397,078
Other key management personnel												
B Bourke	635,976	-	329,800	7,845	100,241	-	15,913	-	88,498	217,564	18,051	1,413,888
D Cardiff	344,033	-	314,500	-	57,042	-	16,198	-	20,303	82,038	18,051	852,165
K Daley	658,635	-	383,400	97,354	94,694	-	46,917	-	-	181,986	18,051	1,481,037
M Fletcher	274,381	-	163,600	6,301	28,319	-	15,327	-	1,679	47,003	18,051	554,661
A Head	368,033	-	204,500	-	33,042	-	16,419	-	12,850	62,254	18,051	715,149
S Hogg	355,355	-	170,000	-	31,900	-	-	-	-	19,436	14,440	591,131
T Honan[2]	690,950	250,000	1,750,000	-	36,226	-	-	-	-	194,358	36,103	2,957,637
M Kulper	1,235,047	-	630,022	-	110,949	-	72,102	-	-	244,528	22,575	2,315,223
E Mildwater	322,142	-	217,000	-	28,911	-	-	-	-	24,295	18,051	610,399
Total	**8,183,840**	**250,000**	**6,962,822**	**148,381**	**786,927**	**64,388**	**182,876**	**-**	**123,330**	**1,477,727**	**256,517**	**18,436,808**

(a) The amounts disclosed as remuneration is that part of the value of the Executive Loan Plan benefit which is attributable to the current year portion of the vesting period.

(b) The amounts disclosed as remuneration is that part of the value of the Performance Rights Plan benefit and Performance Awards Plan benefit which is attributable to the current year portion of the vesting period.

(c) The amounts disclosed as remuneration is that part of the value of the Executive Equity Plan benefit which is attributable to the current year portion of the vesting period.

(1) Susan Oliver retired on 22 June 2009 and received payment of $405,134 in retirement benefits.

(2) Tom Honan elected to receive part of his sign-on award in Transurban securities which were purchased on market.

(3) Retirement benefits were frozen for all participating non-executive directors at their current levels up to 30 September 2005. Interest accrues on director entitlement balances at 7.05 per cent per annum.

Remuneration report (continued)

2008	Short-term employee benefits				Post-employment benefits		Long-term benefits	Termination Benefits	Share-based payments		
Name	Cash salary and fees $	Value of equities acquired in lieu of cash salaries/fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Retirement benefits # $	Long service leave $	$	Executive Loan Plan (a) $	Performance Rights Plan (b) $	Total $
Non-executive directors											
D Ryan	385,484	-	-	-	34,694	-	-	-	-	-	420,178
G Cosgriff	165,208	-	-	-	14,869	14,192	-	-	-	-	194,269
J Davis	166,070	-	-	-	20,000	23,642	-	-	-	-	209,712
L Maxsted	49,715	-	-	-	4,474	-	-	-	-	-	54,189
S Oliver	165,208	-	-	-	14,869	27,160	-	-	-	-	207,237
C Renwick	110,047	-	-	-	70,000	-	-	-	-	-	180,047
J Eve	10,000	-	-	-	-	-	-	-	-	-	10,000
J Keyes	10,000	-	-	-	-	-	-	-	-	-	10,000
Executive directors											
C Lynch(1)(3)	821,020	1,000,000	2,000,000	3,763	15,000	-	-	-	-	-	3,839,783
K Edwards(4)	1,289,868	-	9,218,000	-	100,000	-	86,233	5,249,395	529,631	191,405	16,664,532
Other key management personnel											
C Brant(7)	689,552	-	702,000	9,020	61,953	-	17,231	571,891	133,138	104,776	2,289,561
B Bourke(1)	633,182	750,000	557,300	8,480	51,627	-	28,478	-	119,075	97,292	2,245,434
D Cardiff	270,889	-	250,000	-	50,433	-	15,977	-	28,835	28,737	644,871
K Daley	454,420	-	1,416,200	-	100,000	-	29,482	-	(124,921)	42,641	1,917,822
M Kulper	478,842	-	2,616,927	-	38,700	-	22,401	-	(142,201)	41,668	3,056,337
G Mann(5)	236,090	-	-	-	6,470	-	-	643,191	49,386	8,217	943,354
P O'Shea(6)	409,910	-	586,000	9,020	96,190	-	(8,124)	495,580	93,202	82,323	1,764,101
Total	**6,345,505**	**1,750,000**	**17,346,427**	**30,283**	**679,279**	**64,994**	**191,678**	**6,960,057**	**686,145**	**597,059**	**34,651,427**

(a) The amounts disclosed as remuneration is that part of the value of the Executive Loan Plan benefit which is attributable to the current year portion of the vesting period.

(b) The amounts disclosed as remuneration is that part of the value of the Performance Rights Plan benefit which is attributable to the current year portion of the vesting period.

(1) Chris Lynch and Brendan Bourke elected to receive part of their fixed remuneration in Transurban securities which were purchased on market.

(2) Retirement benefits were frozen for all participating non-executive directors at their current levels up to 30 September 2005. Interest accrues on director entitlement balances at 7.05 per cent per annum.

(3) Chris Lynch joined the Group on 4 February 2008 as CEO elect and subsequently became CEO on April 5.

(4) Kim Edwards was the Managing Director from 1 July 2007 until his retirement on 4 April 2008. Kim Edwards' cash bonus comprised a short term incentive payment of $1,000,000, a Strategic Milestone Incentive Plan bonus of $5,000,000 and a Business Generation Plan Incentive of $3,218,000. Kim Edwards' termination payment included the following contractual and statutory payments: $2,470,000 being 1.3 times of fixed remuneration, $2,139,194 being all statutory leave entitlements and notice in lieu of unexpired portion of his employment contract (from 5 April 2008 to 21 February 2009), and $640,200 being cash payment in lieu of the expiration of long term incentives.

(5) Gary Mann was the Group General Manager Development from 1 July 2007 until his resignation on 23 November 2007. Gary Mann's termination payment included a statutory payment of $43,191 and a termination payment of $600,000.

(6) Paul O'Shea was the Group General Manager Legal and Risk Management during the year ended 30 June 2008 and departed the Group on 14 July 2008. Paul O'Shea's termination payment totalled $495,580.

(7) Chris Brant was the Chief Finance Officer during the year ended 30 June 2008 and departed the Group on 29 August 2008. Mr Brant's termination payment totalled $571,891.

Remuneration report (continued)

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed remuneration		At risk -STI		At risk - LTI	
	2009	2008	**2009**	2008	**2009**	2008
Executive Directors						
C Lynch	**34%**	34%	**33%**	33%	**33%**	33%
Other key management personnel						
B Bourke	**50%**	50%	**25%**	25%	**25%**	25%
D Cardiff	**50%**	60%	**25%**	20%	**25%**	20%
K Daley	**50%**	50%	**25%**	25%	**25%**	25%
M Kulper	**50%**	50%	**25%**	25%	**25%**	25%
M Fletcher	**50%**	-	**25%**	-	**25%**	-
A Head	**50%**	-	**25%**	-	**25%**	-
S Hogg	**60%**	-	**20%**	-	**20%**	-
T Honan	**50%**	-	**25%**	-	**25%**	-
E Mildwater	**50%**	-	**25%**	-	**25%**	-

STI payments for 2008 and 2009 financial years

For the 2008 financial year, 100% of the STI as previously accrued in that period vested to executives and was paid in the 2009 financial year.

For each STI payment to the Key Management Personnel listed in the tables below, the percentage of the available STI that will be paid and the percentage that will be forfeited because the person did not meet his or her performance criteria, are set out below. No part of the STI is payable in future years.

	Target STI	
	Paid **%**	**Forfeited** **%**
Executive directors		
C Lynch	135	-
Other key management personnel		
B Bourke	90	10
D Cardiff	157	-
K Daley	102	-
M Kulper	102	-
M Fletcher	102	-
A Head	102	-
S Hogg	106	-
T Honan	100	-
E Mildwater	109	-

Remuneration report (continued)

Equity instruments

Value of equity instruments granted, exercised and lapsed

Long term incentive awards to KMP:

		(A) Remuneration %	(B) Value at grant date $	(C) Value at exercise date $	(D) Value at lapse date $
C Lynch	Performance Awards Plan 2009	80	1,830,884	-	-
	Executive Equity Plan 2009	20	340,093	-	-
B Bourke	Executive Loan Plan 2006	30	142,500	-	-
	Executive Loan Plan 2007	40	220,000	-	-
	Performance Rights Plan 2008	50	325,000	-	-
	Performance Awards Plan 2009	40	323,485	-	-
	Executive Equity Plan 2009	10	81,753	-	-
D Cardiff	Executive Loan Plan 2006	20	40,000	12,742	-
	Executive Loan Plan 2007	20	44,000	-	-
	Performance Rights Plan 2008	30	96,000	-	-
	Performance Awards Plan 2009	40	176,048	-	-
	Executive Equity Plan 2009	10	81,753	-	-
K Daley	Executive Cash Plan 2006	30	103,950	-	-
	Executive Cash Plan 2007	30	126,000	-	-
	Performance Rights Plan 2008	50	275,000	-	-
	Performance Awards Plan 2009	40	254,167	-	-
	Executive Equity Plan 2009	10	81,753	-	-
M Kulper	Executive Cash Plan 2006	20	36,080	-	-
	Executive Cash Plan 2007	30	135,000	-	-
	Performance Rights Plan 2008	50	268,725	-	-
	Performance Awards Plan 2009	40	550,422	-	-
	Executive Equity Plan 2009	10	102,241	-	-
M Fletcher	Executive Loan Plan 2006	10	14,850	2,396	-
	Executive Cash Plan 2007	10	20,550	-	-
	Performance Rights Plan 2009	20	39,000	-	-
	Performance Awards Plan 2009	40	132,036	-	-
	Executive Equity Plan 2009	10	81,753	-	-
A Head	Executive Loan Plan 2006	15	22,950	401	-
	Executive Loan Plan 2007	20	30,825	-	-
	Performance Rights Plan 2008	20	70,724	-	-
	Performance Awards Plan 2009	40	176,048	-	-
	Executive Equity Plan 2009	10	81,753	-	-
S Hogg	Performance Awards Plan 2009	20	88,024	-	-
	Executive Equity Plan 2009	20	65,399	-	-
T Honan	Performance Awards Plan 2009	40	880,232	-	-
	Executive Equity Plan 2009	10	163,507	-	-
E Mildwater	Performance Awards Plan 2009	40	110,030	-	-
	Executive Equity Plan 2009	10	81,753	-	-

A = The percentage of the value of remuneration, based on TEC.
B = The value at grant date calculated in accordance with AASB 2 Share-based Payment.
C= The value at exercise date that were granted as part of remuneration and were exercised/matured during the year.
D = The value at lapse date that were granted as part of remuneration and that lapsed during the year.

Remuneration report (continued)

The terms and conditions of each grant of Performance Awards in the 2009 financial year are:

Performance Criteria	Grant date	Vesting date	Expiry date	Fair value of rights at grant date	Spot price at grant date
TSR	1 Nov 2008	1 Nov 2011	1 Nov 2011	$3.30	$5.22
EBITDA	1 Nov 2008	1 Nov 2011	1 Nov 2011	$4.27	$5.22

The terms and conditions of each grant of units under the Executive Equity Plan are:

Grant date	Vesting date	Expiry date	Grant price	Value per unit at grant date
1 Nov 2008	1 Nov 2011	1 Nov 2011	$5.22	$4.27

Performance of Transurban Group

As outlined in the LTI sections of this report, the reward delivered under the long-term incentive component of executive remuneration is dependent on either TSR performance or EBITDA growth.

The table below summarises the actual and prospective relative TSR performance over the Performance Period to date in respect of unvested long term incentives. The data is indicative of results as if tested on 30 June 2009.

Long term incentive plan	Company TSR as at 30 June 2009	Indicative percentile rank	Indicative number of securities/rights vesting
Executive Loan Plan 2007	(27)%	63%	1,109,182
Performance Rights Plan 2008	(40)%	69%	302,056
Performance Awards Plan 2009	(17)%	39%	-

The table below illustrates the Company's annual compound growth in EBITDA for Rights granted under the Performance Rights Plan, with a 10% and 15% hurdle of annual compound growth, and the Performance Award Plan, with a 5% and 9% hurdle of annual compound growth:

Long term Incentive plan	Company Compound growth as at 30 June 2009	Indicative Number of Rights Vesting
Performance Rights Plan 2008	7%	-
Performance US Cash Rights Plan 2008	(2)%	-
Performance Awards Plan 2009	8%	670,036

Remuneration report (continued)

Equity instrument compensation

Number of awards granted in 2009:

	Performance Awards Plan	Executive Equity Plan
Executive directors		
C Lynch	483,721	79,647
Other key management personnel		
B Bourke	85,465	19,146
D Cardiff	46,512	19,146
K Daley	67,151	19,146
M Kulper	145,422	23,944
M Fletcher	34,884	19,146
A Head	46,512	19,146
S Hogg	23,256	15,316
T Honan	232,558	85,474
E Mildwater	29,070	19,146

No awards vested during the period.

Legacy Plans

Business Generation Incentive Plan

Transurban Group has previously offered a cash bonus under the Business Generation Incentive Plan (BGIP) to certain executives for generating new business. The bonuses were paid from a bonus pool determined by the risk adjusted net present value (NPV) of a project or business venture. The BGIP was intended to reward executives for successful business generation activities, based on the increase in security holder value derived from new business.

BGIP payments were determined and awarded by the Board, on the recommendation of the Remuneration Committee and the CEO.

After a review of the Group's STI arrangements in the 2009 financial year, the Board opted to discontinue the BGIP from the 2009 financial year onwards and will capture future outperformance through the standard STI plan.

No BGIP payments were made in the 2009 financial year.

2008 Performance Rights Plan

The Performance Rights Plan (PRP) enabled eligible executives to receive a grant of Performance Rights that entitled participants to receive stapled securities in Transurban (Securities) at no cost at the end of a three year performance period, subject to the achievement of performance conditions. No dividends or distributions on Securities were payable to participants prior to vesting. The Plan had two performance measures, EBITDA and relative TSR against the S&P/ASX 100 Industrials, each applied to 50% of the PRP award.

50% of the EBITDA award vests for achievement of 10% compound EBITDA annual growth over the three year performance period from the Base Year, 100% of the EBITDA award vested for achievement of 15% compound EBITDA annual growth, and there was straight line vesting between the two annual compound growth targets. None of the TSR award vests for a TSR ranking at or below the 50th percentile of the comparator group constructed in the Base Year, tested at the end of the three year performance period. 50% of the TSR award vests for a TSR ranking above the 50th percentile of the comparator group. 100% of the TSR award vests for a TSR ranking at or above the 75th percentile and there was straight line vesting between the two TSR targets. No retesting is available under the plan.

Remuneration report (continued)

Post-employment vesting under the Performance Awards Plan was introduced for executives that departed as a result of Transurban's restructure in the previous year. For departing executives, existing awards of Performance Rights were extinguished and a new offer of Performance Awards under the PAP was made with the same measures and vesting period based on a pro-rated entitlement for time served.

Awards were last made under the PRP in November 2007 and the PRP was discontinued in the 2009 financial year following the introduction of the Performance Awards Plan.

The terms and conditions of each grant of Performance Rights under the legacy Performance Rights Plan are:

Performance Criteria	Grant date	Vesting date	Expiry date	Fair value of rights at grant date	Spot price at grant date
TSR	1 Nov 2007	1 Nov 2010	1 Nov 2010	$3.50	$7.29
EBITDA	1 Nov 2007	1 Nov 2010	1 Nov 2010	$5.96	$7.29

Number of Performance rights granted under the Performance Rights Plan 2008:

	Performance Rights Plan
Other key management personnel	
B Bourke	92,857
D Cardiff	27,428
A Head	14,857

No performance rights vested during the period.

2006 and 2007 Executive Loan Plan

The Executive Loan Plan (ELP) was discontinued as of the 2007 financial year. The ELP rewarded the improvements in the price of Transurban's stapled securities over a three year period with relative Total Security holder Return (TSR) against the S&P/ASX 100 Industrials as a performance measure. Executives based outside Australia were eligible to participate in a cash based plan similarly structured to the ELP.

Executives that participated in the ELP were provided with an interest free loan to assist them to acquire securities at market price. The term of the loan is three years and there is only one testing date. The securities are held by the executive but will only vest in the executive in accordance with the terms of the Plan. Expiry occurs three years plus 60 days from the date of commencement of the Plan, unless the rules of the Plan otherwise provide. Holding locks are applied to the securities to ensure that they can only be dealt with in accordance with the terms of the Plan. The acquired securities cannot be transferred or sold while the loan is outstanding.

The ELP was last offered in the 2007 financial year. The 2006 awards (including those under the cash plan) met the TSR hurdle and vested, however, due to the decrease in Transurban's security price the majority of participants received minimal to no value. Of the one remaining grant, Transurban anticipates that the 2007 awards (including the cash award) are likely to vest in November 2009 but participants are likely to receive minimal value based on the current security price.

The terms and conditions of each grant of units under the legacy Executive Loan Plan are:

Grant date	Vesting date	Expiry date	Grant price	Value per unit at grant date	Date payable
1 Nov 2005	1 Nov 2008	31 Dec 2008	$6.47	$1.35	1 Nov 2008
1 Nov 2006	1 Nov 2009	31 Dec 2009	$7.28	$1.37	1 Nov 2009

Remuneration report (continued)

Number/value of securities vested under the 2006 Loan plan during the year:

	Loan Plan (Securities)	Cash Plan ($)
Other key management personnel		
B Bourke	90,005	-
D Cardiff	25,148	-
K Daley	-	-
M Kulper	-	-
M Fletcher	9,706	-
A Head	15,001	-

There were no securities granted under the legacy Executive Loan Plan to KMP's during the year.

Indemnification and insurance

The officers of the Group are indemnified against liability incurred by the person in their capacity as an officer unless the liability arises out of conduct on the part of the officer which involves a lack of good faith. The Group also indemnifies each person who is or has been an officer against liability for costs or expenses incurred by the person in his or her capacity as an officer in defending civil or criminal proceedings in which judgment is given in favour of the person or the person is acquitted or in connection with an application in which the Court grants relief to the person under the *Corporations Act 2001*.

Transurban has arranged to pay a premium for a Directors and Officers Liability insurance policy to indemnify directors and officers in accordance with the terms and conditions of the policy.

This policy is subject to a confidentiality clause which prohibits disclosure of the nature of the liability covered, the name of the Insurer, the Limit of Liability and the Premium paid for this policy.

Non-audit services

The Group has an "External Auditor Independence" policy which is intended to support the independence of the external auditor by regulating the provision of services by the external auditor. The external auditor will not be engaged to perform any service that may impair or be perceived to impair the external auditor's judgement or independence. The external auditor will only provide a permissible non-audit service where there is a compelling reason for it to do so, and the aim is for the external auditor not to provide non-audit services at all. All non-audit services must be pre-approved by the Chief Financial Officer (services less than $5000) or the Chair of the Audit and Risk Committee (in all other cases).

The board of directors has considered the position and, in accordance with advice received from the Audit and Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.* The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- the Audit and Risk Committee reviews the non-audit services to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor’s own work, acting in a management or a decision making capacity for the Group, acting as advocate for the Group or jointly sharing economic risk and rewards.

During the year the following fees were paid or payable for audit and non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated	
	30 June 2009 $	30 June 2008 $
Amounts received or due and receivable by PricewaterhouseCoopers		
Audit and Other Assurance Services		
Audit and review of financial reports	**1,200,000**	1,239,354
Other assurance services		
Other assurance services	**25,792**	159,827
Total audit and other assurance services	**1,225,792**	1,399,181
Taxation services		
Tax compliance services	**-**	236,430
Tax consulting services	**-**	1,371,817
Indirect taxation services	**617,063**	1,518,667
Total taxation services	**617,063**	3,126,914
Total remuneration for PricewaterhouseCoopers	**1,842,855**	4,526,095

The indirect tax services relate to a project initiated in prior year in which PricewaterhouseCoopers have proprietary intellectual property.

Amounts received or due and receivable by other audit firms		
Audit and review of financial report	**94,380**	82,505
Other assurance services	**867,888**	718,614
Taxation services	**178,950**	631,806
Total remuneration for other audit firms	**1,141,218**	1,432,925
Total auditors remuneration	**2,984,073**	5,959,020

The audit fee relates to the amount due to Ernst & Young who are the auditors of the M4. Other assurance and tax fees are for other services Ernst and Young were engaged for throughout the Group.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 53.

Rounding of amounts
The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor
PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001.*

This report is made in accordance with a resolution of directors.

David J Ryan
Director

Christopher J Lynch
Director

Melbourne
26 August 2009

PRICEWATERHOUSECOOPERS

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MELBOURNE VIC 3001
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Auditor's Independence Declaration

As lead auditor for the audit of Transurban Holdings Limited and the Transurban Holdings Limited Group for the year ended 30 June 2009, 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.

This declaration is in respect of Transurban Holdings Limited and the Transurban Holdings Limited Group (the Group). The Group comprises the aggregation of Transurban Holdings Limited, Transurban Holdings Trust and Transurban International Limited and the entities it controlled during the year.

John Yeoman
Partner
PricewaterhouseCoopers

Melbourne
26 August 2009

Transurban Holdings Limited ABN 86 098 143 429
Annual financial report - 30 June 2009

Contents

This financial report covers the Transurban Group which consists of Transurban Holdings Limited, Transurban Holding Trust and Transurban International Limited and their controlled entities as described in Note 1 to the Financial Statements. The financial report is presented in the Australian currency.

The equity securities of the parent entities are stapled and cannot be traded separately. Entities within the group are domiciled and incorporated in Australia, the United States of America or Bermuda. Transurban Holdings Limited's registered office and principal place of business is:

Level 3
505 Little Collins Street
Melbourne Victoria 3000

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally. All releases to the ASX and the media, financial reports and other information are available on our website: www.transurban.com

The financial report was authorised for issue by the directors on 26 August 2009. The Group has the power to amend and reissue the financial report.

Transurban Holdings Limited
Income statements
For the year ended 30 June 2009

	Notes	Consolidated 30 June 2009 $'000	Consolidated 30 June 2008 $'000	Parent entity 30 June 2009 $'000	Parent entity 30 June 2008 $'000
Revenue from continuing operations					
Toll, fee and other road revenue	3	**738,981**	681,862	**-**	-
Other revenue	3	**390,572**	382,681	**28,089**	27,318
		1,129,553	1,064,543	**28,089**	27,318
Other income	4	**2,705**	3,621	**-**	73,024
Operational costs		**(177,578)**	(179,866)	**-**	-
Corporate costs		**(69,005)**	(111,661)	**(40,722)**	(48,469)
Business Development		**(40,970)**	(58,030)	**-**	(73)
Concession Fees		**(4,829)**	(6,868)	**-**	-
Construction costs		**(62,193)**	(39,655)	**-**	-
Depreciation and amortisation expense	5	**(340,939)**	(336,228)	**-**	-
Finance costs	5	**(456,920)**	(482,515)	**(80,574)**	(112,102)
Share of net profits (losses) of associates and joint venture partnership accounted for using the equity method		**(32,193)**	(24,249)	**-**	-
Loss before income tax		**(52,369)**	(170,908)	**(93,207)**	(60,302)
Income tax benefit	6	**36,235**	46,900	**29,239**	34,776
Loss from continuing operations		**(16,134)**	(124,008)	**(63,968)**	(25,526)
Profit from discontinued operations	7	**-**	18,662	**-**	-
Loss for the year		**(16,134)**	(105,346)	**(63,968)**	(25,526)
Profit (loss) is attributable to:					
Ordinary equity holders of the stapled group		**(24,575)**	(109,686)	**(63,968)**	(25,526)
Minority interest		**8,441**	4,340	**-**	-
		(16,134)	(105,346)	**(63,968)**	(25,526)
		Cents	Cents		
Loss per security from continuing operations attributable to the ordinary equity holders of the stapled group:					
Basic loss per stapled security	42	**(1.9)**	(11.8)		
Diluted loss per stapled security	42	**(1.9)**	(11.8)		
		Cents	Cents		
Loss per security attributable to the ordinary equity holders of the stapled group:					
Basic loss per stapled security	42	**(1.9)**	(10.1)		
Diluted loss per stapled security	42	**(1.9)**	(10.1)		

The above income statements should be read in conjunction with the accompanying notes.

Transurban Holdings Limited
Balance sheets
As at 30 June 2009

	Notes	Consolidated		Parent entity	
		30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
ASSETS					
Current assets					
Cash and cash equivalents	8	**199,805**	336,545	**8**	8,647
Trade and other receivables	9	**210,441**	216,838	**266,803**	390,474
Total current assets		**410,246**	553,383	**266,811**	399,121
Non-current assets					
Receivables	10	**-**	1,688	**264,221**	13,429
Investments accounted for using the equity method	11	**664,159**	691,169	**-**	-
Held-to-maturity investments	12	**633,272**	558,224	**-**	-
Derivative financial instruments	14	**63,535**	167,829	**-**	-
Other financial assets	13	**-**	-	**1,383,142**	1,383,142
Property, plant and equipment	15	**116,456**	96,225	**-**	-
Deferred tax assets	16	**514,671**	505,737	**365,457**	313,133
Intangible assets	17	**7,862,347**	8,102,543	**-**	-
Total non-current assets		**9,854,440**	10,123,415	**2,012,820**	1,709,704
Total assets		**10,264,686**	10,676,798	**2,279,631**	2,108,825
LIABILITIES					
Current liabilities					
Trade and other payables	18	**185,105**	195,029	**75,119**	82,840
Borrowings	19	**746,000**	480,600	**-**	-
Derivative financial instruments	14	**3,336**	9,855	**-**	9,855
Current tax liabilities		**61,596**	35,073	**-**	-
Provisions	20	**262,411**	416,871	**283**	453
Non-interest bearing liabilities	21	**149,452**	250,307	**143,759**	34,304
Total current liabilities		**1,407,900**	1,387,735	**219,161**	127,452
Non-current liabilities					
Borrowings	22	**3,296,372**	3,263,212	**1,470,608**	1,405,107
Derivative financial instruments	14	**105,221**	247,718	**-**	-
Deferred tax liabilities	24	**1,445,014**	1,562,994	**2,633**	14
Provisions	25	**139,617**	153,989	**-**	-
Non-interest bearing liabilities	23	**29,426**	91,689	**-**	-
Total non-current liabilities		**5,015,650**	5,319,602	**1,473,241**	1,405,121
Total liabilities		**6,423,550**	6,707,337	**1,692,402**	1,532,573
Net assets		**3,841,136**	3,969,461	**587,229**	576,252
EQUITY					
Contributed equity	26	**7,106,243**	6,846,992	**413,878**	339,812
Reserves	27(a)	**8,363**	95,242	**1,017**	138
Retained profits (accumulated losses)	27(b)	**(3,602,054)**	(3,296,526)	**172,334**	236,302
Minority interest - Transurban International Limited	28	**116,479**	86,086	**-**	-
Minority interest - other	29	**212,105**	237,667	**-**	-
Total equity		**3,841,136**	3,969,461	**587,229**	576,252

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

Consolidated	Notes	**Contributed equity $'000**	**Reserves $'000**	**Retained earnings $'000**	**Minority interest $'000**	**Total $'000**
		Attributable to members of Transurban Holdings Limited				
Balance at 1 July 2007		6,078,487	(18,830)	(2,436,011)	307,326	3,930,972
Adjustment on adoption of:						
AASB-I 12	48	-	-	(128,456)	(11,769)	(140,225)
Restated balance 1 July 2007		**6,078,487**	**(18,830)**	**(2,564,467)**	**295,557**	**3,790,747**
(Loss) profit for the year		-	-	(109,686)	4,340	(105,346)
Changes in the fair value of cash flow hedges, net of tax	27	-	113,606	-	(13,164)	100,442
Exchange differences on translation of foreign operation	27	-	2,679	-	3,692	6,371
Total recognised income and expense for the year		**-**	**116,285**	**(109,686)**	**(5,132)**	**1,467**
Contributions of equity, net of transaction costs	26	561,292	-	-	95,189	656,481
Treasury securities	26	7,598	-	-	368	7,966
Distribution reinvestment plan	26	199,615	-	-	-	199,615
Distributions provided for or paid	27	-	-	(622,373)	-	(622,373)
Acquisition of additional interest in Airport Motorway Group	27	-	(5,127)	-	(37,551)	(42,678)
Distributions provided for or paid to minority interests in subsidiaries	29	-	-	-	(24,678)	(24,678)
Changes in value of share-based payment reserve	27	-	2,914	-	-	2,914
		768,505	(2,213)	(622,373)	33,328	177,247
Balance at 30 June 2008		**6,846,992**	**95,242**	**(3,296,526)**	**323,753**	**3,969,461**
Balance at 1 July 2008		6,846,992	95,242	(3,296,526)	323,753	3,969,461
(Loss) profit for the year		-	-	(24,575)	8,441	(16,134)
Changes in the fair value of cash flow hedges, net of tax	27	-	(84,982)	-	(43,925)	(128,907)
Exchange differences on translation of foreign operation	27	-	(390)	-	29,402	29,012
Total recognised income and expense for the year		**-**	**(85,372)**	**(24,575)**	**(6,082)**	**(116,029)**
Contributions of equity, net of transaction costs	26	8,468	-	-	1,411	9,879
Treasury securities	26	5,895	-	-	488	6,383
Distribution reinvestment plan	26	244,888	-	-	41,530	286,418
Distributions provided for or paid	27	-	-	(280,953)	-	(280,953)
Distributions provided for or paid to minority interests in subsidiaries	29	-	-	-	(32,516)	(32,516)
Change in value of share-based payment reserve	27	-	(1,507)	-	-	(1,507)
		259,251	(1,507)	(280,953)	10,913	(12,296)
Balance at 30 June 2009		**7,106,243**	**8,363**	**(3,602,054)**	**328,584**	**3,841,136**

Parent	Notes	Ordinary shares $'000	Reserves $'000	Retained earnings $'000	Total $'000
Balance at 1 July 2007		167,094	69	261,828	428,991
Loss for the year		-	-	(25,526)	(25,526)
Total recognised income and expense for the year		**-**	**-**	**(25,526)**	**(25,526)**
Contributions of equity, net of transaction costs	26	162,147	-	-	162,147
Treasury securities	26	893	-	-	893
Distribution reinvestment plan	26	9,678	-	-	9,678
Changes in value of share-based payments	27	-	69	-	69
		172,718	69	-	172,787
Balance at 30 June 2008		**339,812**	**138**	**236,302**	**576,252**
Balance at 1 July 2008		339,812	138	236,302	576,252
(Loss) for the year		-	-	(63,968)	(63,968)
Total recognised income and expense for the year		**-**	**-**	**(63,968)**	**(63,968)**
Contributions of equity, net of transaction costs	26	2,430	-	-	2,430
Distribution reinvestment plan	26	70,746	-	-	70,746
Treasury securities	26	890	-	-	890
Change in value of share-based payments reserve	27	-	879	-	879
		74,066	879	-	74,945
Balance at 30 June 2009		**413,878**	**1,017**	**172,334**	**587,229**

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

Transurban Holdings Limited
Cash flow statements
For the year ended 30 June 2009

	Notes	Consolidated 30 June 2009 $'000	Consolidated 30 June 2008 $'000	Parent entity 30 June 2009 $'000	Parent entity 30 June 2008 $'000
Cash flows from operating activities					
Receipts from customers (inclusive of GST)		**822,172**	778,848	**3,417**	302
Payments to suppliers and employees (inclusive of GST)		**(346,973)**	(315,027)	**(6,032)**	(10,604)
Other revenue		**23,456**	45,282	**-**	-
Interest received		**212,240**	255,052	**2,427**	2,569
Interest paid		**(354,056)**	(391,223)	**(11,522)**	(16,328)
Income taxes paid		**(36,812)**	(19,819)	**(361)**	-
Net cash inflow (outflow) from operating activities	40	**320,027**	353,113	**(12,071)**	(24,061)
Cash flows from investing activities					
Payment for purchase of subsidiaries, net of cash acquired		**-**	(13,180)	**-**	-
Payments for property, plant and equipment		**(50,477)**	(43,278)	**-**	-
Payments for intangibles		**(73,027)**	(69,030)	**-**	-
Payments for maintenance of intangibles		**(14,024)**	(28,259)	**-**	-
Payments for investment in associates		**(32,510)**	(311,174)	**-**	-
Payments for acquisition of term loan notes		**(30,444)**	-	**-**	-
Payments for acquisition of minority interest in subsidiary		**-**	(46,500)	**-**	-
Payments for available-for-sale financial assets		**(22,633)**	(39,259)	**(22,633)**	(39,259)
Proceeds from disposal of available-for-sale asset		**16,570**	52,004	**16,570**	52,004
Payments for derivative financial instruments		**(29,176)**	-	**(29,176)**	-
Proceeds from disposal of derivative financial instrument		**-**	4,795	**-**	4,795
Cash advances		**-**	962	**-**	962
Payment for M1 upgrade		**(148,307)**	(404,152)	**-**	-
Proceeds from sale of subsidiaries (net of cash disposed)		**-**	161,430	**-**	-
Dividends received from associate		**28,020**	41,483	**-**	-
Proceeds from share buyback from associate		**17,500**	-	**-**	-
Net cash (outflow) inflow from investing activities		**(338,508)**	(694,158)	**(35,239)**	18,502
Cash flows from financing activities					
Proceeds from issues of stapled securities		**9,994**	658,800	**2,469**	162,724
Payments for costs of issuing stapled securities		**(117)**	(1,814)	**(39)**	(448)
(Payments for) proceeds from sale of treasury securities		**3,426**	7,967	**831**	891
Increase in infrastructure facility cash reserve		**113,316**	127,752	**-**	-
Proceeds from borrowings		**622,448**	1,226,640	**-**	-
Payments for establishing borrowing facilities		**(7,586)**	(1,325)	**-**	-
Repayment of borrowings		**(540,600)**	(1,312,212)	**-**	-
Loans from related parties		**-**	-	**486,291**	639,411
Repayment of loans to related parties		**-**	-	**(418,330)**	(402,754)
Loans to related parties		**(1,300)**	(73,471)	**(391,717)**	(618,845)
Repayment of loans from related parties		**-**	110,777	**359,166**	233,139
Distributions paid to Group's security holders	30	**(172,161)**	(396,858)	**-**	-
Distributions received on forfeited treasury securities		**97**	-	**-**	-
Distributions paid to minority interests in subsidiaries		**(32,871)**	(25,468)	**-**	-
Net cash (outflow) inflow from financing activities		**(5,354)**	320,788	**38,671**	14,118
Net (decrease) increase in cash at bank and infrastructure facility cash reserve		**(23,835)**	(20,257)	**(8,639)**	8,559
Cash at bank and infrastructure facility cash reserve at the beginning of the financial year		**1,852,487**	1,876,737	**8,647**	88
Effects of exchange rate changes on cash and cash equivalents		**411**	(3,993)	**-**	-
Cash at bank and infrastructure facility cash reserve at the end of the financial year	8	**1,829,063**	1,852,487	**8**	8,647
Less infrastructure facility cash reserve	8	**(1,629,258)**	(1,515,942)	**-**	-
Cash and cash equivalents at end of year	8	**199,805**	336,545	**8**	8,647

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

Contents of the notes to the financial statements

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The combined financial report includes separate financial statements for Transurban Holdings Limited (THL) as an individual entity and for the Group.

The Transurban Group financial statements have been prepared as an aggregation of the financial statements of Transurban Holdings Limited and controlled entities (THL), Transurban Holding Trust and controlled entities (THT), and Transurban International Limited and controlled entities (TIL) as if all entities operate together. They are therefore treated as a combined entity (hereon referred to as "the Group"), notwithstanding that none of the entities controls any of the others. The principals of consolidation have been applied in order to present the aggregated financial statements on a combined basis. THL has been deemed the parent of the Group.

The financial statements have been aggregated in recognition of the fact that the securities issued by THL, THT and TIL are stapled together and comprise one share in THL, one unit in THT and one share in TIL (Stapled Security). None of the components of the Stapled Security can be traded separately.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001.*

Where necessary, comparatives have been reclassified for consistency with current year disclosures.

Compliance with IFRS
Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report of Transurban Holdings Limited complies with International Financial Reporting Standards (IFRS).

Initial application of AASB Interpretation 12 - Service Concession Arrangements
AASB Interpretation 12 Service Concession Arrangements (AASB-I 12) is applicable for the Group's annual reporting period beginning 1 July 2008 and has been adopted for the first time for the year ended 30 June 2009. AASB-I 12 provides guidance on the accounting by operators of public-to-private service concession arrangements under which private sector entities participate in the development, financing, operation and maintenance of infrastructure for the provision of public services. A substantial portion of the Group's assets are used within the framework of concession arrangements granted by public sector entities. The application of AASB-I 12 has led to a change in the Group's policies of accounting for the classification, recognition and measurement of service concession arrangements, the construction of assets under service concession arrangements and maintenance obligations under the arrangements.

The new policies have been applied retrospectively and, where relevant, in accordance with the transitional provisions, comparative information in relation to the 2008 financial year has been restated accordingly. The Group's revised policies are set out in note 1 (e), (q) and (x).

Details and quantification of the impact of the change in accounting policies are set out in note 48.

Initial application of AASB Interpretation 129 - Service Concession Arrangements: Disclosures
In addition to the adoption of AASB-I 12, the Group has adopted AASB Interpretation 129 Service Concession Arrangements: Disclosures (AASB-I 129) for the first time for the year ended 30 June 2009. AASB-I 129 contains specific guidance on the disclosures required for a Service Concession Arrangement.

Details as required under AASB-I 129 can be found in Note 17.

Early adoption of standards
The Group has not elected to adopt any new accounting standard early.

Historical cost convention
These financial statements have been prepared under the historical cost convention, as modified by the revaluation of other financial assets and liabilities (including derivative financial instruments).

1 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Critical accounting estimates
The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 46.

(b) Principles of consolidation

Subsidiaries
The consolidated financial statements incorporate the aggregation of the assets and liabilities of Transurban Holdings Limited ("parent entity") and controlled entities, Transurban Holding Trust and controlled entities, and Transurban International Limited and controlled entities, for the year ended 30 June 2009 and the results of all controlled entities for the year then ended as if all entities operate together. They are therefore treated as a combined entity (hereon referred to as "the Group"), notwithstanding that none of the entities controls any of the others.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to note 1(h)).

The aggregated financial statements incorporate an elimination of inter-entity transactions and balances and other adjustments necessary to present the financial statements on a combined basis. The accounting policies adopted in preparing the financial statements have been consistently applied by the individual entities comprising the financial statements except as otherwise indicated.

The financial statements have been aggregated in recognition of the fact that the securities issued by the parent entities are stapled into parcels. A Stapled Security comprises one share in THL, one share in TIL and one unit in THT. None of the components of the Stapled Security are able to be traded separately.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated income statement and balance sheet respectively.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Transurban Holdings Limited.

Associates and joint ventures
Associates are all entities over which the Group has significant influence but not control. Interests in joint ventures are where the Group jointly controls an entity with another party (refer to note 38).

Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after being initially recognised at cost.

The Group's share of its associates' and joint ventures' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates and joint ventures are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

1 Summary of significant accounting policies (continued)

(b) Principles of consolidation (continued)

Application of UIG 1013 Pre-date of Transition Stapling Arrangements and AASB Interpretation 1002 Post-date of Transition Stapling Arrangements
For the purpose of UIG 1013 and AASB Interpretation 1002, THL has been identified as the parent entity in relation to the pre-date of transition stapling with THT and the post-date of transition stapling with TIL. In accordance with UIG 1013 the results and equity of THL and THT have been combined in the financial statements. AASB Interpretation 1002 however requires the results and equity, not directly owned by THL, of TIL to be treated and disclosed as minority interest, and is disclosed in note 28.

(c) Segment reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

(d) Foreign currency translation

Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars, which is Transurban Holdings Limited's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statements, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

Group companies
The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheets presented are translated at the closing rate at the date of that balance sheets
- income and expenses for each income statements are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the income statements, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, rebates and amounts collected on behalf of third parties.

1 Summary of significant accounting policies (continued)

(e) Revenue recognition (continued)

Revenue is recognised for the major business activities as follows:

(i) Toll and fee revenue
Toll charges and related fees are recognised when the charge is incurred by the user.

(ii) Business development fees
Business development fees are recognised when receivable and to the extent of costs incurred, and that it is probable the costs will be recovered.

(iii) Interest income
Interest income is recognised on a time proportionate basis using the effective interest rate method.

(iv) Prepaid toll revenue
Prepaid toll receipts are recognised as an unearned income and held on deposit until the charge is incurred by the user.

(v) Construction revenue
The intangible asset model, as defined in AASB-I 12, applies to service concession arrangements where the operator is granted a right to toll users of the road or where the concession grantor has not provided a contractual guarantee in respect of the amount receivable for constructing and operating the asset. Under the intangible asset model, during the construction phase, the Group records an intangible asset representing the right to charge users of the public service and recognised revenue from the construction of the infrastructure (in accordance with AASB 111). Income and expenses associated with construction contracts are recognised in accordance with the percentage of completion method in AASB 111.

Operating revenue of the infrastructure is recognised as toll and fee revenue described above.

On the adoption of AASB-I 12, the Group has not recognised any margin on past construction services as such margin could not be reliably measured.

(vi) Dividends and distributions
Dividends are recognised as revenue when the right to receive payment is established.

(f) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

1 Summary of significant accounting policies (continued)

(f) Income tax (continued)

Tax consolidation legislation
The Transurban Group has adopted the tax consolidation legislation for Transurban Holdings Limited and its wholly-owned Australian entities as of 1 July 2005.

All entities within the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidation group is a separate tax payer within the tax consolidated group.

In addition to its own current and deferred tax amounts, Transurban Holdings Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Details about the tax funding agreement are disclosed in note 6.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(g) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases (note 34). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statements on a straight-line basis over the period of the lease.

Lease incentives are recognised as a reduction of the rental expense over the lease term on a straight line basis.

(h) Business combinations

The purchase method of accounting is used to account for all business combinations, excluding business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity and internal costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (refer to note 1(q)). If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statements, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(i) Impairment of assets

At each reporting date, the Group assesses whether there is any indication that an asset, including goodwill, may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. The decrement in the carrying amount is recognised as an expense in net profit or loss in the reporting period in which the impairment occurs.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

1 Summary of significant accounting policies (continued)

(i) Impairment of assets (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(j) Cash and cash equivalents

For cash flow statements presentation purposes, 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheets.

Refer note 1(t) for details of infrastructure facility cash reserve assets.

(k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. Trade receivables are due for settlement no more than 30 days from revenue recognition.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the allowance is recognised in the income statement.

(l) Non-current assets (or disposal groups) held-for-sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets that are carried at fair value, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held-for-sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held-for-sale continue to be recognised.

Non-current assets classified as held-for-sale and the assets of a disposal group classified as held-for-sale are presented separately from the other assets in the balance sheets. The liabilities of a disposal group classified as held-for-sale are presented separately from other liabilities in the balance sheets.

A discontinued operation is a component of the entity that has been disposed of or is classified as held-for-sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the income statements.

(m) Investments and other financial assets

Classification
The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

1 Summary of significant accounting policies (continued)

(m) Investments and other financial assets (continued)

(i) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held-for-trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are classified as held-for-trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables (notes 9 and 10) in the balance sheets.

(iii) Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets
Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

Recognition and derecognition
Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statements. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statements as gains and losses from investment securities.

Subsequent measurement
Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statements within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statements as part of revenue from continuing operations when the Group's right to receive payments is established.

Impairment
The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the income statements. Impairment losses recognised in the income statements on equity instruments classified as available-for-sale are not reversed through the income statements.

(n) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges)

1 Summary of significant accounting policies (continued)

(n) Derivatives and hedging activities (continued)

- hedges of the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

At the inception of the hedging transaction the Group documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in note 14. Movements in the hedging reserve in shareholders' equity are shown in note 27. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability. The treatment of derivatives is as follows:

(i) Fair value hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statements, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps and cross currency swaps hedging fixed rate borrowings is recognised in the income statements within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in the income statements within other income or other expenses.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

(ii) Cash flow hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statements within other income or other expense.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within ‘finance costs’.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statements. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statements.

(iii) Net investment hedges
Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statements within other income or other expenses.

Gains and losses accumulated in equity are included in the income statements when the foreign operation is partially disposed of or sold.

(iv) Derivatives that do not qualify for hedge accounting
Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statements and are included in other income or other expenses.

1 Summary of significant accounting policies (continued)

(o) Fair value estimation

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

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair values of interest rate and cross currency swaps are calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(p) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Costs incurred on development projects (including computer software and hardware) are recognised as an asset when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be reliably measured. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the income statements during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

Depreciation
Depreciation is calculated on a straight line basis so as to write off the net cost of items of plant and equipment over their expected useful lives. Estimates of remaining useful lives will be made annually for all assets. The expected useful lives are 3 – 15 years.

Impairment
Fixed assets are assessed for impairment in line with the policy stated in note 1(i).

(q) Intangible assets

Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to the relevant cash-generating units for the purpose of impairment testing.

1 Summary of significant accounting policies (continued)

(q) Intangible assets (continued)

Development costs
Costs incurred on development projects are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technical feasibility and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services and direct labour. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life.

Following the initial recognition of the development expenditure, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation is based on the useful life of the development costs. Useful lives are assessed on an annual basis and adjustments, where applicable, are made on a prospective basis.

The carrying value of development costs is reviewed for impairment when an indicator of impairment arises.

Concession Assets
Concession Assets represent the Group's rights to operate roads under Service Concession Arrangements. Concession Assets constructed by the Group are recorded at the fair value of consideration received or receivable for the construction services delivered. Concession Assets acquired by the Group are recorded at the fair value of the assets at the date of acquisition. All Concession Assets are classified as intangible assets and are amortised over the term of the right to operate the asset on a straight line basis. Refer to note 17 for details of concession agreements dates.

In previous periods, some of the Group's expenditure on Concession Assets was classified as Property, Plant and Equipment and depreciated over the useful life of the assets. On initial adoption of AASB-I 12, the Group used the carrying amounts of Concession Assets previously held as Property, Plant and Equipment as the carrying amounts of Intangible Assets as allowed by the transitional provisions of AASB-I 12. Refer to note 48 for impact of application of AASB-I 12.

(r) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(s) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statements over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheets when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(t) Infrastructure loan facilities

The consolidated entity has Infrastructure Loan facilities. Under the terms of these facilities, the consolidated entity must provide cash (infrastructure facility cash reserve) equal to the utilised amounts of the facilities. The principal of this infrastructure facility cash reserve has been set-off against the outstanding principal amount of the infrastructure borrowing facilities so that no asset or liability in respect of those facilities has been recorded in the balance sheet of the consolidated entity.

1 Summary of significant accounting policies (continued)

(u) Concession fees

CityLink
The Group has non-interest bearing long term debt, represented by Concession Notes, payable to the State of Victoria. The State has assigned the right to receive all current and future Concession Notes issued back to the Group. The Group has exercised its right to offset the Concession Notes payable and receivable. Refer note 23.

M1 Eastern Distributor
The Group has non-interest bearing long term debt, represented by Concession Notes, payable to the Roads and Traffic Authority of NSW as required under the terms of the Eastern Distributor Project Deed.

(v) Promissory notes

Non-interest bearing long term debt represented by Promissory Notes payable to the State of New South Wales in respect of the M2 Motorway has been included in the financial statements at the present value of expected future repayments. As the timing and profile of these repayments is largely determined by the available equity cashflows of the underlying asset, the present value of the expected future repayments is determined using a discount rate, which recognises their subordinated nature. In the event that there is a change in the expected timing and profile of the repayments, the impact is recognised in the income statement.

(w) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred, except to the extent to which they relate to the construction of qualifying assets in which case specifically identifiable borrowing costs are capitalised into the cost of the asset. Borrowing costs include interest on short-term and long term borrowings.

Costs incurred in connection with the arrangement of borrowings are deferred and amortised over the effective period of the funding.

(x) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

Provision for maintenance
As part of its obligations under public service contracts, the Group assumes responsibility for the maintenance and repair of installations of the publicly-owned roads it operates. A provision for maintenance has been raised where the Group has a present legal or constructive obligation to maintain and replace components of the underlying physical assets operated by the Group as a result of past events. The Group's obligations under the respective concession deeds arise as a consequence of use of the road during the operating phase. The provision is measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions giving rise to a cash outflow after more than one year are discounted if the impact is material. The increase in the provision due to the passage of time is recognised as a finance cost.

In previous reporting periods, major works on the underlying physical assets operated by the Group were capitalised where it was probable that future economic benefits will flow to the Group and amortised over their useful lives. The carrying amounts of replaced parts were derecognised and any other repairs and maintenance costs were charged to the income statement in the reporting period in which they were incurred.

1 Summary of significant accounting policies (continued)

(y) Employee benefits

Wages, salaries and annual leave
Liabilities for wages and salaries, including non-monetary benefits, are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. An expense for non-accumulating sick leave is recognised when the leave is taken and measured at the rates paid or payable.

Liabilities for annual leave are recognised in the provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. The provision is classified as a current liability.

Long service leave
The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured as per above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wages and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Equity-based compensation benefits
Equity-based compensation benefits have been provided to employees via the Transurban Group Executive Rights Plan and Executive Loan Plan. Information relating to these plans is set out in section D of the remuneration report.

The fair value of units granted under the plans are recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the units.

The fair value of units granted under cash settled share-based compensation plans is recognised as an expense over the vesting period with a corresponding increase in liabilities. The fair value of the liability is remeasured at each reporting date with any changes in fair value recognised in the income statement for the period.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term, the impact of dilution, the security price at grant date and expected price volatility of the underlying security, the expected dividend yield and the risk free interest rate for the term of the plan.

The fair value granted is adjusted to reflect the market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and growth targets). Non-market vesting conditions are included in assumptions about the number of units that are expected to become exercisable. At each reporting date, the Group revises its estimate of the number of units that are expected to become exercisable. The employee benefit expense recognised each reporting period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity.

Superannuation
Superannuation is contributed to plans as nominated by the employee. The contribution is not less than the statutory minimum. The superannuation plans are all accumulation funds.

The cost of current and deferred employee compensation and contributions to employee superannuation plans were charged to the income statement.

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

1 Summary of significant accounting policies (continued)

(z) Contributed equity

Stapled securities and ordinary shares and units are classified as equity.

Incremental costs directly attributable to the issue of new stapled securities or options are shown in equity as a reduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(aa) Distributions

Provision is made for the amount of any distribution declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

(ab) Earnings per stapled security

Basic earnings per stapled security
Basic earnings per stapled security is calculated by dividing the profit (loss) attributable to members of the stapled security excluding any minority interest and costs of servicing equity other than distributions, by the weighted average number of securities outstanding during the financial year.

Diluted earnings per stapled security
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(ac) Goods and Services Tax (GST)

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

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

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

(ad) Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the ''rounding off'' of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(ae) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The Group's and the parent entity's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 8 *Operating Segments* and AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8* (effective from 1 January 2009)
AASB 8 will result in a change in the approach to segment reporting, as it requires adopting a ‘management approach’ to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The Group will adopt AASB 8 from 1 July 2009. This standard will primarily result in changes to disclosures only.

1 Summary of significant accounting policies (continued)

(ae) New accounting standards and interpretations (continued)

(ii) Revised AASB 123 *Borrowing Costs* and AASB 2007-6 *Amendments to Australian Accounting Standards arising from AASB 123* (effective from 1 January 2009)
The revised AASB 123 has removed the option to expense all borrowing costs and, when adopted, will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Group, as the Group already capitalises borrowing costs relating to qualifying assets.

(iii) Revised AASB 101 *Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101* (effective from 1 January 2009)
The September 2007 revised AASB 101 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior year adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The Group will apply the revised standard from 1 July 2009. This will result in changes to disclosure only.

(iv) Revised AASB 3 *Business Combinations,* AASB 127 *Consolidated and Separate Financial Statements* and AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127* (effective 1 July 2009)
The revised AASB 3 continues to apply the acquisition method to business combinations, but with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of acquiree's net assets. All acquisition-related costs must be expensed. This is different to the Group's current policy which is set out in note 1(h) above.

The revised AASB 127 requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and those transactions will no longer result in goodwill or gains and losses, see note 1 (b). The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. This is consistent with the Group's current accounting policy if significant influence is not retained.

The Group will apply the revised standards prospectively to all business combinations and transactions with non-controlling interests from 1 July 2009.

(v) AASB 2008-7 *Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* (effective 1 July 2009)
In July 2008, the AASB approved amendments to AASB 1 *First-time Adoption of International Financial Reporting Standards* and AABS 127 *Consolidated and Separate Financial Statements.* The Group will apply the revised rules prospectively from 1 July 2009. After that date, all dividends received from investments in subsidiaries, jointly controlled entities or associates will be recognised as revenue, even if they are paid out of pre-acquisition profits, but the investments may need to be tested for impairment as a result of the dividend payments. Under the entity's current policy, these dividends are deducted from the cost of investment. Furthermore, if a new intermediate parent entity was created in the event of an internal reorganisation, investments in subsidiaries will be measured at the carrying amount of the net assets of the subsidiary rather than the subsidiary's fair value.

(vi) AASB 2008-8 Amendment to IAS 39 *Amendment to Australian Accounting Standards - Eligible Hedged Items* (effective 1 July 2009)
AASB 2008-8 amends AASB 139 *Financial Instruments: Recognition and Measurement* and must be applied retrospectively in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors.* The amendment makes two main changes. It prohibits designating inflation as a hedgeable component of a fixed rate debt. It also prohibits including time value in one-sided hedged risk when designating options as hedges. The Group will apply the amended standard from 1 July 2009. It is not expected to have an impact on the Group's financial statements.

1 Summary of significant accounting policies (continued)

(ae) New accounting standards and interpretations (continued)

(vii) AASB Interpretation 17 *Distribution of Non-cash Assets to Owners* and AASB 2008-13 *Amendments to Australian Accounting Standards arising from AASB Interpretation 17* (effective 1 July 2009)
AASB-I 17 applies to situations where an entity pays dividends by distributing non-cash assets to its shareholders. These distributions will need to be measured at fair value and the entity will need to recognise the difference between the fair value and the carrying amount of the distributed assets in the income statement on distribution. This is different to the Group's current policy which is to measure distributions of non-cash assets at their carrying amounts. The interpretation further clarifies when a liability for the dividend must be recognised and that it is also measured at fair value. The Group will apply the interpretation prospectively from 1 July 2009.

(viii) AASB 2009-2 *Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments* (effective for annual periods beginning on or after 1 January 2009)

AASB 2009-2 results in amendments to AASB 7. It requires fair value measurement disclosures to be classified into a new three-level hierarchy and additional disclosures for items whose fair value is determined by valuation techniques rather than observable market values. The AASB also clarified and enhanced the existing requirements for the disclosure of liquidity risk of derivatives. The Group is currently assessing the impact of the disclosure requirements. The amendment will not affect any of the amounts recognised in the financial statements.

2 Segment information

(a) Description of segments

Business segments
The Group's primary business segment for the year ending 30 June 2009 was the ownership, development and operation of toll roads.

The secondary reporting segment of the Group is by geographical region. The regions are as follows:

Segment	**Asset**
Victoria	- CityLink
New South Wales	- Hills M2 Motorway
	- 75.1 per cent interest in the M1 Eastern Distributor
	- 50.61 per cent interest in the M4 Motorway
	- Equity investments in the M5 Motorway (50 per cent) and Westlink M7 (50 per cent)
USA	- 75 per cent interest in Transurban DRIVe

Geographical segment information is provided in the table below and reflects the Transurban Group's activities in relation to geographically unique locations.

(b) Secondary reporting format - geographical segments

	Segment revenues from sales to external customers		Segment assets		Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Victoria - Australia	**402,344**	375,886	**4,227,128**	4,407,124	**104,065**	80,953
New South Wales - Australia	**336,582**	305,954	**5,812,342**	6,065,765	**16,658**	5,842
USA	**29,834**	43,370	**225,216**	203,909	**251**	5,151
Discontinued operation	**-**	2,822	**-**	-	**-**	-
	768,760	728,032	**10,264,686**	10,676,798	**120,974**	91,946

3 Revenue

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
From continuing operations				
Toll revenue	**678,263**	626,235	**-**	-
Fee revenue	**44,100**	36,749	**-**	-
Other	**16,618**	18,878	**-**	-
Toll, fee and other road revenue	**738,981**	681,862	**-**	-
Interest	**292,205**	283,525	**24,685**	21,546
Construction revenue	**62,193**	39,655	**-**	-
Business development fees	**29,779**	43,348	**354**	149
Finance fee	**3,345**	10,530	**-**	-
Dividends	**3,050**	5,623	**3,050**	5,623
Other revenue	**390,572**	382,681	**28,089**	27,318
	1,129,553	1,064,543	**28,089**	27,318
From discontinued operations (note 7)				
Toll revenue	**-**	2,822	**-**	-
Interest revenue	**-**	322	**-**	-
	-	3,144	**-**	-

It should be noted that construction revenue is offset by an equal expense. This presentation is a requirement of AASB-I 12 Service Concession Arrangements, and does not have a net effect on the income statement for the Transurban Group.

4 Other income

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Net gain on sale of available-for-sale financial assets	**-**	3,621	**-**	3,621
Net foreign exchange gains (loss in 2008)	**2,705**	-	**-**	-
Investment income from tax consolidated entities	**-**	-	**-**	69,403
	2,705	3,621	**-**	73,024

5 Expenses

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Profit before income tax includes the following specific expenses:				
Provision for impairment on trade receivables recognised during the year	**1,610**	1,560	**-**	-
Rental expenses relating to operating leases	**7,977**	9,853	**-**	-
Employee benefit expense	**86,064**	114,368	**1,948**	488
Defined contribution superannuation expense	**6,008**	6,472	**212**	74
Share based payment expense	**1,994**	1,440	**-**	-
Net foreign exchange losses (Consolidated gain in 2009)	**-**	1,507	**10,560**	8,479
Fair value losses on derivatives / available for sale securities	**25,433**	36,414	**25,433**	36,414
Maintenance provision	**18,637**	20,349	**-**	-
Concession fees (operational cost) are attributable to:				
Hills M2 Motorway	**1,193**	1,158	**-**	-
M1 Eastern Distributor	**1,003**	3,076	**-**	-
M4 Motorway	**2,633**	2,634	**-**	-
	4,829	6,868	**-**	-
Finance costs				
Interest and finance charges paid/payable	**404,831**	432,190	**78,227**	108,009
Interest rate hedging charges paid/payable	**24,161**	8,671	**2,347**	4,093
Non-cash interest discount unwinding:				
Unwinding of M1 upgrade payable	**23,446**	36,093	**-**	-
Unwinding of discount on maintenance provision	**10,750**	8,687	**-**	-
Movement in concession/promissory notes	**(6,268)**	(3,126)	**-**	-
	456,920	482,515	**80,574**	112,102
Depreciation and amortisation expense				
Operational cost	**327,167**	327,341	**-**	-
Corporate cost	**13,772**	8,887	**-**	-
	340,939	336,228	**-**	-

5 Expenses (continued)

Movement in concession notes/promissory notes

Year ending 30 June 2009	Hills M2 Motorway $'000	M1 Eastern Distributor $'000	Total $'000
Recognised in finance costs:			
Unwinding of discount of notes on issue from prior periods	1,557	1,799	3,356
Remeasurement of notes due to change in payment profile	(4,811)	(4,813)	(9,624)
	(3,254)	(3,014)	(6,268)

Year ending 30 June 2008	Hills M2 Motorway $'000	M1 Eastern Distributor $'000	Total $'000
Recognised in finance costs:			
Unwinding of discount of notes on issue from prior periods	1,402	2,044	3,446
Remeasurement of notes due to change in payment profile	(1,299)	(5,273)	(6,572)
	103	(3,229)	(3,126)

There is no discount applied or remeasurement of notes for the M4 Motorway due to the short-term nature of its payment profile.

6 Income tax benefit

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
(a) Income tax benefit				
Current tax	**63,737**	98,899	**(28,614)**	-
Deferred tax	**(95,646)**	(144,298)	**2,472**	(38,950)
Under (over) provided in prior years	**(4,326)**	2,338	**(3,097)**	4,174
	(36,235)	(43,061)	**(29,239)**	(34,776)
Income tax expense is attributable to:				
Profit from continuing operations	**(36,235)**	(46,900)	**(29,239)**	(34,776)
Profit from discontinued operations	**-**	3,839	**-**	-
Aggregate income tax benefit	**(36,235)**	(43,061)	**(29,239)**	(34,776)
Deferred income tax (benefit) expense included in income tax benefit comprises:				
(Increase) in deferred tax assets (note 16)	**(46,338)**	(116,009)	**(147)**	(31,241)
(Decrease) increase in deferred tax liabilities (note 24)	**(49,308)**	(28,289)	**2,619**	(7,709)
	(95,646)	(144,298)	**2,472**	(38,950)

6 Income tax benefit (continued)

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
(b) Numerical reconciliation of income tax benefit to prima facie tax payable				
Loss from continuing operations before income tax benefit	**(52,369)**	(170,908)	**(93,207)**	(60,302)
Profit (loss) from discontinuing operations before income tax	**-**	22,500	**-**	-
	(52,369)	(148,408)	**(93,207)**	(60,302)
Tax at the Australian tax rate of 30% (2008 - 30%)	**(15,711)**	(44,522)	**(27,962)**	(18,091)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Trust income not subject to tax	**(75,551)**	(65,163)	**-**	-
Accounting depreciation on non tax depreciable assets	**1,798**	1,828	**-**	-
Infrastructure bond non-deductible interest	**42,755**	41,286	**-**	-
Equity accounted results	**10,363**	7,851	**-**	-
Assessable dividend from subsidiaries	**1,345**	3,490	**-**	-
Benefits from subsidiaries in the tax consolidated group	**-**	-	**-**	(20,821)
Sundry items	**3,092**	2,818	**1,820**	(38)
	(31,909)	(52,412)	**(26,142)**	(38,950)
Under (over) provision in prior years	**(4,326)**	2,338	**(3,097)**	4,174
Prior year tax losses written off	**-**	7,013	**-**	-
Income tax benefit	**(36,235)**	(43,061)	**(29,239)**	(34,776)

(c) Amounts recognised directly in equity

Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity				
Net deferred tax - debited (credited) directly to equity (notes 16 and 24)	**(29,952)**	40,086	**-**	-
	(29,952)	40,086	**-**	-

(d) Tax consolidation legislation

The Transurban Group elected to implement tax consolidation legislation for Transurban Holdings Limited and its wholly owned Australian entities with effect from 1 July 2005. The accounting policy in relation to this legislation is set out in note 1(f).

The entities in the Transurban Holdings Limited tax consolidated group entered into a tax sharing agreement (TSA) effective from 29 April 2009. The TSA, in the opinion of the directors, limits the joint and several liability of the wholly-owned entities in the case of a default by the head entity, Transurban Holdings Limited (THL).

The entities in the Transurban Holdings Limited tax consolidated group have also entered into a tax funding agreement (TFA) effective from 1 July 2008. Under the TFA the wholly-owned entities fully compensate THL for any current tax payable assumed and are compensated by THL for any current tax receivable and deferred tax assets relating to tax losses. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities financial statements.

The amount receivable/payable under the TFA are calculated as soon as practicable after the end of the financial year for each wholly-owned entity. THL communicates the funding amount to each wholly-owned entity along with the method of calculation and any other information deemed necessary.

6 Income tax benefit (continued)

(e) Numerical reconciliation of income tax expense for discontinued operation

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Profit from discontinuing operations before income tax expense (note 7)	**-**	22,500	**-**	-
Tax at the Australian tax rate of 30% (2008 - 30%)	**-**	6,750	**-**	-
Tax effect of amounts which are not deductible (taxable):				
Non-assessable income	**-**	(3,353)	**-**	-
Other	**-**	441	**-**	-
	-	3,838	**-**	-

7 Prior period discontinued operation

On 11 September 2007 T895 US Holdings Inc and its controlled entities, the owner of the Pocahontas Parkway ("Pocahontas"), was sold to Transurban DRIVe Holdings LLC (DRIVe). DRIVe is a vehicle in which Transurban has an equity interest and is accounted for by the Transurban Group using the equity method of accounting. The results and net assets of Pocahontas have therefore been disclosed as a discontinued operation.

Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

(a) Financial performance and cash flow information for discontinued operation

The financial performance and cash flow information presented are for the period 1 July 2007 to 10 September 2007.

	Consolidated 30 June 2008 $'000	**Parent entity** 30 June 2008 $'000
Revenue (note 3)	3,144	-
Other income	-	-
Depreciation	-	-
Finance costs	(5,422)	-
Other expenses	(828)	-
Loss before income tax	(3,106)	-
Income tax benefit	1,211	-
Profit after income tax of discontinued operation	(1,895)	-
Gain on sale of the division before income tax	25,606	-
Income tax expense	(5,049)	-
Gain on sale of the division after income tax	20,557	-
Profit from discontinued operation	18,662	-
Net cash inflow (outflow) from operating activities	1,150	-
Net cash (outflow) from investing activities	(178)	-
Net cash inflow from financing activities	2,705	-
Net increase in cash generated by the division	3,677	-

7 Prior period discontinued operation (continued)

(b) Carrying amounts of assets and liabilities of discontinued operation

The carrying amounts of assets and liabilities as at the date of sale (10 September 2007) were:

	Consolidated 10 September 2007 $'000	Parent entity 10 September 2007 $'000
Cash	44,324	-
Trade receivables	36,991	-
Property, plant and equipment	1,392	-
Intangible assets	596,096	-
Deferred tax assets	1,391	-
Total assets	680,194	-
Other creditors	(9,706)	-
Borrowings	(564,945)	-
Financial derivatives	(4,595)	-
Deferred tax liabilities	(10,032)	-
Total liabilities	(589,278)	-
Net assets	90,916	-

(c) Details of the sale of the discontinued operation

	Consolidated 30 June 2008 $'000	Parent entity 30 June 2008 $'000
Consideration received	205,754	-
Carrying amount of net assets sold	(90,916)	-
Cumulative translation differences	(12,415)	-
Gain on sale	102,423	-
Income tax expense	(20,202)	-
Profit after income tax	82,221	-
Unrealised profit after tax on equity accounted ownership	(61,664)	-
Realised profit on sale after income tax	20,557	-

8 Current assets - Cash and cash equivalents

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Cash at bank and in hand	**199,805**	336,545	**8**	8,647
	199,805	336,545	**8**	8,647

(a) Reconciliation to cash at the end of the year

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Balance as above	**199,805**	336,545	**8**	8,647
Infrastructure facility cash reserve	**1,629,258**	1,515,942	**-**	-
Balances per statement of cash flows	**1,829,063**	1,852,487	**8**	8,647

All cash balances are interest bearing. The Group's and parent entity's exposure to interest rate risk is disclosed in note 47.

(b) Funds not for general use

The amount shown in Cash at Bank includes $128.2 million not available for general use at 30 June 2009 (2008: $84.0 million). This comprises amounts required to be held under maintenance and funding reserves, and prepaid tolls.

9 Current assets - Trade and other receivables

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Trade receivables	**29,739**	23,919	**-**	-
Provision for impairment of receivables (note 9(a))	**(3,972)**	(3,018)	**-**	-
	25,767	20,901	**-**	-
Related party receivable	**8,822**	28,604	**257,439**	390,211
Other receivables	**38,458**	39,663	**8,875**	202
Infrastructure bond interest receivable	**129,969**	119,457	**-**	-
Current tax receivables	**-**	-	**430**	-
Prepayments	**7,425**	8,213	**59**	61
	210,441	216,838	**266,803**	390,474

9 Current assets - Trade and other receivables (continued)

(a) Provision for impaired trade and other receivables

As at 30 June 2009 current trade receivables of the Group with a nominal value of $3,972,000 (2008: $3,018,000) were considered impaired and accordingly the Group held a provision for impairment of $3,972,000 (2008: $3,018,000). As at 30 June 2009, trade receivables of $3,421,000 (2008: $5,789,000) were past due but not impaired.

There were no impaired trade receivables for the parent in 2008 or 2009. The ageing of these receivables is as follows:

Consolidated **For the year ended 30 June 2009**	**Not impaired** **$'000**	**Amount considered impaired** **$'000**	**Provision for impairment** **$'000**
Trade and other receivables			
Current (not past due)	22,346	887	887
less than 30 days overdue	2,507	1,067	1,067
more than 30 but less than 60 days overdue	596	1,221	1,221
more than 60 but less than 90 days overdue	93	202	202
more than 90 days overdue	225	595	595
	25,767	3,972	3,972

Consolidated **For the year ended 30 June 2008**	**Not impaired** **$'000**	**Amount considered impaired** **$'000**	**Provision for impairment** **$'000**
Trade and other receivables			
Current (not past due)	15,111	1,205	1,205
less than 30 days overdue	4,005	1,102	1,102
more than 30 but less than 60 days overdue	1,362	194	194
more than 60 but less than 90 days overdue	206	30	30
more than 90 days overdue	216	487	487
	20,900	3,018	3,018

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. The Group does not hold any collateral in relation to these receivables.

Movements in the provision for impairment of receivables was as follows:

	Consolidated	
	30 June 2009 $'000	30 June 2008 $'000
At 1 July	**3,018**	2,171
Provision for impairment recognised during the year	**1,610**	1,560
Receivables written off during the year as uncollectible	**(656)**	(713)
	3,972	3,018

Amounts charged to the provision are generally written off when there is no expectation of recovering additional cash.

When customers travel on a road without a prior arrangement in place, they are issued with an invoice. If this invoice is outstanding for a period of time they are sent to government enforcement authority and are issued an external fine. These authorities use the full extent of the law to recover the amounts and then pass on the amount collected back to the Group on a gross basis. This is recognised in ‘other revenue’.

9 Current assets - Trade and other receivables (continued)

(b) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group.

(c) Foreign exchange and interest rate risk

Information about the Group's and the parent entity's exposure to foreign currency risk and interest rate risk in relation to trade and other receivables is provided in note 47.

(d) Infrastructure bond interest receivable

Infrastructure bond interest receivable represents accrued interest on an infrastructure facility cash reserve account held with debt infrastructure bond lenders.

(e) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. Note 47 details further information on the risk management policy of the Group and the credit quality of the Group's trade receivables.

10 Non-current assets - Receivables

	Consolidated		**Parent entity**	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Related party receivable	**-**	-	**264,221**	13,429
Prepayments	**-**	1,688	**-**	-
	-	1,688	**264,221**	13,429

(a) Impaired receivables and receivables past due

None of the non-current receivables are impaired or past due but not impaired.

(b) Fair values

The carrying values approximate the fair value of non-current receivables.

(c) Risk exposure

Information about the Group's and the parent entity's exposure to credit risk, foreign exchange and interest rate risk is provided in note 47.

11 Non-current assets - Investments accounted for using the equity method

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Westlink Motorway (note 38)	**-**	-	**-**	-
Interlink Roads Pty Limited (M5 Motorway) (note 38)	**467,956**	516,972	**-**	-
Transurban DRIVe Holdings LLC (note 38)	**196,203**	174,197	**-**	-
	664,159	691,169	**-**	-

Westlink Motorway

Transurban owns a 50% interest in the Westlink Consortium which holds the concession to design, construct, finance and operate the Westlink M7 Toll Road in Sydney for a period of 34 years.

The M7 is a fully electronically tolled motorway with distance-based tolling charges. Tolls are escalated or deescalated quarterly by quarterly CPI.

Transurban also holds the right to provide tolling and customer management services to the Westlink M7.

M5 Motorway

Transurban holds a 50% ownership in the M5 Motorway in Sydney. Tolls are collected on the M5 in both directions, with four toll collection points. The concession for the M5 Motorway extends to August 2023 when all concession assets will be returned to the NSW State Government.

The M5 has two tolling categories, cars and similar vehicles and all other vehicles (for example, trucks and buses). Toll increases for the M5 are based on CPI in $0.50 increments. The M5 is a participant in the NSW State Government Cashback Scheme. Motorists with ETC accounts and driving privately registered vehicles on the M5 are able to claim the full amount of tolls paid (excluding GST) from the NSW State Government.

Transurban DRIVe Holdings LLC

Transurban owns 75% of Transurban DRIVe Holdings LLC (DRIVe). DRIVe owns 100% of Pocahontas 895 and 90% of Capital Beltway Express, both in Virginia, USA. Pocahontas 895 is a 99 year concession with tolls escalated according to a prescribed schedule until 2016, and the greater of CPI, real GDP or 2.8 per cent thereafter. Capital Beltway Express is currently in construction phase and is scheduled to open in late 2012, and will have a 75 year concession period.

12 Non-current assets - Held-to-maturity investments

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Term Loan Notes	**633,272**	558,224	**-**	-
	633,272	558,224	**-**	-

Term Loan Notes represent Transurban's debt funding contribution to the Westlink Motorway Partnership. The fixed maturity date of the TLN's is the earlier of 34 years and the termination of the "Agreement to Lease" between the Roads and Traffic Authority of New South Wales and Westlink Motorway Limited.

The interest rate charged on these notes is 11.93 per cent and any unpaid interest capitalises into additional notes. During the year ended 30 June 2009 the Group acquired new notes totalling $30.4 million, and capitalised interest of $44.6 million (2008: $26.2 million).

(a) Impairment and risk exposure

None of the held-to-maturity investments are either past due or impaired. All held-to-maturity investments are denominated in Australian currency. As a result, there is no exposure to foreign currency risk. There is also no exposure to price risk as the investments will be held to maturity.

13 Non-current assets - Other financial assets

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Shares in subsidiaries (note 36)	**-**	-	**1,383,142**	1,383,142
	-	-	**1,383,142**	1,383,142

The shares in subsidiaries are carried at cost.

14 Derivative financial instruments

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Non-current assets				
Interest rate swap contracts - cash flow hedges	**36,253**	149,672	**-**	-
Cross-currency interest rate swap contracts - cash flow hedges	**27,282**	18,157	**-**	-
	63,535	167,829	**-**	-
Total derivative financial instrument assets	**63,535**	167,829	**-**	-
Current liabilities				
Equity swap	**-**	9,855	**-**	9,855
Interest rate swap contracts - cash flow hedges	**3,336**	-	**-**	-
	3,336	9,855	**-**	9,855
Non-current liabilities				
Interest rate swap contracts - cash flow hedges	**71,545**	-	**-**	-
Cross currency interest rate swap contracts - cash flow hedges	**10,937**	196,116	**-**	-
Forward exchange contracts - cash flow hedges	**22,739**	51,602	**-**	-
	105,221	247,718	**-**	-
Total derivative financial instrument liabilities	**108,557**	257,573	**-**	9,855
Total net derivative financial instrument liabilities	**(45,022)**	(89,744)	**-**	(9,855)

(a) Instruments used by the Group

The Group is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest and foreign exchange rates in accordance with the Group's financial risk management policies (refer to note 47).

The instruments used by the Group are as follows:

(i) Interest rate swap contracts - cash flow hedges

The Group uses interest rate swap contracts for hedging purposes to convert variable rate borrowings to fixed. Variable rate borrowings of the Group currently bear an average variable interest rate of 4.1 per cent (2008: 8.4 per cent). It is policy to protect part or all of the loans from exposure to increasing interest rates. Accordingly, the Group has entered into interest rate swap contracts under which it receives interest at variable rates and pays interest at fixed rates.

Interest rate swap contracts currently in place cover approximately 91 per cent (2008: 80 per cent) of long term variable debt excluding working capital facilities. The average all-in rate after hedging on the hedged portion of the Group's variable rate borrowings is 6.6 per cent (2008: 6.6 per cent).

(ii) Forward exchange contracts - cash flow hedges

The Transurban Group raised fixed U.S. Dollar debt through a U.S. Private Placement in November 2006. This placement was structured to be capital accretive for five years. In order to protect against exchange rate movements, the Group has entered into forward exchange contracts.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity.

14 Derivative financial instruments (continued)

(iii) Equity swap arrangement

In the prior year, the Group had an exposure to an equity swap arrangement with a counterparty whereby the Group was exposed to movements in the fair value of the underlying securities without having any rights to those securities. Under the agreement, the return on the underlying security was exchanged for a return based on a reference interest rate. During the year ended 30 June 2009, the equity swap was closed out and the exposure to the underlying security was converted into a physical holding and subsequently sold.

As at 30 June 2008, the Group had equity swaps in place with a notional principal amount of $55.0 million maturing within one year.

(iv) *Cross-currency interest rate swap contracts - cash flow hedges*

The Group has made several U.S. Private Placements raising fixed rate debt. It is the policy of the Group to protect foreign currency facilities from exposure to unfavourable exchange rate movements. Accordingly, the Group has entered into cross-currency interest rate swap contracts under which it is obliged to receive foreign currency interest at fixed rates and pay AUD interest at floating rates.

(b) Risk exposures

Information about the Group's and the parent entity's exposure to credit risk, foreign exchange and interest rate risk is provided in note 47.

15 Non-current assets - Property, plant and equipment

Consolidated	Equipment, fittings and operating systems $'000	Total $'000
At 1 July 2007		
Cost	153,526	153,526
Accumulated depreciation	(86,666)	(86,666)
Net book amount	66,860	66,860
Year 30 June 2008		
Opening net book amount	66,860	66,860
Additions	43,280	43,280
Transfer from intangible assets	18,978	18,978
Depreciation charge	(32,893)	(32,893)
Closing net book amount	96,225	96,225
At 30 June 2008		
Cost	217,095	217,095
Accumulated depreciation	(120,870)	(120,870)
Net book amount	96,225	96,225
Year 30 June 2009		
Opening net book amount	96,225	96,225
Additions	47,947	47,947
Depreciation charge	(27,716)	(27,716)
Closing net book amount	116,456	116,456
At 30 June 2009		
Cost	254,675	254,675
Accumulated depreciation	(138,219)	(138,219)
Net book amount	116,456	116,456

The parent entity does not have any Property Plant and equipment.

During the year, fully written down property, plant and equipment with a cost of $10,367,000 were disposed.

16 Non-current assets - Deferred tax assets

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
The balance comprises temporary differences attributable to:				
Amounts recognised in profit or loss				
Accrued expenses	**1,579**	5,541	**24**	-
Provisions	**74,738**	68,898	**85**	136
Current and prior year losses	**363,381**	310,000	**362,177**	310,000
Investments	**15,698**	19,969	**-**	-
Unearned income	**17,526**	17,183	**3,171**	-
Fixed assets	**5,655**	3,931	**-**	-
Other	**6,983**	5,900	**-**	2,997
	485,560	431,422	**365,457**	313,133
Amounts recognised directly in equity				
Cash flow hedges	**29,111**	74,315	**-**	-
	29,111	74,315	**-**	-
Total deferred tax assets	**514,671**	505,737	**365,457**	313,133
Movements:				
Opening balance at 1 July	**505,738**	385,458	**313,133**	222,937
Credited/(charged) to the income statement (note 6)	**46,338**	116,009	**147**	31,241
Credited/(charged) to equity	**(45,204)**	25,670	**-**	-
Tax losses utilised	**(419)**	(22,057)	**-**	(10,448)
Foreign exchange movements	**2,608**	(230)	**-**	-
Transfer from tax group subsidiaries	**-**	-	**52,177**	69,403
Transfer from deferred tax liability(note 24)	**5,610**	888	**-**	-
Closing balance at 30 June	**514,671**	505,738	**365,457**	313,133
Deferred tax assets to be recovered after more than 12 months	**514,671**	505,738	**365,457**	313,133
	514,671	505,738	**365,457**	313,133

17 Non-current assets - Intangible assets

Consolidated	Goodwill $'000	CityLink $'000	Hills M2 Motorway $'000	M1 Eastern Distributor $'000	M4 Motorway $'000	Assets under construction $'000	Other $'000	Total $'000
At 1 July 2007								
Cost	260,288	4,438,477	2,516,005	2,153,841	178,788	10,238	54,383	9,612,020
Accumulated amortisation	-	(907,068)	(258,645)	(15,470)	(15,327)	-	(19,874)	(1,216,384)
Net book amount	260,288	3,531,409	2,257,360	2,138,371	163,461	10,238	34,509	8,395,636
Year ended 30 June 2008								
Opening net book amount	260,288	3,531,409	2,257,360	2,138,371	163,461	10,238	34,509	8,395,636
Additions	-	542	1,861	21	-	42,327	3,917	48,668
Transferred to property, plant and equipment	-	-	-	-	-	-	(18,978)	(18,978)
Disposals	-	-	-	-	-	-	(19,448)	(19,448)
Amortisation charge	-	(124,703)	(64,753)	(52,741)	(61,138)	-	-	(303,335)
Closing net book amount	260,288	3,407,248	2,194,468	2,085,651	102,323	52,565	-	8,102,543
At 30 June 2008								
Cost	260,288	4,439,019	2,517,866	2,153,862	178,788	52,565	-	9,602,388
Accumulated amortisation	-	(1,031,771)	(323,398)	(68,211)	(76,465)	-	-	(1,499,845)
Net book amount	260,288	3,407,248	2,194,468	2,085,651	102,323	52,565	-	8,102,543
Year ended 30 June 2009								
Opening net book amount	260,288	3,407,248	2,194,468	2,085,651	102,323	52,565	-	8,102,543
Additions	-	-	-	-	-	73,027	-	73,027
Amortisation charge	-	(135,744)	(64,737)	(51,341)	(61,401)	-	-	(313,223)
Closing net book amount	260,288	3,271,504	2,129,731	2,034,310	40,922	125,592	-	7,862,347
At 30 June 2009								
Cost	260,288	4,439,019	2,517,866	2,153,862	178,788	125,592	-	9,675,415
Accumulated amortisation	-	(1,167,515)	(388,135)	(119,552)	(137,866)	-	-	(1,813,068)
Net book amount	260,288	3,271,504	2,129,731	2,034,310	40,922	125,592	-	7,862,347

Description of intangible assets

Goodwill

The balance in goodwill relates to the Group's Sydney Network and has arisen from the acquisition of Hills Motorway Group, Tollaust Pty Limited and the Sydney Roads Group.

Concession assets

The CityLink, Hills M2, Eastern Distributor and M4 Motorway Service Concession Arrangements have been accounted for in accordance with AASB-I 12 and therefore the concession assets have been classified as Intangible Assets.

CityLink concession asset
Transurban holds the Concession for Melbourne’s CityLink tollway which grants the Group the right to design, build, operate and maintain CityLink for the Concession period ending on 14 January 2034 (being 34 years following completion of construction). Transurban has the right to collect tolls from CityLink for the duration of the Concession Arrangement and maintains the tollway to ensure continuous availability for public use. Tolls are escalated in accordance with the maximum allowable increases in the Concession Deed, being a quarterly escalation at the greater of quarterly CPI or 1.1065% (equivalent to an annual escalation rate of 4.5%) for the first 15 years then quarterly by CPI, but no greater than annual CPI plus 2.5%. At the end of the Concession period, all Concession Assets are to be returned to the Victorian State Government.

During the year ended 30 June 2007, Transurban signed an agreement with the State of Victoria and VicRoads to jointly fund upgrades and improvements to 75 kilometres of the Monash – CityLink – West Gate Freeway Corridor (M1 Upgrade). On initial recognition of the agreement an intangible asset was recognised and represents future economic benefits arising from increased toll revenue and as a result of the increased traffic flow from the upgrades. Transurban is also contributing to the construction of the upgrade and an intangible asset is recognised equal to that contribution. Revenue and expenses have been recognised in the period on exchanging construction services for an intangible asset.

17 Non-current assets - Intangible assets (continued)

Hills M2 concession asset
Through the acquisition of the Hills Motorway Group in 2005, Transurban acquired the concession for the Hills M2 Motorway in Sydney, allowing Transurban the right to toll the Motorway until 2042. The Concession Deed also requires Transurban to maintain the M2 Motorway.

Toll increases for the M2 Motorway are based on a maximum toll increase as defined in the Concession Deed, being a quarterly escalation at the greater of quarterly CPI or 1%, subject to integer rounding. At the end of the concession period, all concession assets will be returned to the NSW State Government.

M1 Eastern Distributor concession asset
As a result of the acquisition of the Sydney Roads Group, Transurban holds an investment of 75.1% in the M1 Eastern Distributor (ED) tollway in Sydney via the concessionaire Airport Motorway Group. The ED opened in 1999 and the Airport Motorway Group holds the legal right to operate and toll the ED until 24 July 2048.

Toll increases for the ED are based on a maximum toll increase as defined in the Concession Deed, being a quarterly escalation at the greater of a weighted sum of quarterly AWE and quarterly CPI or 1% subject to integer rounding. At the end of the concession period, all concession assets will be returned to the NSW State Government.

M4 Concession asset
Resulting from the acquisition of Sydney Roads Group, Transurban holds an investment of 50.61% in the M4 Motorway in Sydney via the concessionaire Statewide Roads. The M4 Motorway opened in 1992 and Statewide Roads holds the legal right to operate the M4 until 15 February 2010.

The M4 has two vehicle tolling categories, cars and similar vehicles and all other vehicles (for example, trucks and buses). Toll increases for the M4 are based on quarterly CPI subject to integer rounding. The toll cannot be lowered as a result of deflation. However, until inflation counteracts the deflation the toll cannot be increased. The M4 is a participant in the NSW State Government Cashback Scheme. Motorists with ETC accounts and driving privately registered vehicles on the M4 are able to claim the full amount of tolls paid from the NSW State Government. At the end of the concession period, all M4 concession assets will be returned to the NSW Government.

Assets under construction
The Group is currently undertaking an upgrade of CityLink, scheduled for completion in 2010; and development works on the Hills M2 Motorway. These will be transferred to the respective intangible assets upon completion.

Other

Other relates to capitalised development costs that were an internally generated intangible asset and represented costs incurred on development projects including materials, services and direct labour.

Impairment testing of goodwill and other intangible assets

Impairment testing

The Group tests whether goodwill and other intangible assets have suffered any impairments, in accordance with the accounting policy stated in note1(i). The recoverable amount of assets and cash-generating units have been determined based on the greater of value-in-use and fair value less cost to sell calculations. These calculations require the use of assumptions regarding traffic flows, discount rates, growth rates and other factors affecting operating activities of cash-generating units.

Key assumptions used for fair value less cost to sell calculations

The Group makes assumptions in calculating the fair value less cost to sell of its cash generating units. These include assumptions around expected traffic flows and forecast operational costs. In performing the calculations the Group has applied a discount rate of 8.8 per cent (2008: 8.0 per cent), representing the implied discount rate applicable to the risk profile of the Group's assets, to discount the forecast future attributable cash flows. In determining future cash flows, the Group has also applied rates of growth to underlying operating assumptions to reflect the expected performance of the assets beyond the budget period in accordance with the respective concessions. The operating costs have been escalated in line with a combination of Consumer Price Index (CPI) and Average Weekly Earnings (AWE) forecasts. A long term CPI rate of 2.5 per cent (2008: 2.5 per cent) and AWE of 4.0 per cent (2008: 4.0 per cent) have been used.

18 Current liabilities - Trade and other payables

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Trade payables and accruals	**90,877**	108,423	**75,119**	82,840
Infrastructure bond interest payable	**94,228**	86,606	**-**	-
	185,105	195,029	**75,119**	82,840

(a) Risk exposure

Information about the Group's and the parent entity's exposure to foreign exchange risk is provided in note 47.

19 Current liabilities - Borrowings

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Infrastructure facilities	**537,551**	-	**-**	-
Less: Infrastructure facility cash reserve	**(537,551)**	-	**-**	-
Working capital facilities	**80,000**	19,000	**-**	-
Secured loan - Statewide Roads	**500**	21,600	**-**	-
Term debt	**515,500**	440,000	**-**	-
Capital Markets Debt	**150,000**	-	**-**	-
Total current borrowings	**746,000**	480,600	**-**	-

(a) Security and fair value disclosures

Information about the security relating to each of the secured liabilities and the fair value of each of the borrowings is provided in note 22.

(b) Infrastructure facilities

Hills M2 Motorway
$537.6 million (2008: $512.5 million) facility certified by the Development Allowance Authority to qualify for concessional tax treatment under Income Tax Legislation. The bonds are secured by an infrastructure facility cash reserve equal to the amount of the loan which is set off against the loan facility, the principal of the refinancing bonds will be repaid from the infrastructure facility cash reserve in December 2009. This facility was classified as a non-current liability in the prior year. The facility was fully drawn as at 30 June 2009.

(c) Working capital facilities

The current working capital facility comprises of banking facilities of $195.0 million, maturing in June 2010. $80.0 million of this facility was utilised at 30 June 2009. These facilities are secured by a first ranking charge over the cash flows of the Transurban Group.

(d) Secured loan – Statewide Roads

The $0.5 million bank facility matures in November 2009. The loan is secured by registered mortgages over all the assets of Statewide Roads (M4) Pty Limited and SWR Properties Pty Limited.

19 Current liabilities - Borrowings (continued)

(e) Term debt

The term debt of $515.5 million was due to mature in November 2009. This was refinanced in July 2009 (post balance date). The facility is fully secured against the respective rights of Airport Motorway Ltd and Airport Motorway Trust in the M1 Motorway and their assets. The interest rate applicable to the term debt is 3.97 per cent (2008: 8.4 per cent). 75 per cent of the borrowings are hedged to an all-in rate after hedging of 6.22 per cent.

The prior year term debt facility of $440.0 million was refinanced in May 2009 using the funds raised via a Syndicated Bank facility (refer to note 22).

(f) Capital Markets Debt

The capital markets debt is a $150.0 million non-credit wrapped fixed rate Medium Term Note raised in December 2004, maturing in December 2009. This facility is secured by a first ranking charge over the cash flows of the Group.

20 Current liabilities - Provisions

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Employee entitlements	**20,542**	22,916	**283**	453
Maintenance provision	**65,639**	35,602	**-**	-
Restructuring and onerous lease provision	**4,584**	9,110	**-**	-
Distribution to security holders	**141,153**	318,398	**-**	-
Distributions to minority interests in subsidiaries	**30,493**	30,845	**-**	-
	262,411	416,871	**283**	453

(a) Employee entitlements
The provision for employee entitlements includes a provision for annual leave, bonuses and the current portion of long service leave.

(b) Maintenance provision
A maintenance provision is recognised for the present value of the Group's obligations to maintain the tolling assets as required under the Service Concession Arrangements.

(c) Restructuring and onerous lease provision
A restructuring provision is recognised when the main features of the restructuring are planned and there is a demonstrable commitment and valid expectation that the restructuring plan will be implemented.

(d) Distribution to security holders and minority interests
These distributions are provided for once approved by the board and are announced to equity holders.

20 Current liabilities - Provisions (continued)

(e) Movements in provisions

	Maintenance provision $'000	Restructuring and onerous lease provision $'000	Distribution to security holders $'000	Distributions to minority interests in subsidiaries $'000
Consolidated - 2009				
Carrying amount at start of year	35,602	9,110	318,398	30,845
Provision recognised	4,276	4,165	281,136	14,691
Amounts paid/utilised during the year	(14,024)	(7,690)	(459,117)	(15,043)
Movements in foreign exchange rates	-	(1,001)	-	-
DRP carry forward	-	-	(26)	-
Long term incentive loan repayment	-	-	762	-
Transfer (to)/from non-current	39,785	-	-	-
Carrying amount at end of year	65,639	4,584	141,153	30,493

21 Current liabilities - Non-interest bearing liabilities

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Prepaid tolls	**53,462**	48,582	**-**	-
Unearned income	**20,815**	35,851	**-**	-
M1 Upgrade liability	**61,795**	135,257	**-**	-
Advances from related parties	**12,800**	30,037	**143,759**	34,304
Other	**580**	580	**-**	-
	149,452	250,307	**143,759**	34,304

Details of the information on the M1 Upgrade are set out in note 23.

22 Non-current liabilities - Borrowings

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Infrastructure Facilities	**1,091,707**	1,515,942	**-**	-
Less: Infrastructure facility cash reserve (note 8)	**(1,091,707)**	(1,515,942)	**-**	-
Working Capital Facilities	**14,821**	-	**-**	-
U.S. Private Placement	**1,338,102**	1,113,825	**-**	-
Term debt	**457,739**	515,500	**-**	-
Capital Markets Debt	**887,080**	1,035,140	**-**	-
Secured Loans - Statewide Roads	**-**	502	**-**	-
Syndicated facility	**598,630**	598,245	**-**	-
Loans from related parties	**-**	-	**1,470,608**	1,405,107
	3,296,372	3,263,212	**1,470,608**	1,405,107

Set-off of assets and liabilities

A legal right of set-off exists in respect of the specific cash deposits of $1,621.3 million (2008: $1,515.9 million) representing collateralisation of the Hills Motorway (current) and M1 Airport Motorway (non-current) Infrastructure Facilities.

Fair value

The carrying value of financial assets and liabilities brought to account at balance date approximates fair value.

Risk exposures

Information about the Group's and parent entity's exposure to financial risk is provided in note 47.

Financing Arrangements and Credit Facilities

Credit facilities are provided as part of the overall debt funding structure of the Transurban Group. Each facility is described below:

(a) Infrastructure facilities

M1 Airport Motorway
$1,091.7 million (2008: $1,003.4 million) facility certified by the Development Allowance Authority to qualify for concessional tax treatment under Income Tax Legislation. The bonds are secured by an infrastructure facility cash reserve equal to the amount of the loan which is set off against the loan facility, the principal of the refinancing bonds will be repaid from the infrastructure facility cash reserve on August 2011. The facility was fully drawn down as at 30 June 2009.

Hills M2 Motorway
The Hills facility of $512.5 million in the prior year has been classified as current as at 30 June 2009.

(b) Working Capital Facilities

The Group has the following non-current facilities in place:

- $170.0 million facility which is for a term of 3 years, maturing February 2011. At 30 June 2009, the facility was undrawn.
- $150.0 million facility which is for a term of 3 years, maturing February 2011. At 30 June 2009, $14.8 million of the facility was drawn-down.

These facilities are secured by a first ranking charge over the cash flows of the Transurban Group.

22 Non-current liabilities - Borrowings (continued)

(c) U.S. Private Placement

The composition of the three US Private Placements is outlined below:

	Rate	USD $'000	AUD $'000	Maturity
Fixed Interest Rate				
Dec 04 - Tranche A	5.02%	100,000	123,244	Dec 2014
Dec 04 - Tranche B	5.17%	38,900	47,942	Dec 2016
Dec 04 - Tranche C	5.47%	108,600	133,843	Dec 2019
Aug 05 - Tranche A	5.04%	98,000	120,779	Aug 2015
Aug 05 - Tranche B	5.19%	125,500	154,671	Aug 2017
Aug 05 - Tranche C	5.35%	156,500	192,877	Aug 2020
Nov 06 - Tranche A	5.71%	49,499	61,004	Nov 2016
Nov 06 - Tranche B	5.86%	157,126	193,648	Nov 2018
Nov 06 - Tranche C	5.95%	140,102	172,666	Nov 2021
Nov 06 - Tranche D	6.06%	58,048	71,541	Nov 2026
		1,032,275	1,272,215	
Floating Interest Rate				
Dec 04 - Tranche D	4.04%		72,000	Dec 2019
			72,000	
Total US Private Placement			1,344,215	
Deferred borrowing costs			(6,113)	
Total			1,338,102	

These facilities are secured by a first ranking charge over the cash flows of the Group.

Hedge of net investment in foreign entity

Transurban's investment in Transurban DRIVe LLC acts as a natural hedge against exposure to foreign currency movements in a portion of USD debt (US$121 million) raised in the November 2006 US Private Placement. Exchange differences arising on the revaluation of the USD debt are recognised in profit or loss in the separate financial report of Transurban Finance Company. In the consolidated financial report, such exchange differences are recognised initially in a separate component of equity and will be recognised in the profit or loss on disposal of the net foreign investment.

As at 30 June 2009, the Group has deferred $8.0 million in gains (2008: $40.6 million).

(d) Term debt

The facility comprises non-recourse Syndicated Bank debt entered into by the Hills Motorway Trust and Hills Motorway Management Limited of $465 million (less capitalised borrowing costs of $7.3 million), with terms of three years ($290.5 million) and five years ($174.5 million). This facility refinanced the term debt that was due to mature in June 2009 (refer note 19).

This facility is secured against the respective rights of Hills Motorway Ltd and Hills Motorway Trust in the Hills M2 Motorway and their assets.

The prior year balance represents the Airport Motorway Trust Term Debt, which has been reclassified in the current year as a current borrowing. This was re-financed in July 2009. Refer note 19.

(e) Capital Markets Debt

The Capital Markets Debt comprises credit wrapped floating bonds issued by Transurban Finance Company with terms of 10 years ($300 million) and 12 years ($300 million) from November 2005. An additional $300 million was raised in September 2006 through the issuance of non-credit wrapped fixed ($200 million) and floating ($100 million) rate bonds with terms of 5 years.

These facilities are secured by a first ranking charge over the cash flows of the Group.

22 Non-current liabilities - Borrowings (continued)

(f) Syndicated facility

This facility comprises syndicated bank debt issued by Transurban Finance Company Pty Limited, with terms of five years ($375.0 million), seven years ($125.0 million) and ten years ($100.0 million) with applicable interest rates ranging between 3.3 and 3.7 per cent. This facility is fully hedged with all-in rates after hedging ranging from 7.2 to 7.3 per cent.

This facility is secured by a first ranking charge over the cash flows of the Group.

(g) Covenants

The Group's debt has the following Interest Coverage Ratio ("ICR") covenants:

- CityLink - ICR greater than 1.1 times
- Group - ICR greater than 1.25 times

In addition, the Group has a market capitalisation clause where gearing must not exceed 60%. Based on the balance sheet at 30 June 2009, the Group's Security price would need to close below $2.12 per Security for 20 consecutive business days to trigger this clause.

In addition, the non-recourse debt at M1 Eastern Distributor and Hills M2 Motorway has the following covenants:

- M1 Eastern Distributor - ICR greater than 1.05 times (1.2 times with new facility from July 2009)
- Hills M2 Motorway - ICR greater than 1.2 times

23 Non-current liabilities - Non-interest bearing liabilities

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Concession notes - M1 Eastern Distributor	**14,577**	16,619	**-**	-
Promissory notes - Hills M2 Motorway	**10,613**	12,973	**-**	-
Lease incentive	**3,726**	4,308	**-**	-
Unearned income	**-**	5,912	**-**	-
Land Transport Notes	**510**	479	**-**	-
M1 Upgrade liability	**-**	51,398	**-**	-
	29,426	91,689	**-**	-

Concession Notes - M1 Eastern Distributor

The Eastern Distributor Project Deed between Airport Motorway Limited, Airport Motorway Trust and the Roads and Traffic Authority ('RTA') provides for annual concession fees of $15.0 million during the construction phase and for the first 24 years after construction completion of the Eastern Distributor ('ED'). Until a certain threshold return is achieved, payments of concession fees due under the ED Project Deed will be satisfied by means of the issue of non-interest bearing Concession Notes.

Concession Notes have been included in the financial statements as non-interest bearing liabilities at the present value of expected future repayments. As the timing and profile of these repayments is largely determined by the available equity cash flows of the M1 Motorway, the present value of the expected future repayments is determined using a discount rate of 12 per cent which recognises their subordinated nature.

The face value of Concession Notes on issue at 30 June 2009 is $180.0 million (2008: $165.0 million). The Net Present Value at 30 June 2009 of the redemption payments relating to these Concession Notes is $14.6 million (2008: $16.6 million).

The indicative timing of these redemption payments is set out in the following table.

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Concession Note Redemption				
Estimated Concession Note payments later than 15 years	**180,000**	165,000	**-**	-
Concession Note liability at the end of the year	**180,000**	165,000	-	-
Reconciliation of the movement in the M1 Concession Note liability				
Concession Note liability at the start of the year	**16,619**	18,628	**-**	-
Discount of Concession Notes on issue at the beginning of the period	**1,799**	2,046	**-**	-
Revaluation of notes due to change in payment profile	**(4,813)**	(5,273)	**-**	-
Notes issued during the year	**15,000**	15,000	**-**	-
Discount of notes issued during the year	**(14,028)**	(13,782)	**-**	-
Concession Note liability at the end of the year	**14,577**	16,619	-	-

23 Non-current liabilities - Non-interest bearing liabilities (continued)

Promissory Notes - M2 Motorway

The Hills Motorway Trust has entered into leases with the Roads and Traffic Authority of New South Wales ('RTA'). Annual lease liabilities under these leases total $7.0 million, indexed annually to the Consumer Price index over the estimated period that the M2 Motorway will be used. Until such time as a threshold return is achieved, payments under these leases can be made at any time at the discretion of the Responsible Entity of the Trust, by means of the issue of non-interest bearing Promissory notes to the RTA.

Promissory Notes have been included in the Financial statements as non-interest bearing liabilities at the present value of expected future repayments. As the timing and profile of these repayments is largely determined by the available equity cash flows of the M2 Motorway, the present value of the expected future repayments is determined using a discount rate of 12 per cent which recognised their subordinated nature.

The face value of Promissory Notes on issue at 30 June 2009 is $106.2 million (2008: $96.6 million). The Net Present Value at 30 June 2009 of the redemption payments relating to these Promissory Notes is $10.6 million (2008: $13.0 million).

The indicative timing of these redemption payments is set out in the following table.

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Promissory Note Redemption				
Estimated Concession Note payments later than 15 years	**106,234**	96,563	**-**	-
Concession Note liability at the end of the year	**106,234**	96,563	**-**	-
Reconciliation of the movement in the M2 Promissory Note Liability				
Promissory Notes liability at the start of the year	**12,973**	11,645	**-**	-
Discount of Promissory Notes on issue at the beginning of the year	**1,557**	1,402	**-**	-
Revaluation of notes due to change in payment profile	**(4,811)**	(1,299)	**-**	-
Promissory Notes issued during the year	**9,671**	9,438	**-**	-
Discount of Promissory Notes issued during the year	**(8,777)**	(8,213)	**-**	-
Promissory Note liability at the end of the year	**10,613**	12,973	**-**	-

Land Transport Notes

Land Transport Notes are carried at a present value of $0.5 million and will be repaid no later than 30 days prior to the last day of the CityLink concession period.

M1 Upgrade liability

Transurban reached an agreement with the State of Victoria and VicRoads to jointly fund upgrades and improvements to 75 kilometres of the West Gate – CityLink (Southern Link) – Monash Freeway corridor. To fund the upgrade Transurban agreed to pay the State $614.3 million over three years in satisfaction of its current and future obligations to repay concession notes issued to the State.

The agreement effectively represents the termination of any future obligation to the State of Victoria by the Group by assigning the right to receive future concession payments made by CityLink Melbourne to Transurban Holding Trust. On a Group basis, the impact of concession notes on the balance sheet and income statement is nil, as the Group has a right of offset.

23 Non-current liabilities - Non-interest bearing liabilities (continued)

As such, the impact of time value of money on the obligation to pay the state the $614.3 million over 3 years is the only ongoing expense recognised in the Group consolidation within the income statements. On initial recognition of this obligation a payable of $505.9 million was recognised which represented the present value of Transurban's obligation. The discount on this obligation has partially unwound over the period and the present value of the obligation at 30 June 2009 is $61.8 million (2008: $186.7 million). The unwinding of the present value is presented as a 'Finance Cost'.

An intangible asset representing the future economic benefits arising from increased toll revenue as a result of increased traffic flows from the upgrades has been recognised (refer note 17).

24 Non-current liabilities - Deferred tax liabilities

	Consolidated		**Parent entity**	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
The balance comprises temporary differences attributable to:				
Amount recognised in profit or loss				
Interest receivable	**43,257**	36,753	**2,633**	14
Unrealised gain	**312**	2,783	**-**	-
Fixed assets/intangibles	**1,035,643**	1,078,886	**-**	-
Prepayments	**5,705**	11,306	**-**	-
Concession Fees and Promissory Notes	**318,914**	317,922	**-**	-
Other	**1,038**	43	**-**	-
	1,404,869	1,447,693	**2,633**	14
Amount recognised directly in equity				
Cash flow hedges	**40,145**	115,301	**-**	-
	40,145	115,301	**-**	-
Total deferred tax liabilities	**1,445,014**	1,562,994	**2,633**	14
Movements:				
Opening balance at 1 July	**1,562,994**	1,524,639	**14**	7,723
Charged/(credited) to the income statement (note 6)	**(49,308)**	(28,289)	**2,619**	(7,709)
Charged/(credited) to equity (notes 26 and 27)	**(75,156)**	65,756	**-**	-
Transfer from deferred tax asset(note 16)	**5,610**	888	**-**	-
Foreign exchange movements	**874**	-	**-**	-
Closing balance at 30 June	**1,445,014**	1,562,994	**2,633**	14
Deferred tax liabilities to be settled after more than 12 months	**1,445,014**	1,562,994	**2,633**	14
	1,445,014	1,562,994	**2,633**	14

25 Non-current liabilities - Provisions

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Employee benefits	**1,764**	1,462	**-**	-
Maintenance provision	**137,853**	152,527	**-**	-
	139,617	153,989	**-**	-

(a) Employee benefits
Employee benefits relate to the provision for long service leave.

(b) Maintenance provision
A maintenance provision is recognised for the present value of the Group's obligations to maintain the tolling assets as required under the Service Concession Arrangements.

(c) Movements in provisions
Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	Maintenance provision $'000
Consolidated - 2009	
Carrying amount at start of year	152,527
Provision recognised	14,361
Unwinding of discount	10,750
Transfer (to)/from current	(39,785)
Carrying amount at end of year	137,853

26 Contributed equity

		Consolidated		Parent entity	
		30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
(a) Share capital					
Fully paid ordinary shares		**-**	-	**413,878**	339,812
Fully paid stapled securities	(b)	**7,106,243**	6,846,992	**-**	-
		7,106,243	6,846,992	**413,878**	339,812
		Number '000	Number '000	**Number '000**	Number '000
Fully paid ordinary shares		**-**	-	**1,281,363**	1,218,263
Fully paid stapled securities		**1,281,363**	1,218,263	**-**	-
		1,281,363	1,218,263	**1,281,363**	1,218,263

(b) Ordinary shares

The number of stapled securities on issue is 1,282,682,606 (2008: 1,220,261,671). The difference of 1,319,606 (2008: 1,998,671) relates to treasury securities held by the Group.

26 Contributed equity (continued)

(c) Movements in ordinary share capital:

				Consolidated		Parent entity	
Date	**Details**	Notes	**Number of securities '000**	**Issue price**	**$'000**	**Issue price**	**$'000**
1 July 2007	**Opening balance**		**1,068,375**		**6,078,487**		**167,094**
27 Aug 2007	Distribution Reinvestment Plan	(e)	11,408	$7.7000	87,885	$0.3400	3,879
19 Sep 2007	Disposal of treasury securities	(f)	139	$7.0500	980	$0.3400	47
25 Sep 2007	Disposal of treasury securities	(f)	44	$7.2800	328	$0.3400	15
4 Oct 2007	Disposal of treasury securities	(f)	49	$7.3200	362	$0.3400	17
29 Nov 2007	Disposal of treasury securities	(f)	272	$6.9000	1,879	$0.3400	93
5 Dec 2007	Disposal of treasury securities	(f)	30	$6.9100	207	$0.3400	10
7 Jan 2008	Disposal of treasury securities	(f)	32	$6.6800	214	$0.3400	11
27 Feb 2008	Distribution Reinvestment Plan	(e)	17,058	$6.5500	111,730	$0.3400	5,800
11 Mar 2008	Disposal of treasury securities	(f)	27	$6.1400	163	$0.3400	9
9 Apr 2008	Disposal of treasury securities	(f)	95	$6.7300	636	$0.3400	32
16 Apr 2008	Disposal of treasury securities	(f)	44	$6.2400	271	$0.3400	15
1 May 2008	Disposal of treasury securities	(f)	62	$6.6700	413	$0.3400	21
25 Jun 2008	Disposal of treasury securities	(f)	628	$4.0000	2,513	$0.9900	621
26 Jun 2008	Equity placement	(h)	120,000	$5.4900	658,800	$1.3600	162,721
	Less:				-		-
	Transaction costs arising on issue of securities				(2,319)		(573)
	Amounts attributable to Transurban International Limited	(j)			(95,557)		-
30 June 2008	**Balance**		**1,218,263**		**6,846,992**		**339,812**

26 Contributed equity (continued)

(c) Movements in ordinary share capital: (continued)

Date	Details	Notes	Number of securities '000	Consolidated Issue price	Consolidated $'000	Parent entity Issue price	Parent entity $'000
1 July 2008	**Opening balance**		**1,218,263**		**6,846,992**		**339,812**
9 Jul 2008	Disposal of treasury securities	(f)	11	$4.4700	49	$1.1040	12
19 Aug 2008	Disposal of treasury securities	(f)	8	$5.5420	45	$1.3690	11
19 Aug 2008	Disposal of treasury securities	(f)	33	$5.5780	183	$1.3780	45
21 Aug 2008	Disposal of treasury securities	(f)	12	$5.4590	66	$1.3480	16
31 Aug 2008	Distribution reinvestment plan	(e)	36,555	$4.6600	170,347	$1.1510	42,076
31 Aug 2008	Distribution reinvestment plan	(e)	14,451	$4.7700	68,931	$1.1782	17,026
11 Sep 2008	Disposal of treasury securities	(f)	29	$5.1870	152	$1.2810	38
11 Sep 2008	Disposal of treasury securities	(f)	12	$5.1870	61	$1.2810	15
11 Sep 2008	Disposal of treasury securities	(f)	68	$5.1870	355	$1.2810	88
26 Sep 2008	Share purchase plan	(i)	1,830	$5.4600	9,994	$1.3490	2,469
9 Oct 2008	Disposal of treasury securities	(f)	11	$5.7500	62	$1.4200	15
23 Oct 2008	Disposal of treasury securities	(f)	23	$5.4200	125	$1.3390	31
7 Nov 2008	Disposal of treasury securities	(f)	25	$5.4730	137	$1.3520	34
13 Nov 2008	Disposal of treasury securities	(f)	56	$5.7391	323	$1.1476	80
14 Nov 2008	Disposal of treasury securities	(f)	93	$5.7340	533	$1.4160	132
14 Nov 2008	Vested treasury units	(f)	102	$5.0433	514	$1.2457	127
17 Nov 2008	Vested treasury units	(f)	91	$5.0433	461	$1.2457	114
18 Nov 2008	Vested treasury units	(f)	9	$5.0433	45	$1.2457	11
19 Nov 2008	Vested treasury units	(f)	39	$5.0433	198	$1.2457	49
20 Nov 2008	Vested treasury units	(f)	19	$5.0433	98	$1.2457	24
30 Nov 2008	Acquisition of treasury units	(f)	(443)	$5.2764	(2,336)	$1.3033	(577)
8 Dec 2008	Vested treasury units	(f)	287	$4.6274	1,327	$1.1430	328
8 Dec 2008	Disposal of treasury securities	(f)	3	$4.6274	13	$1.1430	3
23 Dec 2008	Vested treasury units	(f)	90	$5.0433	454	$1.2457	112
24 Dec 2008	Vested treasury units	(f)	18	$5.0433	92	$1.2457	23
30 Dec 2008	Vested treasury units	(f)	27	$5.0433	138	$1.2457	34
31 Dec 2008	Transfer from share-based payment reserve - 2005 treasury unit plan	(f)			3,021		59
7 Jan 2009	Vested treasury units	(f)	35	$5.0433	178	$1.2457	44
22 Jan 2009	Disposal of treasury securities	(f)	10	$5.0550	48	$1.2486	12
27 Feb 2009	Distribution reinvestment plan	(e)	9,585	$4.9185	47,136	$1.2149	11,643
11 Mar 2009	Disposal of treasury securities	(f)	11	$4.0400	44	$0.9979	11
	Less: Transaction costs arising on issue of securities				(117)		(39)
	Less: Amounts attributable to Transurban International Limited	(j)			(43,426)		
30 June 2009	**Balance**		**1,281,363**		**7,106,243**		**413,878**

(d) Stapled Securities

Stapled Securities entitle the holder to participate in distributions and the winding up of the Transurban Group in proportion to the number of and amounts paid on the securities held. On a show of hands every holder of Stapled Securities present at a meeting in person or by proxy, is entitled to one vote.

26 Contributed equity (continued)

(e) Distribution Reinvestment Plan

The Transurban Group has established a distribution reinvestment plan under which holders of Stapled Securities may elect to have all or part of their distribution entitlements satisfied by the issue of new Stapled Securities rather than by cash. Securities are to be issued under the plan at a 2.5 per cent discount to market price for the 30 June 2009 distribution.

(f) Treasury securities

Stapled securities were issued to executives under Share Based Payment plans. The securities are held by the executive but will only vest in the executive in accordance with the terms of the plans. The acquired securities cannot be transferred or sold prior to vesting date. On forfeit, the securities are sold on market.

(g) Capital risk management

The Group is subject to a gearing ratio covenant imposed by Senior Secured lenders. The Group monitors capital on the basis of the gearing ratio to ensure compliance with the covenant. There have been no breaches of the covenant. For further information refer to note 22.

The Group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to security holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amounts of distributions paid to security holders, return capital to security holders, issue new securities or sell assets to reduce debt.

(h) Equity placement

Transurban raised $658.8 million via an equity placement of 120 million securities to the Canadian Pension Plan Investment Board.

(i) Share placement plan

Transurban raised $10.0 million via a share purchase plan, issuing 1.8 million stapled securities to eligible security holders.

(j) Minority interest - Transurban International Limited

THL has been identified as the parent entity of the post-date of transition stapling arrangement of THL, THT and TIL. AASB Interpretation 1002 requires the equity of TIL to be classified as a minority interest.

27 Reserves and retained profits/(accumulated losses)

	Consolidated		**Parent entity**	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
(a) Reserves				
Hedging reserve - cash flow hedges	**16,877**	101,859	**-**	-
Share-based payments reserve	**5,505**	7,012	**1,017**	138
Foreign currency translation reserve	**(8,892)**	(8,502)	**-**	-
Transactions with minority interest reserve	**(5,127)**	(5,127)	**-**	-
	8,363	95,242	**1,017**	138

27 Reserves and retained profits/(accumulated losses) (continued)

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Movements:				
Hedging reserve - cash flow hedges				
Balance 1 July	**101,859**	(11,747)	**-**	-
Revaluation - gross (note 14)	**(125,385)**	152,349	**-**	-
Deferred tax (notes 16 and 24)	**29,952**	(40,086)	**-**	-
Transfer to net profit	**8,964**	1,343	**-**	-
Transfer to net profit attributable to minority interest	**1,487**	-	**-**	-
Movement in associate's reserve	**(42,438)**	(13,164)	**-**	-
Movement in associate's reserve attributable to minority interest	**42,438**	13,164	**-**	-
Balance 30 June	**16,877**	101,859	**-**	-
Share-based payments reserve				
Balance 1 July	**7,012**	4,098	**138**	69
Employee share plan expense	**1,854**	1,612	**950**	69
Employee distribution	**(70)**	1,302	**-**	-
Transfer to equity (vested loan)	**(3,291)**	-	**(71)**	-
Balance 30 June	**5,505**	7,012	**1,017**	138
Foreign currency translation reserve				
Balance 1 July	**(8,502)**	(11,181)	**-**	-
Currency translation differences arising during the year	**29,012**	6,371		
Currency translation differences arising during the year attributable to minority interest	**(29,402)**	(3,692)	**-**	-
Balance 30 June	**(8,892)**	(8,502)	**-**	-
Transactions with minority interest reserve				
Balance 1 July	**(5,127)**	-	**-**	-
Acquisition of additional interest in Airport Motorway Group	**-**	(5,127)	**-**	-
Balance 30 June	**(5,127)**	(5,127)	**-**	-

(b) Retained profits/accumulated losses

Movements in retained profits (accumulated losses) were as follows:

	Consolidated 2009	Consolidated 2008	Parent 2009	Parent 2008
Balance at 1 July	**(3,296,526)**	(2,564,467)	**236,302**	261,828
Loss attributable to ordinary equity holders	**(24,575)**	(109,686)	**(63,968)**	(25,526)
Distributions to ordinary equity holders	**(280,953)**	(622,373)	**-**	-
Balance 30 June	**(3,602,054)**	(3,296,526)	**172,334**	236,302

(c) Nature and purpose of reserves

(i) Cash flow reserve - cash flow hedges
The cash flow reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, as described in note 1(n). Amounts are recognised in profit and loss when the associated hedged transaction affects profit and loss.

(ii) Share-based payments reserve
The share-based payments reserve is used to recognise the fair value of long-term incentives issued but not exercised.

27 Reserves and retained profits/(accumulated losses) (continued)

(iii) Foreign currency translation reserve
Exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve, as described in note 1(d).

(iv) Transactions with minority interest reserve
The transactions with minority interests reserve was created as a result of the acquisition of an additional 3.75 per cent of the Airport Motorway Group during the prior year as the Group uses the economic entity approach to transactions with minority interests.

28 Minority interest - Transurban International Limited

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Minority interest - Transurban International Limited	**116,479**	86,086	**-**	-
	116,479	86,086	**-**	-

Transurban International Limited and application of AASB Interpretation 1002 Post-date of Transition Stapling Arrangements

THL has been identified as the parent entity of the post-date of transition stapling arrangement of THL, THT and TIL. AASB Interpretation 1002 requires the equity of TIL to be classified as a minority interest. At 30 June 2009, TIL's equity comprises contributed equity of $139.0 million (2008: $95.6 million) and negative reserves of $22.5 million (2008: $9.5 million), totalling $116.5 million (2008: $86.1 million).

29 Minority interest - other

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Minority interest - other	**212,105**	237,667	**-**	-
	212,105	237,667	**-**	-

Minority interest in Airport Motorway Group

Opening balance	**225,324**	273,748	**-**	-
Acquisition of minority interest	**-**	(37,551)	**-**	-
Distributions	**(14,690)**	(14,648)	**-**	-
Profit / (loss)	**(1,409)**	3,775	**-**	-
Movement in reserves	**(1,487)**	-	**-**	-
Closing balance	**207,738**	225,324	**-**	-

On 14 September 2007, Transurban acquired an additional 3.75 per cent interest in the Airport Motorway Group (AMG), the owner of the concession for the M1 Eastern Distributor in Sydney, for cash consideration of $46.5 million. The carrying value of the 3.75 per cent minority interest acquired was $37.6 million. In addition, the transaction included the receipt of debentures by Transurban to the value of $4.2 million, and costs of $0.4 million.

Minority interest in Statewide Roads Limited

Opening balance	**12,332**	21,809	**-**	-
Profit / (loss)	**6,159**	553	**-**	-
Dividends paid	**(15,454)**	(10,030)	**-**	-
Closing balance	**3,037**	12,332	**-**	-

29 Minority interest - other (continued)

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Minority interest in Devome Pty Limited				
Opening balance	**11**	-	**-**	-
Profit / (loss)	**3,691**	7,733	**-**	-
Dividends paid	**(2,372)**	(7,722)	**-**	-
Closing balance	**1,330**	11	**-**	-

30 Distributions

	Consolidated	
	30 June 2009 $'000	30 June 2008 $'000
(a) Distributions proposed		
Final distribution payable and recognised as a liability:		
11.0 cents (2008: 29.0 cents) per fully paid stapled security payable 28 August 2009	**141,095**	319,076
	141,095	319,076
Distributions paid during the year		
Final distribution for 2008 financial year of 29.0 cents (2007: 27.5 cents) per fully paid Stapled Security paid 29 August 2008	**319,076**	294,744
Interim distribution for 2009 financial year of 11.0 cents (2008: 28.0 cents) per fully paid Stapled Security paid 27 February 2009	**140,041**	303,297
	459,117	598,041
Distributions paid in cash or satisfied by the issue of Stapled Securities under the distribution reinvestment plan during the years ended 30 June 2009 and 30 June 2008		
Paid in cash	**172,161**	396,858
Executive loans - repayments	**551**	1,535
Satisfied by issue of Stapled Securities	**286,422**	199,615
Funds available for future distribution reinvestment plans	**(17)**	33
Total dividends provided for or paid	**459,117**	598,041

Franking credits

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Balance at 1 July	**113,261**	71,707	**63,223**	30,378
Tax paid (refunded)	**22,448**	21,147	**(2,233)**	12,440
Franked dividends received	**16,387**	23,717	**24,793**	20,405
Franked dividends paid	**(8,204)**	(3,310)	**-**	-
	143,892	113,261	**85,783**	63,223

31 Key management personnel disclosures

(a) Directors

The following persons were directors of THL, TIML and/or TIL, as noted below, during the financial year and/or up until the date of this report:

(i) Executive directors
Christopher J Lynch (THL, TIML and TIL)
(ii) Non-executive directors
David J Ryan (Chairman of THL, TIML and TIL)
Neil G Chatfield (appointed 18 February 2009) (THL and TIML)
Geoffrey O Cosgriff (THL and TIML)
Jeremy GA Davis (THL and TIML)
Robert J Edgar (appointed 21 July 2009) (THL and TIML)
Lindsay Maxsted (appointed 1 March 2008) (THL and TIML)
Susan M Oliver (retired 22 June 2009) (THL and TIML)
Christopher JS Renwick AM (retired 22 June 2009) (THL and TIML)
Rodney Slater (appointed 22 June 2009) (THL and TIML)
Jennifer Eve (TIL)
James Keyes (TIL)

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:

Name	*Position*
B Bourke	Chief Operating Officer
D Cardiff	Group General Manager Human Resources
K Daley	Executive Vice President International Development
M Fletcher	Group General Manager Public Affairs
A Head	Group General Manager Strategy and Corporate Development
S Hogg	Treasurer
T Honan	Chief Financial Officer
M Kulper	President Transurban North America
E Mildwater	Chief Legal Counsel and Company Secretary

(c) Key management personnel compensation

The remuneration amounts below represent the entire amounts paid by the Transurban Group. The full amounts have been disclosed as a reasonable basis of apportionment is not available to reflect the parent portion.

	Consolidated		**Parent entity**	
	30 June 2009 $	30 June 2008 $	**30 June 2009 $**	30 June 2008 $
Short-term employee benefits	**15,545,045**	25,472,215	**15,545,045**	25,472,215
Post-employment benefits	**851,313**	744,273	**851,313**	744,273
Long-term benefits	**182,876**	191,678	**182,876**	191,678
Termination benefits	**-**	6,960,057	**-**	6,960,057
Share-based payments	**1,857,574**	1,283,204	**1,857,574**	1,283,204
	18,436,808	34,651,427	**18,436,808**	34,651,427

Detailed remuneration disclosures are made in the directors' report. The relevant information can be found in sections A-H of the remuneration report in the directors report.

31 Key management personnel disclosures (continued)

(d) Equity instrument disclosures relating to key management personnel

(i) ***Share-based payments***
Details of long-term incentives provided as remuneration and securities issued, together with terms and conditions of the long term incentives, can be found in sections E-H of the remuneration report in the directors report.

(ii) ***Performance Awards Plan***

2009 Name	**Balance at start of the year**	**Granted during the year as remuneration**	**Matured and paid during the year**	**Other changes during the year**	**Balance at end of the year**	**Matured and payable at the end of the year**
Directors of the Group						
D J Ryan	-	-	-	-	-	-
N G Chatfield	-	-	-	-	-	-
G O Cosgriff	-	-	-	-	-	-
J G A Davis	-	-	-	-	-	-
R J Edgar	-	-	-	-	-	-
L P Maxsted	-	-	-	-	-	-
S M Oliver	-	-	-	-	-	-
C J S Renwick	-	-	-	-	-	-
J Eve	-	-	-	-	-	-
J Keyes	-	-	-	-	-	-
C J Lynch	-	483,721	-	-	483,721	-
Other key management personnel of the Group						
B Bourke	-	85,465	-	-	85,465	-
D Cardiff	-	46,512	-	-	46,512	-
K Daley	-	67,151	-	-	67,151	-
M Fletcher	-	34,884	-	-	34,884	-
A Head	-	46,512	-	-	46,512	-
S Hogg	-	23,256	-	-	23,256	-
T Honan	-	232,558	-	-	232,558	-
M Kulper	-	145,422	-	-	145,422	-
E Mildwater	-	29,070	-	-	29,070	-

As the Performance Awards Plan was introduced in November 2008, there is no comparative data.

31 Key management personnel disclosures (continued)

(iii) ***Executive Loan Plan***

The number of securities held under the executive loan plan during the financial year by each director of Transurban Holdings Limited and other key management personnel of the Group, including their personally related parties, are set out over the page.

2009	**Balance at start of the year**	**Granted during the year as remuneration**	**Exercised during the year**	**Other changes during the year**	**Balance at end of the year**	**Vested and exercisable at the end of the year**
Directors of the Group						
C J Lynch	-	-	-	-	-	-
Other key management personnel of the Group						
B Bourke	262,000	-	(90,005)	(11,995)	160,000	-
D Cardiff	63,500	-	(25,148)	(3,352)	35,000	-
K Daley	174,000	-	(74,000)	-	100,000	-
M Fletcher	15,000	-	-	-	15,000	-
A Head	-	-	-	-	-	-
T Honan	-	-	-	-	-	-
S Hogg	-	-	-	-	-	-
M Kulper	190,000	-	(90,000)	-	100,000	-
E Mildwater	-	-	-	-	-	-

2008	Balance at start of the year	Granted during the year as remuneration	Exercised during the year	Other changes during the year	Balance at end of the year	Vested and exercisable at the end of the year
Directors of the Group						
K Edwards	722,500	-	-	(722,500)	-	-
Other key management personnel of the Group						
B Bourke	262,000	-	-	-	262,000	-
C Brant	293,000	-	-	-	293,000	-
D Cardiff	63,500	-	-	-	63,500	-
K Daley	174,000	-	-	-	174,000	-
M Kulper	190,000	-	-	-	190,000	-
G Mann	272,500	-	-	(272,500)	-	-
P O'Shea	205,000	-	-	-	205,000	-

31 Key management personnel disclosures (continued)

(iv) ***Stapled security holdings***

The number of Transurban Group Stapled Securities held during the financial year by each director of Transurban Holdings Limited and other key management personnel of the Group, including their personally-related parties, are set out below.

Stapled Securities

2009	**Balance at start of the year**	**Received during the year via the Executive Equity Plan**	**Other changes during the year**	**Balance at end of the year**
Directors of the Group				
D J Ryan	57,300	-	3,645	60,945
N G Chatfield	-	-	-	-
G O Cosgriff	116,036	-	9,976	126,012
J G A Davis	125,005	-	-	125,005
R J Edgar	5,376	-	2,333	7,709
L P Maxsted	-	-	-	-
S M Oliver	50,518	-	4,004	54,522
C J S Renwick	21,552	-	20,000	41,552
R Slater	-	-	-	-
J Eve	-	-	-	-
J Keyes	-	-	-	-
C J Lynch	152,800	79,647	594	233,041
Other key management personnel of the Group				
B Bourke	699,661	19,146	(98,656)	620,151
D Cardiff	167,633	19,146	(28,302)	158,477
K Daley	365,332	19,146	100	384,578
M Fletcher	15,121	19,146	(776)	33,491
A Head	51,701	19,146	(24,605)	46,242
S Hogg	-	15,316	7,465	22,781
T Honan	-	85,474	-	85,474
M Kulper	80,000	23,944	-	103,944
E Mildwater	4,700	19,146	794	24,640

2008	**Balance at start of the year**	**Received during the year via the Executive Loan Plan**	**Other changes during the year**	**Balance at end of the year**
Directors of the Group				
D J Ryan	24,091	-	33,209	57,300
G O Cosgriff	48,611	-	67,425	116,036
J G A Davis	55,592	-	69,413	125,005
K Edwards	2,033,500	-	(2,033,500)	-
L Maxsted	-	-	-	-
S M Oliver	41,831	-	8,687	50,518
C J S Renwick	21,552	-	-	21,552
J Eve	-	-	-	-
J Keyes	-	-	-	-
C J Lynch	-	-	152,800	152,800
Other key management personnel of the Group				
C Brant	296,392	-	1,575	297,967
B Bourke	671,328	-	28,333	699,661
P O'Shea	442,489	-	81,799	524,288
G Mann	272,707	-	(272,707)	-
D Cardiff	167,443	-	190	167,633
K Daley	365,332	-	-	365,332
M Kulper	-	-	80,000	80,000

31 Key management personnel disclosures (continued)

(v) ***Executive Equity Plan (EEP)***

2009 Name	**Balance at start of the year**	**Granted during the year as remuneration**	**Exercised during the year**	**Other changes during the year**	**Balance at end of the year**	**Matured and payable at the end of the year**
Directors of Transurban Holdings Limited						
C J Lynch	-	79,647	-	-	79,647	-
Other key management personnel of the Group						
B Bourke	-	19,146	-	-	19,146	-
D Cardiff	-	19,146	-	-	19,146	-
K Daley	-	19,146	-	-	19,146	-
M Fletcher	-	19,146	-	-	19,146	-
A Head	-	19,146	-	-	19,146	-
S Hogg	-	15,316	-	-	15,316	-
T Honan	-	85,474	-	-	85,474	-
M Kulper	-	23,944	-	-	23,944	-
E Mildwater	-	19,146	-	-	19,146	-

As the Executive Equity Plan was introduced in November 2008, there is no comparative data.

(vi) ***Performance Rights Plan***

2009 Name	**Balance at start of the year**	**Granted during the year as remuneration**	**Matured and paid during the year**	**Other changes during the year**	**Balance at end of the year**	**Matured and payable at the end of the year**
Other key management personnel of the Group						
B Bourke	92,857	-	-	-	92,857	-
D Cardiff	27,428	-	-	-	27,428	-
K Daley	78,571	-	-	-	78,571	-
M Fletcher	11,142	-	-	-	11,142	-
A Head	14,857	-	-	-	14,857	-
S Hogg	-	-	-	-	-	-
T Honan	-	-	-	-	-	-
M Kulper	76,778	-	-	-	76,778	-
E Mildwater	-	-	-	-	-	-

2008 Name	**Balance at start of the year**	**Granted during the year as remuneration**	**Matured and paid during the year**	**Other changes during the year**	**Balance at end of the year**	**Matured and payable at the end of the year**
Directors of Transurban Holdings Limited						
K Edwards	285,714	-	-	(285,714)	-	-
Other key management personnel of the Group						
C Brant	100,000	-	-	-	100,000	-
B Bourke	92,857	-	-	-	92,857	-
P O'Shea	78,571	-	-	-	78,571	-
D Cardiff	27,428	-	-	-	27,428	-
K Daley	78,571	-	-	-	78,571	-
M Kulper	76,778	-	-	-	76,778	-

31 Key management personnel disclosures (continued)

(e) Other transactions with directors and key management personnel

Until 30 June 2008, Geoffrey Cosgriff was a director of LogicaCMG Pty Limited, who provide Information Technology skills required to support Transurban's tolling systems. Transurban has also outsourced its Information Technology Infrastructure support to LogicaCMG. In accordance with our standard procurement agreements, Mr Cosgriff did not participate in any procurement decisions involving LogicaCMG.

Lindsay Maxsted was the Chief Executive Officer of KPMG Australia before his appointment as a director of the Group, and a company in which he is a principal has a consulting agreement with that firm until 28 February 2010. Lindsay Maxsted is also a non-executive director of Westpac Banking Corporation. Westpac provide transactional banking and loan facilities to Transurban. These facilities are on normal commercial terms.

Rodney Slater is a Partner in the public policy practice group of Patton Boggs. Transurban used Patton Boggs during the year for various lobbying activities. Mr Slater is also a director of Parsons Brinckerhoff. Transurban used Parsons Brinckerhoff for engineering consulting activities.

Jennifer Eve an Associate of Appleby. During the year Transurban utilised Appleby for various Legal Services.

Aggregate amounts of each of the above types of other transactions with key management personnel of the Group:

	Consolidated		**Parent entity**	
	30 June 2009 $	30 June 2008 $	**30 June 2009 $**	30 June 2008 $
Amount recognised as expenses				
LogicaCMG Pty Limited	**9,687,564**	4,395,063	**-**	-
KPMG	**418,874**	639,447	**-**	-
Appleby	**122,266**	128,714	**-**	-
Patton Boggs	**429,534**	316,424	**-**	-
Parsons Brinckerhoff	**107,157**	155,704	**-**	-
	10,765,395	5,635,352	**-**	-

All of the above amounts represent payments on normal commercial terms made in relation to the provision of goods and services.

32 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated		Parent entity	
	30 June 2009 $	30 June 2008 $	**30 June 2009 $**	30 June 2008 $
(a) Amounts received or due and receivable by PricewaterhouseCoopers				
Audit and Other Assurance Services				
Audit and review of financial reports	**1,200,000**	1,239,354	**-**	152,000
Other assurance services				
Other assurance services	**25,792**	159,827	**-**	-
Total audit and other assurance services	**1,225,792**	1,399,181	**-**	152,000
Taxation services				
Tax compliance services	**-**	236,430	**-**	-
Tax consulting services	**-**	1,371,817	**-**	-
Indirect taxation services	**617,063**	1,518,667	**-**	-
Total taxation services	**617,063**	3,126,914	**-**	-
Total remuneration of PricewaterhouseCoopers	**1,842,855**	4,526,095	**-**	152,000

The indirect tax services relate to a project initiated in the prior year in which PricewaterhouseCoopers have proprietary intellectual property.

	Consolidated		Parent entity	
(b) Amounts received or due and receivable by other audit firms				
Audit and review of financial report	**94,380**	82,505	**-**	-
Other assurance services	**867,888**	718,614	**-**	50,050
Taxation services	**178,950**	631,806	**-**	25,885
Total remuneration for other audit firms	**1,141,218**	1,432,925	**-**	75,935
Total auditors remuneration	**2,984,073**	5,959,020	**-**	227,935

The audit fee relates to the amount due to Ernst & Young who are the auditors of the M4. Other assurance and tax fees are for other services Ernst and Young were engaged for throughout the Group.

The parent entity's audit fee for the current year has been borne by a related party, Transurban Limited.

33 Contingencies

(a) Contingent liabilities

The parent entity and Group had contingent liabilities at 30 June 2009 in respect of:

Equity guarantee
Transurban DRIVe Holdings LLC (DRIVe), a related party of the Transurban Group, holds a concession agreement with The Commonwealth of Virginia to construct and operate High Occupancy Toll (HOT) lanes on the Capital Beltway (Capital Beltway project), a ring road that runs around Washington DC. The project is currently in the construction phase. Construction is expected to take five years and the tolling concession will operate for 75 years.

On 20 December 2007 (and as amended on 12 June 2008) the Transurban Group, through the entities in the triple staple, being Transurban Holdings Limited, Transurban International Limited and Transurban Infrastructure Management Limited (as responsible entity of the Transurban Holding Trust), entered into an agreement with Capital Beltway Express LLC (Capital Beltway Express), a subsidiary of DRIVe, the Virginia Department of Transportation, Goldman Sachs Capital Markets L.P., Depfa Bank plc and Wells Fargo Bank N.A. to provide an Equity Funding Guarantee (the Guarantee) over all of DRIVe's equity obligations associated with funding the equity contributions to the Capital Beltway project.

The Transurban Group owns 75% of the equity of DRIVe and recognises this investment in the consolidated financial statements using the equity method of accounting. DRIVe holds 90% of the equity in Capital Beltway Express and, from time to time, is required to make equity contributions to Capital Beltway Express to fund the equity component of the Capital Beltway project costs. The total equity contribution DRIVe is obliged to make to Capital Beltway Express is US$313,825,757, of which US$108,498,260 had been paid at balance sheet date.

In accordance with the DRIVe Holdings LLC Agreement, should a DRIVe member default on any capital calls, the Transurban Group has the right to acquire their share of DRIVe at a 50% discount to its fair value. As such in the instance of the Guarantee being called, the Transurban Group may exercise its right to the interest in DRIVe at a discounted value.

(b) Contingent assets

Wurundjeri Way

CityLink Melbourne Limited (CML) sought compensation from the State of Victoria, claiming that Wurundjeri Way (Docklands) had a Material Adverse Effect on the toll revenue earning capacity by CML. On 8 April 2009 the Arbitrators released their decision that the construction of Wurundjeri Way and associated works did not result in a material adverse effect on CML. As at 30 June 2009, there is no longer a contingent asset.

DRIVe capital sum

As a part of the establishment of Transurban DRIVe, DRIVe Holdings LLC agreed to make a "capital sum" compensation payment to Transurban for contributing to DRIVe the right to negotiate the Capital Beltway and I-95.

The fee is payable to Transurban if the pre-financing/pre-tax net present value of Capital Beltway or I-95 is positive as at financial close, when calculated three years after the completion of construction. Receipt of the capital sum is contingent on the projects achieving positive net present value at the strike date, and as such this amount has not been recognised on the balance sheet. Due to uncertainty associated with the amount and timing of the potential receipt, it is not practical to quantify the potential amount.

34 Commitments

(a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Property, plant and equipment				
Payable:				
Within one year	**7,801**	29,251	**-**	-
Later than one year but not later than five years	**52**	8,977	**-**	-
Later than five years	**4**	-	**-**	-
	7,857	38,228	**-**	-
Operating commitments				
Payable:				
Within one year	**30,357**	32,529	**-**	-
Later than one year but not later than five years	**36,825**	47,699	**-**	-
Later than five years	**956**	8,401	**-**	-
	68,138	88,629	**-**	-
Intangible assets				
Payable:				
Within one year	**29,350**	79,053	**-**	-
	29,350	79,053	**-**	-

(b) Lease commitments

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:				
Within one year	**3,862**	4,481	**-**	-
Later than one year but not later than five years	**16,449**	14,131	**-**	-
Later than five years	**8,910**	12,424	**-**	-
	29,221	31,036	**-**	-

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Sub-lease payments				
Future minimum lease payments expected to be received in relation to non-cancellable sub-leases of operating leases	**1,947**	-	**-**	-

34 Commitments (continued)

Promissory Notes

The Responsible Entity, on behalf of the Hills Motorway Trust, has entered into leases with the Roads and Traffic Authority of New South Wales (RTA). Annual lease liabilities under these leases total $7.0 million indexed annually to the Consumer Price Index over the estimated period that the M2 Motorway will be used. Until such time as a threshold return is achieved, payments under these leases can be made at the discretion of the Responsible Entity, by means of the issue of non-interest bearing promissory notes to the RTA. For further information refer to note 23.

Concession Notes

The Eastern Distributor Project Deed between Airport Motorway Limited, Airport Motorway Trust and the RTA provides for annual concession fees of $15 million during the construction phase and for the first 24 years after the construction completion date of the Eastern Distributor.

Other operating leases

The Group leases various offices under non-cancellable operating leases expiring within one to eleven years. The leases have varying terms, escalating clauses and renewal rights. On renewal, the terms of the leases are negotiated.

35 Related party transactions

(a) Parent entity

The ultimate parent entity of the Group is deemed to be Transurban Holdings Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 36.

(c) Key management personnel

Disclosure relating to key management personnel are set out in note 31.

35 Related party transactions (continued)

(d) Transactions with related parties

The following transactions occurred with related parties:

	Consolidated		Parent entity	
	30 June 2009 $	30 June 2008 $	**30 June 2009 $**	30 June 2008 $
Tax consolidation				
Current tax payable assumed from wholly-owned tax consolidation entities	**-**	-	**-**	10,447,656
Tax losses assumed from wholly-owned tax consolidated entities	**-**	-	**52,177,102**	69,402,645
Revenue from services				
Operating electronic tolling system for another related party	**7,815,312**	6,483,469	**-**	-
Business development fees	**29,778,726**	43,346,638	**353,864**	148,670
	37,594,038	49,830,107	**353,864**	148,670
Interest earned				
Term Loan Notes	**72,862,036**	66,861,277	**-**	-
Losses from associates and joint venture partnerships	**(32,192,886)**	(24,249,322)	**-**	-

35 Related party transactions (continued)

(e) Loans to/from related parties

	Consolidated		Parent entity	
	30 June 2009 $	30 June 2008 $	**30 June 2009 $**	30 June 2008 $
Term loan notes				
Beginning of the year	**558,223,463**	557,731,127	**-**	-
Interest capitalised	**44,604,379**	26,243,864	**-**	-
Acquisition of additional interest in Westlink M7	**30,444,225**	-	**-**	-
Loans repaid	**-**	(25,751,528)	**-**	-
	633,272,067	558,223,463	**-**	-
Loans to Transurban DRIVe Holdings LLC				
Beginning of the year	**28,946,510**	-	**-**	-
Loans advanced	**5,583,207**	40,361,773	**-**	-
Foreign exchange movements	**6,156,549**	(2,736,122)	**-**	-
Loans repaid	**(29,717,570)**	(8,679,141)	**-**	-
	10,968,696	28,946,510	**-**	-
Loans from Transurban DRIVe Holdings LLC				
Beginning of the year	**(30,037,362)**	(3,643,105)	**-**	-
Loans advanced	**(207,893)**	(34,673,963)	**-**	-
Foreign exchange movements	**(6,156,549)**	2,736,122	**-**	-
Loans repaid	**23,601,919**	5,543,584	**-**	-
	(12,799,885)	(30,037,362)	**-**	-

No provision for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts from related parties.

Amounts payable/receivable from director related parties				
Current assets - other related parties	**-**	-	**257,439,101**	390,211,158
Non-current assets - other related parties	**-**	-	**264,220,859**	13,429,364
Current liabilities - other related parties	**-**	-	**143,759,222**	34,304,284
Non-current liabilities - other related parties	**-**	-	**1,470,608,410**	1,405,107,187

(f) Term loan notes

The Term Loan Notes (TLN) earn interest at a fixed rate of 11.93 per cent until the earlier of 34 years and the termination of the Agreement to Lease between the RTA and Westlink Motorway Limited.

Any unpaid interest is capitalised and deemed to subscribe for further loan notes with an aggregate principal amount equal to that unpaid interest.

The TLN are classified as a held-to-maturity receivable. It is not classified as an investment for equity accounting purposes, and therefore has not been affected by equity accounting losses from the associate.

36 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of shares	Equity holding 2009 %	Equity holding 2008 %
The CityLink Trust	Australia	Ordinary	**100**	100
CityLink Melbourne Limited	Australia	Ordinary	**100**	100
City Link Extension Pty Ltd	Australia	Ordinary	**100**	100
Transurban Infrastructure Management Ltd	Australia	Ordinary	**100**	100
Transurban Collateral Security Pty Ltd	Australia	Ordinary	**100**	100
Transurban Finance Trust	Australia	Ordinary	**100**	100
Transurban Finance Company Pty Ltd	Australia	Ordinary	**100**	100
Transurban Nominees Pty Ltd	Australia	Ordinary	**100**	100
Transurban Nominees 2 Pty Ltd	Australia	Ordinary	**100**	100
Transurban WSO Pty Ltd	Australia	Ordinary	**100**	100
Transurban AL Trust	Australia	Ordinary	**100**	100
Transurban CARS Trust	Australia	Ordinary	**100**	100
Transurban WSO Trust	Australia	Ordinary	**100**	100
Roam Tolling Pty Ltd (formerly Transurban Infrastructure Developments WSO Pty Ltd)	Australia	Ordinary	**100**	100
Transurban Retail Pty Ltd (formerly Transurban MF 1 Pty Ltd)	Australia	Ordinary	**100**	100
Transurban (USA) Holdings No.1 Pty Ltd (formerly Transurban MF 2 Pty Ltd)	Australia	Ordinary	**100**	100
Transurban Asset Management Pty Ltd	Australia	Ordinary	**100**	100
Transurban Operations Pty Ltd (formerly Roam Operations Pty Ltd)	Australia	Ordinary	**100**	100
Transurban (USA) Holdings No.2 Pty Ltd (formerly Transurban MF Holdings Pty Ltd)	Australia	Ordinary	**100**	100
Transurban Investments Pty Ltd	Australia	Ordinary	**100**	100
The Hills Motorway Ltd	Australia	Ordinary	**100**	100
Hills Motorway Management Ltd	Australia	Ordinary	**100**	100
Hills Motorway Construction Company Pty Ltd	Australia	Ordinary	**100**	100
Hills Motorway Underwriting No.1 Pty Ltd	Australia	Ordinary	**100**	100
Transurban (USA) Holdings No. 3 Pty Ltd (formally Hills Motorway Underwriting No.2 Pty Ltd)	Australia	Ordinary	**100**	100
Hills Motorway Trust	Australia	Ordinary	**100**	100
Abigroup Westlink Partner Holding No.4 Pty Ltd	Australia	Ordinary	**100**	100
Abigroup Westlink Partner No.4 Pty Ltd	Australia	Ordinary	**100**	100
Abigroup WSO Holding No.4 Pty Ltd	Australia	Ordinary	**100**	100
Abigroup Westlink Partner Holding No.2 Pty Limited	Australia	Ordinary	**100**	100
Abigroup Westlink Partner No.2 Pty Limited	Australia	Ordinary	**100**	100
LMI Westlink Partner Holding No.4 Pty Ltd	Australia	Ordinary	**100**	100
LMI Westlink Partner No.4 Pty Ltd	Australia	Ordinary	**100**	100
LMI WSO Holding No.4 Pty Ltd	Australia	Ordinary	**100**	100
LMI Westlink Partner Holding No. 2 Pty Limited	Australia	Ordinary	**100**	-
LMI Westlink Partner No.2 Pty Limited	Australia	Ordinary	**100**	-
Tollaust Pty Ltd	Australia	Ordinary	**100**	100
Transurban (USA) Inc	USA	Ordinary	**100**	100
Transurban (USA) Holdings Inc	USA	Ordinary	**100**	100
Transurban (USA) Development Inc.	USA	Ordinary	**100**	100
Transurban (895) General Partnership	USA	Ordinary	**100**	100

36 Subsidiaries (continued)

Name of entity	Country of incorporation	Class of shares	Equity holding 2009 %	Equity holding 2008 %
T (895) Finance Trust	Australia	Ordinary	**100**	100
Transurban International Holdings Limited	Bermuda	Ordinary	**100**	100
Transurban DRIVe Management LLC	USA	Ordinary	**100**	100
Sydney Roads Limited	Australia	Ordinary	**100**	100
Sydney Roads Trust	Australia	Ordinary	**100**	100
Sydney Roads Management Limited	Australia	Ordinary	**100**	100
Eastern Distributor Funding Trust	Australia	Ordinary	**100**	100
Airport Motorway Trust	Australia	Ordinary	**75.10**	75.10
Airport Motorway Holdings Pty Ltd	Australia	Ordinary	**75.10**	75.10
Airport Motorway Limited	Australia	Ordinary	**75.10**	75.10
Airport Motorway Construction Company Pty Ltd	Australia	Ordinary	**75.10**	75.10
M5 Holdings Funding Trust	Australia	Ordinary	**100**	100
M5 Holdings Pty Ltd	Australia	Ordinary	**100**	100
M4 Holdings No. 1 Pty Ltd	Australia	Ordinary	**100**	100
Devome Pty Ltd	Australia	Ordinary	**75**	75
Statewide Roads Limited	Australia	Ordinary	**50.61**	50.61
SWR Services Pty Ltd	Australia	Ordinary	**50.61**	50.61
SWR Engineers Pty Ltd	Australia	Ordinary	**50.61**	50.61
Statewide Roads (M4) Pty Ltd	Australia	Ordinary	**50.61**	50.61
SWR Operations Pty Ltd	Australia	Ordinary	**50.61**	50.61
SWR Properties Pty Ltd	Australia	Ordinary	**50.61**	50.61
Statewide Roads (M2) Pty Ltd	Australia	Ordinary	**50.61**	50.61
SWR Constructors Pty Ltd	Australia	Ordinary	**50.61**	50.61
Lodavas Pty Ltd	Australia	Ordinary	**100**	100
Lodco Pty Ltd	Australia	Ordinary	**100**	100
Davjan Pty Ltd	Australia	Ordinary	**100**	100
ISI Nominees Pty Ltd	Australia	Ordinary	**100**	100
Focufu Pty Ltd	Australia	Ordinary	**100**	100
LH Nominees Pty Ltd	Australia	Ordinary	**100**	100
Millba Pty Ltd	Australia	Ordinary	**100**	100
AJL Nominees Pty Ltd	Australia	Ordinary	**100**	100

37 Deed of cross guarantee

During 2009, Transurban Holdings Limited, Transurban Limited, Tollaust Pty Limited, Roam Tolling Pty Limited, Sydney Roads Limited, Sydney Roads Management Limited and M5 Holdings Pty Limited became parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

(a) Consolidated income statement and a summary of movements in consolidated retained profits

The above companies represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the Deed of Cross Guarantee that are controlled by Transurban Holdings Limited, they also represent the 'Extended Closed Group'.

Set out below is a consolidated income statement and a summary of movements in consolidated retained profits for the year ended 30 June 2009 of the Closed Group consisting of Transurban Holdings Limited, Transurban Limited, Tollaust Pty Limited, Roam Tolling Pty Limited, Sydney Roads Limited, Sydney Roads Management Limited and M5 Holdings Pty Limited.

	30 June 2009 $'000
Income statement	
Revenue from continuing operations	152,073
Operating expenses	(125,890)
Depreciation and amortisation expense	(14,330)
Finance costs	(97,022)
Loss before income tax	(85,169)
Income tax benefit	51,852
Loss for the year	(33,317)
Summary of movements in consolidated retained profits	
(Accumulated losses) at the beginning of the financial year	(168,963)
(Loss) for the year	(33,317)
(Accumulated losses) at the end of the financial year	(202,280)

37 Deed of cross guarantee (continued)

(b) Balance sheets

Set out below is a consolidated balance sheet as at 30 June 2009 of the Closed Group consisting of Transurban Holdings Limited, Transurban Limited, Tollaust Pty Limited, Roam Tolling Pty Limited, Sydney Roads Limited, Sydney Roads Management Limited and M5 Holdings Pty Limited.

	30 June 2009 $'000
Current assets	
Cash and cash equivalents	36,971
Trade and other receivables	378,017
Total current assets	414,988
Non-current assets	
Other financial assets	1,286,015
Property, plant and equipment	96,416
Deferred tax assets	375,432
Total non-current assets	1,757,863
Total assets	2,172,851
Current liabilities	
Trade and other payables	1,176,558
Provisions	14,282
Total current liabilities	1,190,840
Non-current liabilities	
Payables	618,439
Deferred tax liabilities	149,533
Provisions	1,424
Total non-current liabilities	769,396
Total liabilities	1,960,236
Net assets	212,615
Equity	
Contributed equity	413,878
Reserves	1,017
Retained profits	(202,280)
Total equity	212,615

38 Investments in associates and joint venture

Westlink M7 Motorway

(a) Carrying amounts

Name of company	Ownership interest		Consolidated		Parent entity	
	30 June 2009 %	30 June 2008 %	**30 June 2009 $'000**	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
WSO Company Pty Limited	**50.0**	47.5	**-**	-	**-**	-
Westlink Motorway Limited	**50.0**	47.5	**-**	-	**-**	-
WSO Finance Pty Limited	**50.0**	47.5	**-**	-	**-**	-
Westlink Motorway Partnership	**50.0**	47.5	**-**	-	**-**	-

On 28 August 2008, Transurban completed its acquisition of an additional 2.5 per cent of the Westlink M7, for consideration of $38.0 million. The acquisition comprised term loan notes of $30.4 million and an increase in its equity investment of $7.6 million.

Each of the above is a member of the Westlink Motorway Group, established to invest in, construct and operate the Westlink M7 toll road in Sydney. All were incorporated in Australia.

WSO Company Pty Limited is the operator of the Westlink M7 toll road.

Westlink Motorway Limited is the nominee manager of the Westlink Motorway Partnership.

WSO Finance Pty Limited is the financier of the Westlink M7 toll road.

Westlink Motorway Partnership was responsible for the construction of the Westlink M7 Motorway in Sydney. The M7 opened for operation on 16 December 2005.

	Consolidated	
	30 June 2009 $'000	30 June 2008 $'000
(b) Movements in carrying amounts		
Carrying amount at the beginning of the financial year	**-**	-
Share of losses after income tax	**(7,556)**	-
Additional investment acquired	**7,556**	-
Carrying amount at the end of the financial year	**-**	-
(c) Share of losses		
Loss before income tax	**(7,556)**	-
Income tax expense	**-**	-
	(7,556)	-
(d) Losses not recognised		
Balance at 1 July	**148,246**	82,110
Unrecognised losses for the year	**131,020**	66,136
Closing balance	**279,266**	148,246

38 Investments in associates and joint venture (continued)

(e) Summarised financial information of associates

	Ownership Interest %	Group's share of: Assets $'000	Liabilities $'000	Revenues $'000	Profit (loss) $'000
2009					
Westlink Motorway Group	50.0	949,641	(1,297,264)	171,628	(138,576)
		949,641	(1,297,264)	171,628	(138,576)
2008					
Westlink Motorway Group	47.5	996,228	(1,178,447)	195,137	(66,136)
		996,228	(1,178,447)	195,137	(66,136)

(f) Share of associates' expenditure commitments

As at the reporting date, there are no expenditure commitments.

(g) Contingent liabilities of associates

As at the reporting date there are no contingent liabilities.

M5 Motorway

(a) Carrying amounts

Name of company	Ownership interest **30 June 2009 %**	30 June 2008 %	Consolidated **30 June 2009 $'000**	30 June 2008 $'000	Parent entity **30 June 2009 $'000**	30 June 2008 $'000
Interlink Roads Pty Ltd	**50**	50	**467,956**	516,972	**-**	-
			467,956	516,972	**-**	-

(b) Movements in carrying amounts

	Consolidated **30 June 2009 $'000**	30 June 2008 $'000
Carrying amount at the beginning of the financial year	**516,972**	562,537
Share of loss after income tax	**(3,496)**	(4,082)
Dividends received/receivable	**(28,020)**	(41,483)
Share buy-back	**(17,500)**	-
Carrying amount at the end of the financial year	**467,956**	516,972

38 Investments in associates and joint venture (continued)

(c) Share of associates' profits or losses

Profit before income tax	**10,864**	10,032
Income tax expense	**(14,360)**	(14,114)
Profit after income tax	**(3,496)**	(4,082)

(d) Summarised financial information of associates

The Group's share of the results of its principal associates and its aggregated assets and liabilities are as follows:

	Ownership Interest %	Group's share of: Assets $'000	Liabilities $'000	Revenues $'000	Profit (loss) $'000
2009					
Interlink Roads Pty Ltd	50	778,687	(310,731)	85,341	(3,496)
2008					
Interlink Roads Pty Ltd	50	835,387	(318,415)	83,447	(4,082)

	Consolidated **30 June 2009 $'000**	30 June 2008 $'000
(e) Share of associates' expenditure commitments		
Capital commitments	**-**	261
Lease commitments	**21**	22
	21	283
(f) Contingent liabilities of associates		
Share of contingent liabilities incurred jointly with other investors	**28**	28

38 Investments in associates and joint venture (continued)

Transurban DRIVe Holdings LLC

(a) Carrying amounts

Name of company	Ownership interest		Consolidated		Parent entity	
	30 June 2009 %	30 June 2008 %	**30 June 2009 $'000**	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Transurban DRIVe Holdings LLC	**75**	75	**196,203**	174,197	**-**	-

(b) Movements in carrying amounts

	Consolidated	
	30 June 2009 $'000	30 June 2008 $'000
Carrying amount at the beginning of the financial year	**174,197**	-
Investment in associate	**24,809**	229,321
Share of losses after income tax	**(21,141)**	(18,720)
Movement in exchange rates	**60,776**	(23,234)
Movement in reserves	**(42,438)**	(13,170)
Carrying amount at the end of the financial year	**196,203**	174,197

(c) Share of associates' profits or losses

	Consolidated	
	30 June 2009 $'000	30 June 2008 $'000
Loss before income tax	**(34,692)**	(30,279)
Income tax benefit	**13,551**	11,559
Profit after income tax	**(21,141)**	(18,720)

(d) Summarised financial information of associates

The Group's share of the results of its principal associates and its aggregated assets (including goodwill) and liabilities are as follows:

	Ownership Interest %	Group's share of: Assets $'000	Liabilities $'000	Revenues $'000	Profit (loss) $'000
2009					
Transurban DRIVe Holdings LLC	75	2,017,520	(1,821,317)	14,550	(21,141)
2008					
Transurban DRIVe Holdings LLC	75	1,214,776	(1,040,579)	10,606	(18,720)

38 Investments in associates and joint venture (continued)

	Consolidated	
	30 June 2009 $'000	30 June 2008 $'000
(e) Share of associates' expenditure commitments		
Capital commitments	**860,591**	757,904
Operating commitments	**154,827**	118,000

39 Events occurring after the reporting period

On 15 July 2009, Transurban announced that Airport Motorway Trust had completed the re-financing of $515 million of non-recourse project debt for the M1 Eastern Distributor Motorway.

The new debt facility has been provided by six banks, and comprises three, five and seven year tranches.

40 Reconciliation of profit after income tax to net cash inflow from operating activities

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Operating loss after income tax	**(16,134)**	(105,346)	**(63,968)**	(25,526)
Depreciation and amortisation	**340,939**	336,228	**-**	-
Tax benefits from subsidiaries	**-**	-	**-**	(69,403)
Non-cash share-based payments expense	**1,994**	1,040	**-**	-
Non-cash finance costs	**77,781**	77,626	**-**	-
Share of loss of associate and joint venture partnership	**32,193**	24,249	**-**	-
Write off of intangible assets	**-**	14,584	**-**	-
Maintenance provision	**18,637**	13,772	**-**	-
Fair value losses on derivatives/available for sale securities	**25,433**	36,414	**-**	-
Change in operating assets and liabilities				
Increase (decrease) in concession note liability	**(2,042)**	(2,009)	**-**	-
(Decrease) increase in promissory note liability	**(2,360)**	1,328	**-**	-
Increase (decrease) in creditors	**(43,061)**	17,460	**(7,720)**	75,969
(Increase) decrease in debtors	**(36,317)**	13,444	**16,716**	40,567
(Decrease) increase in provisions	**(6,598)**	17,493	**(172)**	30
Increase (decrease) in deferred taxes	**(96,961)**	(180,198)	**(8,250)**	(46,891)
Increase (decrease) in income taxes payable	**26,523**	30,588	**(430)**	-
Loans to/from related parties	**-**	56,440	**51,753**	1,193
Net cash inflow (outflow) from operating activities	**320,027**	353,113	**(12,071)**	(24,061)

41 Non-cash investing and financing activities

	Consolidated		Parent entity	
	30 June 2009 $'000	30 June 2008 $'000	**30 June 2009 $'000**	30 June 2008 $'000
Distributions satisfied by the issue of stapled securities under the distribution reinvestment plan	**286,414**	199,615	**70,745**	9,679
	286,414	199,615	**70,745**	9,679

42 Loss per stapled security

	Consolidated	
	30 June 2009 Cents	30 June 2008 Cents
(a) Basic loss per security		
Loss from continuing operations attributable to the ordinary equity holders	**(1.9)**	(11.8)
Profit from discontinued operation	**-**	1.7
Total basic loss per share attributable to the ordinary equity holders of the company	**(1.9)**	(10.1)
(b) Diluted loss per security		
Loss from continuing operations attributable to the ordinary equity holders	**(1.9)**	(11.8)
Profit from discontinued operation	**-**	1.7
Total diluted loss per security attributable to the ordinary equity holders of the company	**(1.9)**	(10.1)

(c) Reconciliations of loss used in calculating loss per security

	Consolidated	
	30 June 2009 $'000	30 June 2008 $'000
Basic and diluted loss per security		
Loss from continuing operations		
Loss from continuing operations	**(16,134)**	(124,008)
Profit from continuing operations attributable to minority interests	**(8,441)**	(4,340)
Loss from continuing operations attributable to ordinary equity holders used in calculating basic and diluted earnings per security	**(24,575)**	(128,348)
Profit from discontinued operation	**-**	18,662
	(24,575)	(109,686)

42 Loss per stapled security (continued)

(d) Weighted average number of securities used as the denominator

	Consolidated	
	30 June 2009 Number	30 June 2008 Number
Weighted average number of securities used as the denominator in calculating basic loss per security	**1,267,502,187**	1,088,861,291
Adjustments for calculation of diluted loss per security:		
Performance rights	**1,297,389**	452,071
Weighted average number of ordinary securities and potential ordinary securities used as the denominator in calculating diluted loss per security	**1,268,799,576**	1,089,313,362

43 Share-based payments

(a) 2008 Performance rights plan

The Performance Rights Plan (PRP) enabled eligible executives to receive a grant of Performance Rights that entitled participants to receive stapled securities in Transurban (Securities) at no cost at the end of a three year performance period, subject to the achievement of performance conditions. No dividends or distributions on Securities were payable to participants prior to vesting. The Plan had two performance measures, EBITDA and relative TSR against the S&P/ASX 100 Industrials, each applied to 50% of the PRP award.

Awards were last made under the PRP in November 2007 and the PRP was discontinued in the 2009 financial year.

Australian Based Plan	**Grant date**	**Vesting Date**	**Fair value of rights at grant date**	**Spot price at grant date**
Performance criteria				
TSR	1 Nov 2007	1 Nov 2010	$ 3.50	$ 7.29
EBITDA	1 Nov 2007	1 Nov 2010	$ 5.96	$ 7.29

Overseas Based Plan	**Grant date**	**Vesting date**	**Fair value of rights at grant date**	**Spot price at grant date**	**Fair value of rights at reporting date**
Performance criteria					
TSR	1 Nov 2007	1 Nov 2010	$ 3.50	$ 7.29	$ 2.78
EBITDA	1 Nov 2007	1 Nov 2010	$ 5.96	$ 7.29	$ 3.86

(b) 2009 Performance Awards Plan

The Performance Awards Plan (PAP) is a modified version of the 2008 Performance Rights Plan (PRP). Under the PAP, eligible executives including those outside Australia, receive a grant of Performance Awards which entitles participants to receive securities at no cost subject to the achievement of performance conditions. The Board has discretion as to the form of the award at the end of the performance period and may grant cash payments of equivalent value. No dividends or distributions on securities are payable to participants prior to vesting.

Dual performance measures (an earnings measure and relative total security holder return) apply to Performance Awards. The use of dual measures balances the need to both improve the underlying performance of the business over the long term as well as appropriate returns relative to the market.

43 Share-based payments (continued)

Performance Awards were granted on 1 November 2008 with a three year vesting period. The awards are tested at the end of each year. If the performance measures are satisfied for the year, one third of the awards are preserved until the end of the three year period. At the end of the three years a cumulative test of the performance measures is applied to any unvested awards.

Performance criteria	Grant Date	Expiry date	Fair value at grant date	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Forfeited during the year Number	Balance at end of the year Number
Consolidated and parent entity - 2009								
TSR	1 Nov 2008	1 Nov 2011	$3.30	-	672,685	-	(15,541)	657,144
EBITDA	1 Nov 2008	1 Nov 2011	$4.27	-	672,685	-	(15,541)	657,144
Total				-	1,345,370	-	(31,082)	1,314,288
Weighted average grant price					$3.79		$3.79	$3.79

As the Performance Awards Plan was introduced in November 2008, there is no comparative data.

Fair value of options granted
The assessed fair value at grant date of the rights granted during the year ended 30 June 2009 was $3.30. The fair value at grant date was independently determined using a Black-Scholes option pricing model that takes into account the term of the right, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

(c) 2009 Executive Equity Plan

Equity awards are granted under the Executive Equity Plan (EEP) based on executives' performance and are designed to encourage retention of executives while focusing on business excellence. The EEP also aligns with Transurban's remuneration philosophy of encouraging executive security holding.

Individuals who are high performers and in business critical roles are nominated for awards for their past contribution and expected future performance. Board approval is required to grant EEP awards to nominated executives.

Under the EEP, eligible executives receive a grant of stapled securities in the Transurban Group ("securities") at no cost that are subject to disposal restrictions for three years from the grant date. Participants are entitled to distributions paid on their Securities during the restriction period. If the executive ceases employment with Transurban during the restriction period, their Securities will be forfeited unless the Board decides otherwise.

Grant Date	Expiry date	Fair value at grant date	Balance at start of the year Number	Granted during the year Number	Vested during the year Number	Forfeited during the year Number	Balance at end of the year Number	Matured and payable at end of the year Number
Consolidated and parent entity - 2009								
1 Nov 2008	1 Nov 2011	$4.27	-	632,886	(722)	(20,472)	611,692	-
Weighted average grant price				$4.27	$4.27	$4.27	$4.27	

As the Performance Awards Plan was introduced in November 2008, there is no comparative data.

43 Share-based payments (continued)

(d) Executive Loan Plan

The Executive Loan Plan (ELP) was discontinued as of the 2007 financial year. The ELP rewarded the improvements in the price of Transurban's stapled securities over a three year period with relative Total Security holder Return (TSR) against the S&P/ASX 100 Industrials as a performance measure. Executives based outside Australia were eligible to participate in a cash based plan similarly structured to the ELP.

Executives that participated in the ELP were provided with an interest free loan to assist them to acquire securities at market price. The term of the loan is three years and there is only one testing date. The securities are held by the executive but will only vest in the executive in accordance with the terms of the Plan. Expiry occurs three years plus 60 days from the date of commencement of the Plan, unless the rules of the Plan otherwise provide. Holding locks are applied to the securities to ensure that they can only be dealt with in accordance with the terms of the Plan. The acquired securities cannot be transferred or sold while the loan is outstanding.

Set out below are securities granted under the plan.

Australian Based Plan

2009

Grant Date	Expiry date	Grant price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Forfeited during the year Number	Balance at end of the year Number
Consolidated and parent							
1 Nov 2005	1 Nov 2008	$6.47	814,200	-	(696,831)	(117,369)	-
1 Nov 2006	1 Nov 2009	$7.28	1,175,000	-	-	(277,654)	897,346
Total			1,989,200	-	(696,831)	(395,023)	897,346
Weighted average exercise price			$6.95		$6.47	$7.04	$7.28

43 Share-based payments (continued)

Overseas Based Plan

2009

Grant Date	Expiry date	Grant price	Balance at start of the year Number	Granted during the year Number	Matured during the year Number	Forfeited during the year Number	Balance at end of the year Number
Consolidated and parent							
1 Nov 2005	1 Nov 2008	$6.47	189,700	-	(189,700)	-	-
1 Nov 2006	1 Nov 2009	$7.28	300,000	-	-	(30,000)	270,000
Total			489,700	-	(189,700)	(30,000)	270,000
Weighted average grant price			$6.97		$6.47	$7.28	$7.28

Australian Based Plan

2008

Grant Date	Expiry date	Grant price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Forfeited during the year Number	Balance at end of the year Number
Consolidated and parent							
1 Nov 2005	1 Nov 2008	$6.47	1,350,200	-	-	(536,000)	814,200
1 Nov 2006	1 Nov 2009	$7.28	1,933,500	-	-	(758,500)	1,175,000
Total			3,283,700	-	-	(1,294,500)	1,989,200
Weighted average grant price			$6.95			$6.95	$6.95

Overseas Based Plan

2008

Grant Date	Expiry date	Grant price	Balance at start of the year Number	Granted during the year Number	Forfeited during the year Number	Balance at end of the year Number	Matured and payable at end of the year Number
Consolidated and parent							
1 Nov 2005	1 Nov 2008	$6.47	189,700	-	-	189,700	-
1 Nov 2006	1 Nov 2009	$7.28	300,000	-	-	300,000	-
Total			489,700	-	-	489,700	-
Weighted average grant price			$6.97			$6.97	

43 Share-based payments (continued)

(e) Employee security scheme

The Transurban Employee Security Ownership Plan (the Plan) provides employees with an opportunity to be a part owner of Transurban and partner in its continued success.

All Australian based permanent employees are eligible to participate in either the Investment Tax Exempt Plan or the Investment Tax Deferred Plan. Under the plans, Transurban provides participants with a matching component toward the acquisition of the stapled securities. For the period 1 July 2008 to 30 June 2009, the cost of company matches was $33,292 (2008: $61,875) for the Investment Tax Exempt Plan and $207,417 (2008: $452,250) for the Investment Tax Deferred Plan. These plans were suspended in May 2009 following changes to taxation announced in the Federal budget. The Group intends to reactivate the plans with required modifications once the proposed legislation has been implemented.

The third element under the Plan is the Incentive Plan. Subject to Board approval and the performance of the company, eligible employees may receive a certain number of Transurban securities at no cost to them.

In February 2009, each participant was allocated 100 stapled securities at a value of $4.84 per security. Stapled securities provided under the Plan were acquired on the open market.

	2009 Number	2008 Number
Shares purchased on the market under the plan and provided to participating employees	**45,300**	50,500

(f) Performance Rights Plan ('PRP')

Under the PRP, Executives will be granted performance rights to acquire, at no cost to them, an allocated number of stapled securities, subject to the achievement of performance conditions at the end of a three year vesting period. Two performance measures will be utilised, one linked to Total Shareholder Return (TSR) over a three year vesting period and the second, an operational performance measure over the same period. The Plan has been structured so that rewards are only obtained if there are materially improved security holder returns and operational performance results over the three year vesting period. The performance hurdles attached to the performance rights have been set to ensure that both executives and stapled security holders generally benefit from the allocation of stapled securities to executives under the Plan.

There is only one testing date. The right to Stapled Securities cannot be transferred, exercised or otherwise dealt with during the vesting period.

No performance rights were issued under this plan in the current year as it was approved by the Board of Directors for implementation in November of 2007.

Refer to section E of the remuneration report on pages 47.

(g) Expenses arising from shared-based payments

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense was $1.6 million (2008: $1.4 million).

44 Intra-group Guarantees

As at 30 June 2009, the Transurban Group comprises Transurban Holdings Limited, Transurban Holding Trust and Transurban International Limited, traded and quoted on the ASX as one triple stapled security.

Under the stapling arrangement, each entity directly and/or indirectly supports each entity and its controlled entities within the group on a continual basis.

45 Net tangible asset backing

	Consolidated	
	30 June 2009 $	30 June 2008 $
Net tangible asset backing per stapled security *	**2.79**	3.04
	2.79	3.04

(*) - Net tangible assets used as the basis for this calculation include the relative concessions and permits relating to the operational assets of the Group. Assets of this type are characterised as intangibles under AIFRS.

46 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 and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are disclosed below.

(i) Income taxes
The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

The Group has recognised deferred tax assets relating to carried forward tax losses to the extent there are sufficient taxable temporary differences relating to the same taxation authority against which the unused tax losses can be utilised. However, the utilisation of tax losses also depends on the ability of the Group to satisfy certain tests at the time the losses are recouped. Management has internal models forecasting future taxable profits and has therefore recognised deferred tax assets in relation to tax losses.

(ii) Useful lives of plant and equipment
The Group determines the estimated useful lives and related depreciation for its plant and equipment. This estimate is based on expected useful lives of technology. It could change significantly as a result of technical innovations. The Group will increase the depreciation charge where useful lives are less than previously estimated lives, or will write-off or write-down technically obsolete or non-strategic assets.

The Group depreciates the assets associated with the various toll road infrastructure over the life of the respective concession arrangements.

(iii) Estimated impairment of intangible assets and cash generating units
The Group tests whether goodwill, other intangible assets and cash generating units have suffered any impairment, in accordance with the accounting policy stated in note1(i). The recoverable amount of each cash generating unit has been determined based on the greater of value-in-use and fair value less costs to sell calculations. These calculations require the use of assumptions regarding traffic flows, discount rates, growth rates and other factors affecting operating activities of the cash generating units.

(iv) Valuation of Promissory Notes and Concession Notes
The Group holds non-interest bearing long term debt, represented by promissory notes and concession notes, that are included in the financial statements at the present value of expected future payments. The calculations to discount these notes to their present value are based on the estimated timing and profile of the repayments. Assumptions are made in determining the timing and profile, based on expected available equity cash flows of the Group's cash generating units.

A discount rate is used to value the promissory notes and concession notes to their present value, which is determined through reference to other facilities in the market with similar characteristics.

46 Critical accounting estimates and judgements (continued)

(v) Fair value of derivatives and other financial instruments
The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at each balance sheet date.

(vi) *Provision for future major maintenance expenditure*

The Group records a provision for its present obligation to maintain the Motorways held under Concession Deeds. The provision is included in the financial statements at the present value of expected future payments. The calculations to discount these amounts to their present value are based on the estimated timing and profile of expenditure occurring on the roads.

A discount rate is used to value the maintenance expenditure provision at its present value, which is determined through reference to the nature of the provision and the risks associated with the expenditure.

47 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The financial risk management function is carried out centrally by the Transurban Group Treasury team (Treasury) under policies approved by the Board. Treasury work closely with the Group's operating units to actively identify and monitor all financial risks, and put hedging in place where appropriate. The Board are informed on a regular basis of any material exposures to financial risks.

The Group's hedging strategies are detailed below, and include the use of derivative financial instruments. The Group's policies allow derivative transactions to be undertaken only for the purpose of reducing risk, and do not permit speculative trading. Treasury continuously monitor risk exposures over time through review of cashflows, price movements, market analysis and ongoing communication within the Group. When measuring financial risk, Treasury consider positive and negative exposures, existing hedges and the ability to offset exposures where possible.

(a) Market risk
(i) Foreign exchange risk
The Group operates internationally and is exposed to foreign exchange risk when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

Foreign currency exposures are viewed as either investment exposures or operating exposures. Exposures from investment in foreign assets are generally managed using foreign currency debt. All known material operating exposures out to 12 months are hedged, using hedging instruments, offsetting exposures or drawing on foreign currency funds.

The Group's and parent entity's exposure to foreign currency risk at the reporting date, denominated in the currency in which the risk arises, was as follows:

	30 June 2009 USD $'000	30 June 2008 USD $'000
Consolidated		
Cash and cash equivalents	**18**	96
Net Investment in foreign operation	**198,144**	197,836
Trade and other payables	**-**	(3,520)
Borrowings	**(1,047,417)**	(1,009,405)
Cross-currency interest rate swaps	**933,406**	933,406
Parent		
Trade and other receivables	**60**	125
Receivables	**198,144**	197,836
Payables	**(246,311)**	(233,608)

Exposure to other foreign exchange movements is not material.

47 Financial risk management (continued)

Group sensitivity
Based on the financial instruments held at end of the period, had the Australian dollar strengthened by 10 cents against the U.S. dollar with all other variables held constant, the Group's post-tax profit for the year would have been $2,000 lower (2008: $226,000 lower). Had the Australian dollar weakened by 10 cents against the U.S. dollar with all other variables held constant, the Group's post-tax profit for the year would have been $2,000 higher (2008: $277,000 higher), as a result of foreign exchange gains/losses on translation of US dollar denominated financial instruments as detailed in the above table.

The Group's post-tax profit is less sensitive to movements in the Australian dollar/US dollar exchange rate in the current year due to a reduction in US dollar denominated trade creditors.

Had the Australian dollar strengthened by 10 cents against the U.S. dollar with all other variables held constant, the Group's equity would have been $34,160,000 lower (2008: $25,729,000 lower). Had the Australian dollar weakened by 10 cents against the U.S. dollar with all other variables held constant, the Group's equity would have been $50,961,000 higher (2008: $37,543,000 higher). The Group revalue's its U.S. dollar borrowings each period using market spot rates and, where a qualifying hedge is in place, defers these movements in equity. The volatility in equity is caused mainly by fair value movements of the cross currency interest rate swaps, which are affected by changes in forward Australian dollar/U.S. dollar foreign exchange rates.

Parent entity sensitivity
Based on the financial instruments held at end of the period, had the Australian dollar strengthened/weakened by 10 cents against the U.S. dollar with all other variables held constant, the Parent's post-tax profit for the year would have been $4,554,000 higher (2008: $2,357,000 higher) or $5,834,000 lower (2008: $2,880,000 lower), as a result of foreign exchange gains/losses on translation of US dollar denominated financial instruments as detailed in the above table.

Equity would have been unchanged had the Australian dollar moved against the U.S. dollar.

(ii) Price risk
The Group and the parent have had exposure to securities price risk during the period. Securities price risk arises from investments held by the Group and classified on the balance sheet as available-for-sale. No such investments are held at 30 June 2009. Neither the Group nor the parent entity is exposed to commodity price risk.

47 Financial risk management (continued)

(iii) Cash flow interest rate risk

The Group's main exposure to interest rate risk arises from long-term borrowings. Treasury manages interest rate risk by entering into fixed rate debt facilities or using interest rate swaps to convert floating rate debt. Generally, the Group raises long term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. The Group's policy is to hedge interest rate exposure at a minimum in compliance with the covenant requirements of funding facilities and up to 100%. Covenant requirements vary by debt facility, and require a minimum of between 50% and 80% of interest rate exposure to be hedged. At 30 June 2009 91% of the Group's interest rate exposure on variable rate borrowings was hedged.

As at the reporting date, the Group had the following variable rate borrowings and interest rate swap contracts outstanding:

	30 June 2009		30 June 2008	
	Weighted average interest rate %	**Balance $'000**	Weighted average interest rate %	Balance $'000
Consolidated Group				
Cash and cash equivalents	**2.8 %**	(199,805)	7.2 %	(336,546)
Floating Rate Borrowings	**4.1 %**	2,447,821	8.4 %	2,368,600
Interest rate swaps (notional principal amount)	**3.3 %**	(2,223,604)	8.0 %	(1,862,804)
Net exposure to cash flow interest rate risk		24,412		169,250
Parent				
Cash and cash equivalents	**2.0 %**	(8)	7.1 %	(8,647)
Floating Rate Borrowings	**0.9 %**	14,821	8.1 %	12,099
Net exposure to cash flow interest rate risk		14,813		3,452

An analysis by maturities is provided in (c) below.

Group sensitivity

At 30 June 2009, if interest rates had changed by +/-100 basis points from the year-end rates with all other variables held constant, post-tax profit for the year would have been $244,000 lower/higher (2008: $1,693,000 lower/higher). Profit is less sensitive to movements in interest rates in 2009 than 2008, due mainly to additional interest rate hedge contracts being entered into in the current period.

Parent entity sensitivity

At 30 June 2009, if interest rates had changed by +/-100 basis points from the year-end rates with all other variables held constant, post-tax profit for the year would have been $148,000 lower/higher (2008: $35,000 lower/higher). Profit is more sensitive to movements in interest rates in 2009 than 2008, due mainly to a decrease in the amount of cash and cash equivalents held by the parent entity in the current period.

(b) Credit risk

The Group has no significant concentrations of credit risk from Operating Activities, and has policies in place to ensure that transactions are made with commercial customers with an appropriate credit history. However as an owner and operator of large infrastructure assets, the Group is exposed to credit risk with its financial counterparties through undertaking financial transactions intrinsic to its business. These include funds held on deposit, cash investments and the market value of derivative transactions.

Treasury assesses the credit strength of potential financial counterparties using objective ratings provided by multiple independent rating agencies. Board approved limit allocation rules ensure higher limits are granted to higher rated counterparties. The Group also seeks to mitigate its total credit exposure to counterparties by only dealing with credit worthy counterparties, limiting the exposure to any one counterparty, minimising the size of the exposure where possible through netting offsetting exposures, diversifying exposures across counterparties, closely monitoring changes in total credit exposures and changes in credit status, and taking mitigating action when necessary.

The Group's investment in the Westlink Motorway (WM7) is through Term Loan Notes (see note 12 for details). The return on these Notes is ultimately dependent on the performance of WM7. The Group continually monitors the performance and expected cashflows of WM7.

47 Financial risk management (continued)

(c) Liquidity risk

The Group maintains sufficient cash and undrawn facilities to maintain short term flexibility and enable the Group to meet financial commitments in a timely manner. Treasury assesses liquidity over the short term (up to 12 months) and medium term (1 – 5 years) by maintaining accurate forecasts of operating expenses, committed capital expenditure and payments to security holders. Long term liquidity requirements are reviewed as part of the annual strategic planning process.

Short term liquidity is managed by maintaining a strategic liquidity reserve. This reserve is based on the Group's forecast annual operating costs and certain risk exposure scenarios as maintained by the Group's strategic risk register, and is maintained as cash and undrawn facilities. The reserve is maintained on a rolling 12 month basis. Medium term liquidity forecasting is maintained on a rolling 5 year horizon.

Financing arrangements
The Group and the parent entity had access to the following undrawn borrowing facilities at the reporting date:

	Consolidated		**Parent entity**	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Floating rate				
- Expiring within one year	**111,156**	96,000	**111,156**	85,000
- Expiring beyond one year	**305,179**	531,759	**305,179**	531,759
	416,335	627,759	**416,335**	616,759

The facilities are committed for the term of the facility and cannot be withdrawn by the bank without notice.

Maturities of financial liabilities
The tables below analyse the Group's and the parent entity's financial liabilities, net and gross settled derivative financial instruments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. For interest rate swaps the cash flows have been estimated using forward interest rates applicable at the reporting date.

Group - At 30 June 2009	**1 year or less**	**Over 1 to 2 years**	**Over 2 to 3 years**	**Over 3 to 4 years**	**Over 4 to 5 years**	**Over 5 years**	**Total contractual cash flows**	**Carrying Amount (assets)/ liabilities**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Non-derivatives								
Non-interest bearing	432,675	-	-	-	-	288,726	721,401	458,375
Variable rate	700,139	106,984	494,279	463,516	242,587	958,108	2,965,613	2,425,520
Fixed rate	213,784	55,611	275,601	83,830	86,038	1,916,986	2,631,850	1,616,102
Total non-derivatives	1,346,598	162,595	769,880	547,346	328,625	3,163,820	6,318,864	4,499,997
Derivatives								
Net settled (interest rate swaps)	57,105	37,142	(2,228)	(9,899)	(9,664)	(24,751)	47,705	(38,628)
Net settled (cross-currency interest rate swaps)	1,173	4,040	44,355	20,698	18,626	(104,995)	(16,103)	(6,395)
Total derivatives	58,278	41,182	42,127	10,799	8,962	(129,746)	31,602	(45,023)

47 Financial risk management (continued)

Group - At 30 June 2008	1 year or less	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	Total contractual cash flows	Carrying Amount (assets)/ liabilities
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Non-derivatives								
Non-interest bearing	721,888	61,800	-	-	-	263,342	1,047,030	815,059
Variable rate	681,791	674,579	114,535	214,672	480,042	967,685	3,133,304	2,368,600
Fixed rate	57,863	209,354	51,014	268,712	74,363	1,913,113	2,574,419	1,391,825
Total non-derivatives	1,461,542	945,733	165,549	483,384	554,405	3,144,140	6,754,753	4,575,484
Derivatives								
Net settled (interest rate swaps)	(48,102)	(41,904)	(29,567)	(20,387)	(14,101)	(44,204)	(198,265)	(167,829)
Net settled (cross-currency interest rate swaps)	37,918	35,769	32,966	30,485	31,838	90,615	259,591	247,718
Total derivatives	(10,184)	(6,135)	3,399	10,098	17,737	46,411	61,326	79,889

Parent - At 30 June 2009	**1 year or less**	**Over 1 to 2 years**	**Over 2 to 3 years**	**Over 3 to 4 years**	**Over 4 to 5 years**	**Over 5 years**	**Total contractual cash flows**	**Carrying Amount (assets)/ liabilities**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Non-derivatives								
Non-interest bearing	218,878	-	-	-	-	-	218,878	218,878
Variable rate	631	738	837	907	942	15,831	19,886	14,821
Fixed rate	94,626	94,626	94,626	94,626	94,626	1,550,413	2,023,543	1,455,787
Total non-derivatives	314,135	95,364	95,463	95,533	95,568	1,566,244	2,262,307	1,689,486

Parent - At 30 June 2008	1 year or less	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	Total contractual cash flows	Carrying Amount (assets)/ liabilities
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Non-derivatives								
Non-interest bearing	136,713	-	-	-	-	-	136,713	136,713
Variable rate	1,025	1,020	1,010	1,011	999	13,080	18,145	12,099
Fixed rate	82,265	118,455	80,098	80,098	80,098	1,417,347	1,858,361	1,373,439
Total non-derivatives	220,003	119,475	81,108	81,109	81,097	1,430,427	2,013,219	1,522,251

(d) Fair value estimation

Refer to note 1 for the Group's policy on Fair Value estimation.

48 Initial application of AASB Interpretation 12

AASB Interpretation 12 *Service Concession Arrangements*(AASB-I 12) is applicable for the Group's annual reporting period beginning 1 July 2008. AASB-I 12 provides guidance on the accounting by operators for public-to-private service concession arrangements under which private sector entities participate in the development, financing, operation and maintenance of infrastructure for the provision of public services. The application of AASB-I 12 has led to a change in the Group's policies of accounting for the recognition and measurement of service concession arrangements and maintenance obligations under the arrangements. AASB-I 12 has been applied retrospectively and comparative information in relation to the 2008 financial year has been restated accordingly.

On the adoption of AASB-I 12, the Group has not recognised any margin on past construction services as such margin could not be reliably measured.

The following adjustments were made as at 1 July 2007 and 30 June 2008:

(a) At the date of initial adoption: 1 July 2007

	Notes	1 July 2007	Adjustment	1 July 2007 (Restated)
		$'000	$'000	$'000
Balance Sheet				
ASSETS				
Property, plant and equipment	(i)	5,539,153	(5,472,293)	66,860
Intangible assets	(i)	2,923,344	5,472,292	8,395,636
Deferred tax asset	(ii)	327,293	58,165	385,458
Investments accounted for using the equity method	(iii)	567,682	(4,509)	563,173
Other assets		1,922,137	2	1,922,139
Total assets		11,279,609	53,657	11,333,266
LIABILITIES				
Provisions (current)	(iv)	344,201	33,476	377,677
Provisions (non-current)	(iv)	1,752	160,406	162,158
Deferred tax liabilities	(v)	1,524,639	-	1,524,639
Other Liabilities		5,478,045	-	5,478,045
Total liabilities		7,348,637	193,882	7,542,519
Net assets		3,930,972	(140,225)	3,790,747
EQUITY				
Contributed equity		6,078,487	-	6,078,487
Accumulated losses	(vi)	(2,436,011)	(128,456)	(2,564,467)
Minority interest	(vii)	307,326	(11,769)	295,557
Reserves		(18,830)	-	(18,830)
Total equity		3,930,972	(140,225)	3,790,747

Initial application of AASB Interpretation 12 (continued)

(b) At 30 June 2008

	Notes	30 June 2008	Adjustment	30 June 2008 (Restated)
		$'000	$'000	$'000
Balance Sheet				
ASSETS				
Property, plant and equipment	(i)	5,393,589	(5,297,364)	96,225
Intangible assets	(i)	2,768,168	5,334,375	8,102,543
Deferred tax asset	(ii)	449,307	56,431	505,738
Investments accounted for using the equity method	(iii)	697,925	(6,756)	691,169
Other assets		1,281,119	4	1,281,123
Total assets		10,590,108	86,690	10,676,798
LIABILITIES				
Provisions (current)	(iv)	381,269	35,602	416,871
Provisions (non-current)	(iv)	1,462	152,527	153,989
Deferred tax liabilities	(v)	1,559,304	3,690	1,562,994
Other Liabilities		4,573,482	1	4,573,483
Total Liabilities		6,515,517	191,820	6,707,337
Total liabilities		6,515,517	191,820	6,707,337
Net assets		4,074,591	(105,130)	3,969,461
EQUITY				
Contributed equity		6,846,992	-	6,846,992
Accumulated losses	(vi)	(3,201,149)	(95,377)	(3,296,526)
Minority interest	(vii)	333,501	(9,748)	323,753
Reserves	(viii)	95,247	(5)	95,242
Total equity		4,074,591	(105,130)	3,969,461

	Notes	30 June 2008	Adjustment	30 June 2008 (Restated)
		$'000	$'000	$'000
Income statement (extract)				
Revenue from continuing operations	(ix)	1,024,888	39,655	1,064,543
Operational costs	(iv)	(166,094)	(13,772)	(179,866)
Construction costs	(ix)	-	(39,655)	(39,655)
Depreciation and amortisation expense	(i)	(401,497)	65,269	(336,228)
Finance costs	(iv)	(473,828)	(8,687)	(482,515)
Share of net profits of associates and joint venture partnership accounted for using the equity method	(iii)	(22,008)	(2,241)	(24,249)
Other income statement		(154,276)	-	(154,276)
Income tax expense	(vi)	52,367	(5,467)	46,900
Net profit / (loss) for the year		(140,448)	35,102	(105,346)

Basic and diluted earning per security from continuing operations attributable to ordinary equity holders changed from (14.8) cents to (11.8) cents per security. Basic and diluted earning per security attributable to ordinary equity holders changed from (13.1) cents to (10.1) cents per security.

Initial application of AASB Interpretation 12 (continued)

(i) Tolling concession arrangements that grant the Group the right to operate a toll road have been reclassified as Intangible Assets, from Property, Plant and Equipment. As allowed by the transitional provisions of AASB-I 12, the assets were transferred at the carrying amount of the tolling assets at the date of initial application of AASB-I 12 (1 July 2007). From 1 July 2007, the tolling assets are amortised on a straight line basis over the life of the concession deed.

Adjustments have been made to reflect revised amortisation and depreciation charges as a result of the change in rates on certain assets.

(ii) The recording of a provision for maintenance expenditure has given rise to a deferred tax asset. Deductions will be taken for maintenance expenditure when incurred or, where the expenditure incurred is considered capital for tax, over an applicable period as allowed under tax legislation.

(iii) Adjustments to Opening Retained Earnings (1 July 2007) for the application of AASB-I 12 and subsequent Income Statement adjustments in relation to equity accounted investments have been revised to reflect the Group's adjusted equity accounted result.

(iv) On adoption of AASB-I 12, a provision for the present value of the Group's obligations to maintain the tolling assets as required under the Service Concession Arrangement was raised. The provision is increased over the period of use of the assets. An increase to the provision due to use of the asset is charged to Maintenance Expense at a discounted amount. The unwinding of the present value discounting on the provision is charged as a finance cost. Any expenditure incurred in the year ended 30 June 2008 that was previously capitalised to the cost of the asset is reversed against the asset and the provision utilised. In certain situations, major maintenance expenditure has been expensed in full when incurred. These amounts have been adjusted in the Income Statement (Operational costs), against the provision for maintenance.

(v) A revision to deferred tax liabilities has been created due to a change in the carrying value of concession assets for accounting purposes. Under AASB-I 12 the Group now amortises all concession assets on a straight line basis over the life of the concession deed. This treatment results in an extended useful life for many concession assets. The reduction in accounting depreciation/amortisation over the comparative periods has given rise to a deferred tax liability adjustment.

(vi) Adjustments to accumulated losses and the income statement include:

- Initial recognition of maintenance provision.
- Revision to depreciation/amortisation charges due to extended useful life of many concession assets.
- Increase in provision for maintenance resulting from continued use of the assets.
- Increase in provision for maintenance due to unwinding of the discount applied to the provision through finance costs.
- Reversal of maintenance expenditure previously expensed in full to the income statement in the year it was incurred. This has been reversed against the provision.
- Change in share of net profits of associates accounted for using the equity method due to associate entities also adopting AASB-I 12 effective 1 July 2007.
- Tax effect movements in carrying value of assets for accounting purposes and movements in provision balances.

(vii) Adjustments to profit attributable to minority interests and equity of minority interests have been made to reflect the application of AASB-I 12. The adjustments are consistent with the adjustments required by assets that have shareholders outside the Transurban Group.

(viii) Other equity represents adjustments to the foreign currency translation reserve as a result of the application of AASB-I 12 to the Group's investment in DRIVe.

(ix) Where the Group is engaged to provide design and construction services for a new asset, the service is accounted for as a construction contract. The Group has recognised revenue earned for the construction and corresponding contract costs incurred.

In the directors' opinion:

(a) the financial statements and notes set out on pages 54 to 144 are in accordance with the *Corporations Act 2001,* including:
   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
   (ii) giving a true and fair view of the company's and Group's financial position as at 30 June 2009 and of their performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in note 37 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 37.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001.*

This declaration is made in accordance with separate resolutions of the directors of Transurban Holdings Limited, Transurban Infrastructure Management Limited and Transurban International Limited.

David J Ryan
Director

Christopher J Lynch
Director

Melbourne
26 August 2009

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Independent auditor's report to the members of Transurban Holdings Limited

Report on the financial report

We have audited the accompanying financial report of Transurban Holdings Limited (the company), which comprises the balance sheet as at 30 June 2009, the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both Transurban Holdings Limited and the Transurban Holdings Limited Group (the Group). The Group comprises the aggregation of Transurban Holdings Limited (THL), Transurban Holdings Trust (THT) and Transurban International Limited (TIL) and their controlled entities at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the consolidated financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

Independent auditor's report to the members of Transurban Holdings Limited (continued)

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001.*

Auditor's opinion

In our opinion:

(a) the financial report of Transurban Holdings Limited is in accordance with the *Corporations Act 2001*, including:

 (i) giving a true and fair view of the company's and the Group's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

 (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001;* and

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 33 to 50 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the Remuneration Report of Transurban Holdings Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

John Yeoman
Partner

Melbourne
26 August 2009

Transurban Holding Trust and Controlled Entities

ARSN 098 807 419

Financial statements for the year ended 30 June 2009

Transurban Holding Trust ARSN 098 807 419
Financial statements - 30 June 2009

Contents

Directors' report

The directors of Transurban Infrastructure Management Limited ("the Company"), the responsible entity of Transurban Holding Trust, present their report on the consolidated entity consisting of Transurban Holding Trust ("the Trust") and the entities it controlled (collectively "the Group"), for the year ended 30 June 2009.

Transurban Holding Trust forms part of the Transurban Group. The securities of the entities comprising the Transurban Group are stapled. A Stapled Security comprises one share in Transurban Holdings Limited, one share in Transurban International Limited and one unit in Transurban Holding Trust. None of the components of the Stapled Security can be traded separately.

Responsible Entity

Transurban Holding Trust is registered as a managed investment scheme under Chapter 5C of the *Corporations Act 2001* and, as a result, requires a responsible entity. Transurban Infrastructure Management Limited is the responsible entity of Transurban Holding Trust and is responsible for performing all functions that are required under the *Corporations Act 2001* of a Responsible Entity.

Directors

With the exception of the changes noted below, the following persons were directors of Transurban Infrastructure Management Limited during the whole of the financial year and up to the date of this report:

Non-executive Directors

David J Ryan AO

Neil Chatfield (Appointed 18 February 2009)

Geoffrey O Cosgriff

Jeremy G A Davis AM

Robert J Edgar (Appointed 21 July 2009)

Lindsay Maxsted

Susan M Oliver (Retired 22 June 2009)

Christopher J S Renwick AM (Retired 22 June 2009)

Rodney Slater (Appointed 22 June 2009)

Executive Director

Christopher J Lynch

Results

The consolidated net profit for the Group was $263,753,000 (2008: profit of $238,844,000).

Principal Activities and Operations

During the year the principal activities of the consolidated entity consisted of holding 100 per cent of the units in the CityLink Trust, the Transurban Finance Trust, the Hills Motorway Trust, the Sydney Roads Trust, the T (895) Finance Trust and the Transurban CARS Trust. The Transurban CARS Trust holds the Transurban Group's investment in Westlink M7 Motorway in Sydney.

Distributions

Distributions paid to members during the financial year were as follows:

	2009 $'000	2008 $'000
Distributions proposed		
Final distribution payable and recognised as a liability: 11.0 cents (2008: 29.0 cents) per fully paid Stapled Security payable 28 August 2009	**141,095**	319,076
	141,095	319,076
Distributions paid during the year		
Final distribution for 2008 financial year of 29.0 cents (2007: 27.5 cents) per fully paid Stapled Security paid 29 August 2008	**319,076**	294,744
Interim distribution for 2009 financial year of 11.0 cents (2008: 28.0 cents) per fully paid Stapled Security paid 27 February 2009	**140,041**	303,297
Total distributions paid	**459,117**	598,041
Distributions paid in cash or satisfied by the issue of Stapled Securities under the distribution reinvestment plan during the years ended 30 June 2009 and 30 June 2008		
Paid in cash	**172,161**	396,858
Executive loans - repayments	**551**	1,535
Satisfied by issue of Stapled Securities	**286,422**	199,615
Funds available for future distribution reinvestment plans	**(17)**	33
	459,117	598,041

Review of operations

Total revenue for the Group decreased by 0.88% to $624.5 million. The profit for the year was $263.8 million.

On 14 August 2008, the Group exercised its pre-emptive right under the Westlink Equity Participants Deed to acquire an additional 2.5 per cent of the Westlink M7 for consideration of $38.0 million. The Group's investment in Westlink M7 is now 50.0 per cent, and is accounted for as an associate.

On 4 May 2008, the Group announced that it has completed the re-financing of $465 million of non-recourse project debt for the Hills M2 Motorway. The facility has been provided by five banks, and comprises a three and five year tranche.

Matters subsequent to the end of the financial year

On 8 July 2009, the M1 Eastern Distributor debt of $515 million, due to mature in November 2009, was refinanced. The new debt facility has been provided by six banks: Australia and New Zealand Banking Group, Bank of Tokyo Mitsubishi UFJ, Calyon Australia, Commonwealth Bank, Mizuho Corporate Bank, Ltd. Sydney Branch and Westpac Banking Corporation. The facility has a three year tranche (approximately 38 per cent of the total facility), a five year tranche (approximately 50 per cent) and a seven year tranche (approximately 12 per cent).

As at the date of this report the directors are not aware of any other circumstances that have arisen since 30 June 2009 that have significantly affected, or may significantly affect, the Group's operations in future financial years, the results of those operations in future financial years, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Trust and the expected results of operations have not been included in this report because the directors of the responsible entity believe it would be likely to result in unreasonable prejudice to the Trust.

Environmental regulation

The Group is subject to environmental regulations under Australian Commonwealth and State laws and certain applicable laws in the USA. The Group maintains a comprehensive environmental management plan to monitor the performance of the Motorways, and any external parties responsible for operating any of the Group's Motorways, and takes remedial steps where necessary.

There were no significant breaches reported during the financial year on the Group's controlled assets.

Insurance and Indemnification

The Trust indemnifies all past and present Directors and Secretaries of the Company, including at this time the Directors named in this report and the Secretary or Secretaries, against every liability incurred by them in their respective capacities unless:

- the liability is owed to the Company or to a related body corporate;
- the liability did not arise out of the conduct of good faith; or
- the liability is for a pecuniary penalty order or a compensation order under the Corporations Act 2001.

The Company also indemnifies each person who is or has been an officer of the Company against liability for costs or expenses incurred by the person in his or her capacity as an officer of the Company in defending civil or criminal proceedings in which judgment is given in favour of the person or the person is acquitted or in connection with an application in which the Court grants relief to the person under the Corporations Act 2001.

The Auditors of the Company are in no way indemnified out of the assets of the Company.

Fees paid to and interest held in the Trust by the Responsible Entity or its Associates

Fees paid to the Responsible Entity out of Trust property during the year are disclosed in note 31 to the financial statements.

No fees were paid to the directors of the Responsible Entity during the year out of Trust property.

Interests in the Trust issued during the financial year

	Consolidated		Parent	
	2009 Number '000	2008 Number '000	**2009 Number '000**	2008 Number '000
Balance at 1 July	**1,218,263**	1,068,374	**1,218,263**	1,068,374
Units issued during the year	**63,100**	149,889	**63,100**	149,889
Balance at 30 June	**1,281,363**	1,218,263	**1,281,363**	1,218,263

Value of Assets

	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Value of Trust assets at 30 June	**9,544,100**	9,681,422	**7,236,738**	6,984,059

The value of the Trust's assets is derived using the basis of accounting set out in Note 1 to the financial statements.

Units under option

There are 3.20 million units of Transurban Holding Trust under share based payment schemes. 1.98 million units were granted in the current year. No units were issued on the exercise of the relevant schemes.

Directors' Interests

The directors of the Responsible Entity have disclosed relevant interests in Stapled Securities issued by the Transurban Group as follows:

	Number of Stapled Securities
Non-executive directors	
D J Ryan	60,945
N G Chatfield (appointed 19 February 2009)	-
G O Cosgriff	126,012
J G A Davis	125,005
R J Edgar (appointed 21 July 2009)	7,709
L P Maxsted	-
S M Oliver (retired 22 June 2009)	54,522
C J S Renwick AM (retired 22 June 2009)	41,552
R Slater (appointed 22 June 2009)	-
Executive directors	
C J Lynch	233,041

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 154.

Rounding of amounts

The trust is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the ''rounding off'' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001.*

This report is made in accordance with a resolution of directors.

David J Ryan
Chairman

Christopher J Lynch
Director

Melbourne
26 August 2009

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Auditor's Independence Declaration

As lead auditor for the audit of Transurban Holdings Trust for the year ended 30 June 2009, 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.

This declaration is in respect of Transurban Holdings Trust and the entities it controlled during the year.

John Yeoman
Partner
PricewaterhouseCoopers

Melbourne
28 August 2009

Transurban Holding Trust ARSN 098 807 419
Financial statements - 30 June 2009

Contents

This financial report covers both the separate financial statements of Transurban Holding Trust as an individual entity and the consolidated financial statements for the consolidated entity consisting of Transurban Holding Trust and its subsidiaries. The financial report is presented in the Australian currency.

Transurban Holding Trust is a Trust registered and domiciled in Australia. Its registered office and principal place of business is:

Transurban Holding Trust
Level 3, 505 Little Collins Street
Melbourne VIC 3000

The financial report was authorised for issue by the directors on 26 August 2009. The company has the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally. All releases to the ASX and the media, financial reports and other information are available on our website: www.transurban.com

Transurban Holding Trust
Income statements
For the year ended 30 June 2009

		Consolidated		Parent	
	Notes	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Revenue from continuing operations	4	**624,478**	630,036	**373,701**	236,516
Other income	5	**55,638**	49,102	**55,287**	49,102
Administration costs		**(3,522)**	(14,900)	**(1,227)**	(12,303)
Promissory notes		**(1,193)**	(1,158)	**-**	-
Depreciation and amortisation expense		**(95,203)**	(83,942)	**(15,394)**	(3,925)
Finance costs	6	**(307,808)**	(338,105)	**(120,289)**	(134,852)
Share of net loss of associates and joint venture partnership accounted for using the equity method		**(7,556)**	-	**-**	-
Profit before income tax		**264,834**	241,033	**292,078**	134,538
Income tax expense	7	**(1,081)**	(2,189)	**-**	-
Profit for the year		**263,753**	238,844	**292,078**	134,538
Profit is attributable to:					
Equity holders of Transurban Holding Trust		**250,830**	223,374	**292,078**	134,538
Minority interest		**12,923**	15,470	**-**	-
		263,753	238,844	**292,078**	134,538
		Cents	Cents		
Earnings per unit for profit attributable to the ordinary unit holders:					
Basic earnings per share	39	**19.8**	20.5		
Diluted earnings per share	39	**19.8**	20.5		

The above income statements should be read in conjunction with the accompanying notes.

		Consolidated		Parent	
		2009	2008	**2009**	2008
	Notes	**$'000**	$'000	**$'000**	$'000
ASSETS					
Current assets					
Cash and cash equivalents	8	**28,418**	45,882	**492**	1,308
Trade and other receivables	9	**208,518**	195,994	**818,463**	210,344
Derivative financial instruments	10	**-**	2,917	**-**	-
Total current assets		**236,936**	244,793	**818,955**	211,652
Non-current assets					
Receivables	11	**5,864,912**	5,963,892	**1,911,690**	2,250,920
Held-to-maturity investments	12	**633,272**	558,223	**-**	-
Derivative financial instruments	10	**9,134**	20,669	**-**	-
Other financial assets	13	**-**	-	**4,140,285**	4,140,285
Deferred tax assets	14	**1,204**	-	**-**	-
Intangible assets	15	**2,798,642**	2,893,845	**365,808**	381,202
Total non-current assets		**9,307,164**	9,436,629	**6,417,783**	6,772,407
Total assets		**9,544,100**	9,681,422	**7,236,738**	6,984,059
LIABILITIES					
Current liabilities					
Trade and other payables	16	**109,978**	245,702	**7,388**	258,111
Borrowings	17	**515,500**	458,150	**-**	-
Derivative financial instruments	10	**3,336**	-	**-**	-
Current tax liabilities		**2,585**	1,350	**-**	-
Provisions	18	**171,645**	349,241	**141,152**	318,397
Non-interest bearing liabilities	19	**79,080**	169,978	**61,811**	135,311
Total current liabilities		**882,124**	1,224,421	**210,351**	711,819
Non-current liabilities					
Borrowings	20	**3,607,312**	3,491,193	**1,862,515**	1,250,728
Derivative financial instruments	10	**8,184**	-	**-**	-
Deferred tax liabilities	22	**1,140**	795	**-**	-
Non-interest bearing liabilities	21	**10,613**	64,371	**-**	51,398
Total non-current liabilities		**3,627,249**	3,556,359	**1,862,515**	1,302,126
Total liabilities		**4,509,373**	4,780,780	**2,072,866**	2,013,945
Net assets		**5,034,727**	4,900,642	**5,163,872**	4,970,114
UNIT HOLDERS' FUNDS					
Issued units	23	**6,692,365**	6,507,180	**6,692,365**	6,507,180
Reserves	24	**(330)**	17,392	**4,323**	6,874
Accumulated losses	24	**(1,701,315)**	(1,671,191)	**(1,532,816)**	(1,543,940)
Capital and reserves attributable to equity holder of Transurban Holding Trust		**4,990,720**	4,853,381	**5,163,872**	4,970,114
Minority interest	25	**44,007**	47,261	**-**	-
Total unitholders' funds		**5,034,727**	4,900,642	**5,163,872**	4,970,114

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

Transurban Holding Trust
Statements of changes in equity
For the year ended 30 June 2009

Consolidated	Notes	Attributable to members of Transurban Holding Trust: Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Minority interest $'000	Total $'000
Balance at 1 July 2007		5,911,399	9,186	(1,272,192)	53,867	4,702,260
Changes in the fair value of cash flow hedges, net tax	24	-	5,361	-	-	5,361
Profit for year		-	-	223,374	15,470	238,844
Total recognised income and expense for the year		**-**	**5,361**	**223,374**	**15,470**	**244,205**
Contributions of equity, net of transaction costs	23	399,138	-	-	-	399,138
Treasury securities	23	6,707	-	-	-	6,707
Distributions reinvestment plan	24	189,936	-	-	-	189,936
Change in value of share-based payment reserve	24	-	2,845	-	-	2,845
Distributions provided for or paid	24	-	-	(622,373)	-	(622,373)
Acquisition of additional interest in AMG	25	-	-	-	(7,427)	(7,427)
Distributions paid to minority interest	25	-	-	-	(14,649)	(14,649)
		595,781	2,845	(622,373)	(22,076)	(45,823)
Balance at 30 June 2008		**6,507,180**	**17,392**	**(1,671,191)**	**47,261**	**4,900,642**
Balance at 1 July 2008		6,507,180	17,392	(1,671,191)	47,261	4,900,642
Changes in the fair value of cash flow hedges, net tax	24	-	(15,171)	-	(1,487)	(16,658)
Profit for year		-	-	250,830	12,923	263,753
Total recognised income and expense for the year		**-**	**(15,171)**	**250,830**	**11,436**	**247,095**
Contributions of equity, net of transaction costs	23	6,049	-	-	-	6,049
Treasury securities	23	4,993	-	-	-	4,993
Distribution reinvestment plan	23	174,143	-	-	-	174,143
Change in value of share-based payment reserve	24	-	(2,551)	-	-	(2,551)
Distributions provided for or paid		-	-	(280,954)	-	(280,954)
Distributions paid to minority interest	25	-	-	-	(14,690)	(14,690)
		185,185	(2,551)	(280,954)	(14,690)	(113,010)
Balance at 30 June 2009		**6,692,365**	**(330)**	**(1,701,315)**	**44,007**	**5,034,727**

Transurban Holding Trust
Statements of changes in equity
For the year ended 30 June 2009
(continued)

Parent	Notes	**Contributed equity $'000**	**Reserves $'000**	**(Accumulated losses) $'000**	**Total $'000**
Balance at 1 July 2007		5,911,399	4,029	(1,056,105)	4,859,323
Changes in the fair value of share based payments	24	-	2,845	-	2,845
Profit for year		-	-	134,538	134,538
Total recognised income and expense for the year		**-**	**2,845**	**134,538**	**137,383**
Contributions of equity, net of transaction costs	23	399,138	-	-	399,138
Treasury securities	23	6,707	-	-	6,707
Distribution reinvestment plan	23	189,936	-	-	189,936
Distributions provided for or paid	24	-	-	(622,373)	(622,373)
		595,781	-	(622,373)	(26,592)
Balance at 30 June 2008		6,507,180	6,874	(1,543,940)	4,970,114
Balance at 1 July 2008		6,507,180	6,874	(1,543,940)	4,970,114
Profit for year		-	-	292,078	292,078
Total recognised income and expense for the year		**-**	**-**	**292,078**	**292,078**
Contributions of equity, net of transaction costs	23	6,038	-	-	6,038
Distribution reinvestment plan	23	174,143	-	-	174,143
Treasury securities	23	5,004	-	-	5,004
Change in value of share-based payment reserve	24	-	(2,551)	-	(2,551)
Distributions provided for or paid	24	-	-	(280,954)	(280,954)
		185,185	(2,551)	(280,954)	(98,320)
Balance at 30 June 2009		**6,692,365**	**4,323**	**(1,532,816)**	**5,163,872**

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

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Cash flows from operating activities					
Receipts from customers (inclusive of GST)		**109,441**	118,300	**408**	-
Payments to suppliers (inclusive of GST)		**(2,343)**	(29,187)	**(4,015)**	(21,293)
Interest received		**28,222**	53,862	**1,942**	3,924
Interest paid		**(235,947)**	(233,256)	**(52,391)**	(60,511)
Taxes paid		**(708)**	(43)	**-**	-
Net cash (outflow) from operating activities	37	**(101,335)**	(90,324)	**(54,056)**	(77,880)
Cash flows from investing activities					
Payment for investment in associate		**(7,556)**	-	**-**	-
Payment for acquisition of term loan notes		**(30,444)**	-	**-**	-
Payment for M1 Upgrade		**(148,307)**	(404,152)	**(148,307)**	(404,152)
Distributions received		**-**	-	**145,570**	93,724
Net cash (outflow) inflow from investing activities		**(186,307)**	(404,152)	**(2,737)**	(310,428)
Cash flows from financing activities					
Loans to related parties		**(1,471,814)**	(1,042,934)	**(98,039)**	(757,835)
Repayment of loans from related parties		**1,534,445**	1,240,712	**428,433**	745,208
Loans from related parties		**1,739,054**	1,292,627	**751,267**	1,158,768
Repayment of loans to related parties		**(1,350,584)**	(1,050,685)	**(861,703)**	(948,504)
Proceeds from issues of units		**6,076**	400,550	**6,076**	400,550
Unit issue transaction costs		**(35)**	(1,968)	**(35)**	(1,968)
Payments for establishing borrowing facilities		**(7,586)**	(1,325)	**-**	(293)
Proceeds from borrowings		**465,000**	-	**-**	-
Repayment of borrowings		**(459,000)**	(150,000)	**-**	-
Proceeds from sale of treasury units		**2,042**	6,712	**2,042**	6,712
Distributions paid		**(172,161)**	(396,858)	**(172,161)**	(396,858)
Distributions received on forfeited treasury securities		**97**	-	**97**	-
Distributions paid to minority interests in subsidiaries		**(15,356)**	(25,468)	**-**	-
Net cash inflow from financing activities		**270,178**	271,363	**55,977**	205,780
Net increase (decrease) in cash and cash equivalents		**(17,464)**	(223,113)	**(816)**	(182,528)
Cash and cash equivalents at the beginning of the financial year		**45,882**	268,995	**1,308**	183,836
Cash and cash equivalents at end of year	8	**28,418**	45,882	**492**	1,308

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

Contents of the notes to the financial statements

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial report includes separate financial statements for Transurban Holding Trust as an individual entity and for the consolidated entity consisting of Transurban Holding Trust and its subsidiaries.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001.*

Where necessary, comparatives have been reclassified for consistency with current year disclosures.

Compliance with IFRS
Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report of Transurban Holding Trust complies with International Financial Reporting Standards (IFRS).

Initial application of AASB Interpretation 12 - Service Concession Arrangements

AASB Interpretation 12 Service Concession Arrangements (AASB-I 12) is applicable for the Group's annual reporting period beginning 1 July 2008 and has been adopted for the first time for the year ended 30 June 2009. AASB-I 12 provides guidance on the accounting by operators of public-to-private service concession arrangements under which private sector entities participate in the development, financing, operation and maintenance of infrastructure for the provision of public services. A substantial portion of the Group's assets are used within the framework of concession arrangements granted by public sector entities. The application of AASB-I 12 has led to a change in the Group's policies of accounting for the classification, recognition and measurement of concession assets.

The new policies have been applied retrospectively and, where relevant in accordance with the transitional provisions, comparative information in relation to the 2008 financial year has been restated accordingly. The Group's revised policies are set out in note 1 (n).

Initial application of AASB Interpretation 129 - Service Concession Arrangements: Disclosures

In addition to the adoption of AASB Interpretation 12 (AASB-I 12), the Group has adopted AASB Interpretation 129 Service Concession Arrangements: Disclosures (AASB-I 129) for the first time for the year ended 30 June 2009. AASB-I 129 contains specific guidance on the disclosures required for a Service Concession Arrangement.

Details as required under AASB-I 129 can be found in Note 15.

Early adoption of standards
The company has not elected to adopt any new accounting standards early.

Historical cost convention
These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments).

Critical accounting estimates
The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 41.

(b) Principles of consolidation

Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of subsidiaries of Transurban Holding Trust ("the Trust" or "parent entity") as at 30 June 2009 and the results of all subsidiaries for the year then ended. Transurban Holding Trust and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

1 Summary of significant accounting policies (continued)

(b) Principles of consolidation (continued)

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated income statement and balance sheet respectively.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Transurban Holding Trust.

Associates and joint ventures
Associates are all entities over which the Group has significant influence but not control. Interests in joint ventures are where the Group jointly controls an entity with another party (refer to note 34).

Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. Similarly, the interest in the joint venture partnership is accounted for using the equity method.

The Group's share of its associates' and joint ventures' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates and joint ventures are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate including any other unsecured long-term receivables, the Trust does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, rebates and amounts collected on behalf of third parties.

Revenue is recognised in the major business activities as follows:

(i) Rental revenue
Rental revenue is recognised as earned in accordance with the lease contract.

(ii) Interest income
Interest income is recognised on a time proportionate basis using the effective interest method.

(iii) Distribution Revenue
Distribution revenue is recognised when the Trust's right to receive payment is established.

1 Summary of significant accounting policies (continued)

(e) Income tax

Income tax is brought to account in the financial statements to the extent it relates to companies in the Group. Pursuant to the provisions of the Income Tax Legislation, Trusts are not liable to income tax provided that its taxable income (including assessable realised capital gains) is fully distributed to unit holders.

(f) Leases

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the period of the lease.

(g) Business combinations

The purchase method of accounting is used to account for all business combinations, excluding business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity and internal costs are expenses as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group’s share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity’s incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(h) Impairment of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. The decrement in the carrying amount is recognised as an expense in net profit or loss in the reporting period in which the impairment occurs.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(i) Cash and cash equivalents

For cash flow statement presentation purposes, 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 and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

1 Summary of significant accounting policies (continued)

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. Trade receivables are due for settlement no more than 30 days from the date of revenue recognition.

Collectibility of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the allowance is recognised in the income statement.

(k) Investments and other financial assets

Classification
The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, and held-to-maturity investments. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet (note 9) and (note 11).

Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(l) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges), or
- hedges of the cash flow of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

At the inception of the hedging transaction, the Group documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

1 Summary of significant accounting policies (continued)

(l) Derivatives and hedging activities (continued)

The fair values of various derivative financial instruments used for hedging purposes are disclosed in note 10. Movements in the hedging reserve in shareholders' equity are shown in note 24. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Fair value hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are reported in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps and cross currency swaps hedging fixed rate borrowings is recognised in the income statement within finance costs together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in the income statement within other income and other expenses.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedge item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

Cash flow hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expense.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item will affect profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within ‘finance costs’.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Derivatives that do not qualify for hedge accounting
Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for the hedge accounting are recognised immediately in the income statement and are included in other income or other expenses.

(m) Fair value estimation

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

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps and cross currency swaps are calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

The carrying value less impairment allowance of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

1 Summary of significant accounting policies (continued)

(n) Intangible assets

Concession Assets
Concession assets represent the Group's right to operate roads under Service Concession Arrangements. Concession assets constructed by the Group are recorded at the fair value of consideration received or receivable for the construction services delivered. Concession assets acquired by the Group are recorded at the fair value of the assets at the date of acquisition. All Concession assets are classified as intangible assets and are amortised over the term of the right to operate the asset on a straight line basis.

In previous periods, some of the Group's expenditure on Concession assets was classified as Property, Plant and Equipment and depreciated over the useful life of the assets. On initial adoption of AASB-I 12, the Group used the carrying amounts of Property, Plant and Equipment as the carrying amounts of Intangible Assets as allowed by the transitional provisions of AASB-I 12.

(o) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using an effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(r) Concession notes

The Group recognises an intangible representing Concession Notes assigned from the State of Victoria as part of the Tulla-Calder transaction and the M1 Upgrade transaction. As the timing and profile of these amounts is largely determined by the available equity cash flows of the underlying asset, the present value of the expected future cashflows is determined using a discount rate of 9.7 per cent (2008: 9.7 per cent) which recognises their subordinated nature.

(s) Promissory notes

Non-interest bearing long term debt represented by Promissory Notes payable to the State of New South Wales in respect of the M2 Motorway has been included in the financial statements at the present value of expected future repayments. As the timing and profile of these repayments is largely determined by the available equity cashflows of the underlying asset, the present value of the expected future repayments is determined using a discount rate, which recognises their subordinated nature. In the event that there is a change in the expected timing and profile of the repayments, the impact is recognised in the income statement.

The discount rate applied to the M2 Motorway Promissory Notes is 12.0 per cent (2008: 12.0 per cent). Refer to note 21.

1 Summary of significant accounting policies (continued)

(t) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred, except to the extent to which they relate to the construction of qualifying assets in which case specifically identifiable borrowing costs are capitalised into the cost of the asset. Borrowing costs include interest on short-term and long term borrowings.

Costs incurred in connection with the arrangement of borrowings are deferred and amortised over the effective period of the funding.

(u) Contributed equity

Units in the trust are classified as equity.

Incremental costs directly attributable to the issue of new units or options are shown in equity as a reduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new units or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example as the result of a security buy-back, those instruments are deducted from equity and the associated securities are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(v) Distributions

Provision is made for the amount of any distribution declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

(w) Earnings per Unit

Basic earnings per unit
Basic earnings per unit is determined by dividing the profit after income tax attributable to unitholders by the weighted average number of units outstanding during the year.

Diluted earnings per unit
Diluted earnings per unit adjusts the figures used in the determination of basic earnings per share by taking into account the weighted average number of units assumed to have been issued for no consideration in relation to dilutive potential units.

(x) Goods and Services Tax (GST)

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

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

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

(y) Rounding of amounts

The trust is of a kind referred to in Class order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(z) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The Group's and the parent entity's assessment of the impact of these new standards and interpretations is set out below.

1 Summary of significant accounting policies (continued)

(z) New accounting standards and interpretations (continued)

(i) AASB 8 *Operating Segments* and AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8* (effective from 1 January 2009)

AASB 8 will result in a change in the approach to segment reporting, as it requires adoption a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The Group will adopt AASB 8 from 1 July 2009. This standard will primarily result in changes to disclosures only.

(ii) Revised AASB 123 *Borrowing Costs* and AASB 2007-6 *Amendments to Australian Accounting Standards arising from AASB 123* (effective from 1 January 2009)

The revised AASB 123 has removed the option to expense all borrowing costs and, when adopted, will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Group, as the Group already capitalises borrowing costs relating to qualifying assets.

(iii)Revised AASB 101 *Presentation of Financial Statements* and AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101* (effective 1 January 2009)

The September 2007 revised AASB 101 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior year adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The Group will apply the revised standard from 1 July 2009. This will result in disclosure changes only.

(iv) Revised AASB 3 *Business Combinations* AASB 127 *Consolidated and Separate Financial Statements* and AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127* (effective 1 July 2009)

The revised AASB 3 continues to apply the acquisition method to business combinations, but with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either as fair value or at the non-controlling interest's proportionate share of acquiree's net assets. All acquisition-related costs must be expensed. This is different to the Group's current policy which is set out in note 1(g) above.

The revised AASB 127 requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and those transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. This is consistent with the Group's current accounting policy if significant influence is not retained.

The Group will apply the revised standards prospectively to all business combinations and transactions with non-controlling interests from 1 July 2009.

(v)AASB 2008-7 *Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* (effective 1 July 2009)

In July 2008, the AASB approved amendments to AASB 1 *First-time Adoption of International Financial Reporting Standards and AABS 127 Consolidated and Separate Financial Statements.* The Group will apply the revised rules prospectively from 1 July 2009. After that date, all dividends received from investments in subsidiaries, jointly controlled entities or associates will be recognised as revenue, even if they are paid out of pre-acquisition profits, but the investments may need to be tested for impairment as a result of the dividend payments. Under the entity's current policy, these dividends are deducted from the cost of investment. Furthermore, if a new intermediate parent entity was created in the event of an internal reorganisation investments in subsidiaries will be measured at the carrying amount of the net assets of the subsidiary rather than the subsidiary's fair value.

(vi)AASB 2008-8 Amendment to IAS 39 *Amendment to Australian Accounting Standards - Eligible Hedged Items* (effective 1 July 2009)

1 Summary of significant accounting policies (continued)

(z) New accounting standards and interpretations (continued)

AASB 2008-8 amends AASB 139 *Financial Instruments: Recognition and Measurement* and must be applied retrospectively in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors.* The amendment makes two main changes. It prohibits designating inflation as a hedgeable component of a fixed rate debt. It also prohibits including time value in one-sided hedged risk when designating options as hedges. The Group will apply the amended standard from 1 July 2009. It is not expected to have an impact on the Group's financial statements.

(vii)AASB Interpretation 17 *Distribution of Non-cash Assets to Owners* and AASB 2008-13 *Amendments to Australian Accounting Standards arising from AASB Interpretation 17* (effective 1 July 2009)

AASB-I 17 applies to situations where an entity pays dividends by distributing non-cash assets to its shareholders. These distributions will need to be measured at fair value and the entity will need to recognise the difference between the fair value and the carrying amount of the distributed assets in the income statement on distribution. This is different to the Group's current policy which is to measure distributions of non-cash assets at their carrying amounts. The interpretation further clarifies when a liability for the dividend must be recognised and that it is also measured at fair value. The Group will apply the interpretation prospectively from 1 July 2009.

(viii)AASB 2009-2 *Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments* (effective for annual periods beginning on or after 1 January 2009)

AASB 2009-2 results in amendments to AASB 7. It requires fair value measurement disclosures to be classified into a new three-level hierarchy and additional disclosures for items whose fair value is determined by valuation techniques rather than observable market values. The AASB also clarified and enhanced the existing requirements for the disclosure of liquidity risk of derivatives. The Group is currently assessing the impact of the disclosure requirements. The amendment will not affect any of the amounts recognised in the financial statements.

2 Trust formation and termination

The Transurban Holding Trust was established on 15 November 2001. The Trust was due to terminate on 20 December 2081 unless terminated earlier. However, amendments made to the Trust Deed have extended the Trust to perpetuity.

The Trust was registered as a managed investment scheme by the Australian Securities and Investments Commission on 28 November 2001.

3 Segment information

Business segments
The Trust's principle business segment for the period ending 30 June 2009 was the leasing of assets and the provision of funding to the Transurban Group or associates of the Transurban Group. All revenues and expenses are directly attributable to this principle segment. The management structure and internal reporting of the Trust are based on the principle business segment.

Geographical segments
Assets of the Transurban Group which the Trust has funded are located in two separate states of Australia.

(a) Secondary reporting format - geographical segments

	Segment revenues		Segment assets	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Victoria	**304,839**	318,341	**5,777,988**	5,955,331
New South Wales	**319,639**	311,695	**3,766,112**	3,726,091
	624,478	630,036	**9,544,100**	9,681,422

4 Revenue

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
From continuing operations				
Rental income	**215,772**	211,272	**-**	-
Interest income from related parties	**406,209**	413,546	**81,998**	98,254
	621,981	624,818	**81,998**	98,254
Other revenue				
Distributions from subsidiaries	**-**	-	**291,192**	136,864
Interest	**2,118**	5,070	**145**	1,254
Other	**379**	148	**366**	144
	2,497	5,218	**291,703**	138,262
	624,478	630,036	**373,701**	236,516

5 Other income

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Foreign exchange gains (net) (2008: loss)	**5,306**	-	**4,955**	-
Concession notes	**19,524**	19,185	**19,524**	19,185
Remeasurement of concession notes	**30,808**	29,917	**30,808**	29,917
	55,638	49,102	**55,287**	49,102

6 Expenses

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Profit before income tax includes the following specific expenses:				
Finance costs				
Interest and finance charges paid/payable	**265,516**	297,946	**92,567**	100,573
Interest rate hedging charges paid/payable	**22,100**	3,963	**4,276**	(1,814)
Remeasurement of M1 Upgrade payable	**23,446**	36,093	**23,446**	36,093
Movement in promissory note payable				
Recognised in finance costs:				
Remeasurement of notes on issue from prior period	**1,557**	1,402	**-**	-
Remeasurement of notes due to change in payment profile	**(4,811)**	(1,299)	**-**	-
Total finance costs	**307,808**	338,105	**120,289**	134,852
Foreign exchange gains and losses				
Net foreign exchange losses (2009: gain)	**-**	11,108	**-**	10,948
Total foreign exchange losses	**-**	11,108	**-**	10,948

7 Income tax expense

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
(a) Income tax expense				
Current tax	**2,444**	2,377	**-**	-
Deferred tax	**(1,278)**	(924)	**-**	-
Under/(Over) provided in prior years	**(85)**	736	**-**	-
	1,081	2,189	**-**	-
Deferred income tax (revenue) expense included in income tax expense comprises:				
Decrease (increase) in deferred tax assets (note 14)	**(1,623)**	(1,720)	**-**	-
(Decrease) increase in deferred tax liabilities (note 22)	**345**	796	**-**	-
	(1,278)	(924)	**-**	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable				
Profit from continuing operations before income tax expense	**264,834**	241,033	**292,078**	134,538
Tax at the Australian tax rate of 30% (2008 - 30%)	**79,450**	64,813	**53,812**	40,361
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Trust income not subject to tax	**(78,284)**	(63,360)	**(53,812)**	(40,361)
	1,166	1,453	**-**	-
Under (over) provision in prior periods	**(85)**	736	**-**	-
Income tax expense	**1,081**	2,189	**-**	-

8 Current assets - Cash and cash equivalents

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Cash at bank and in hand	**28,418**	45,882	**492**	1,308
Balance per statement of cash flows	**28,418**	45,882	**492**	1,308

All cash balances are interest bearing (refer to note 42).

9 Current assets - Trade and other receivables

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Trade receivables	**-**	4	**-**	-
Loans to related parties	**112,927**	93,826	**483,949**	14,632
Other receivables from related parties	**94,774**	101,046	**334,514**	195,712
Prepayments	**817**	1,118	**-**	-
	208,518	195,994	**818,463**	210,344

No class within trade and other receivables contain impaired or past due assets. Based on the credit history, it is expected these amounts will be received when due. The Group does not hold any collateral in relation to these receivables.

(a) Trade receivables

Trade receivables represents Goods and Services Tax receivable from the Australian Tax Office. There is no allowance for doubtful debts.

(b) Loans to related parties

Loans to related parties predominantly represent interest and finance charges on funds loaned from Transurban Finance Company. There is no allowance for doubtful debts as the counterparties are related parties.

(c) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. The Parent Entity balance for 2009 and 2008 is principally comprised of distributions receivable from its subsidiaries and accrued interest from a related party.

(d) Foreign exchange and interest rate risk

Information about the Group's and the parent entity's exposure to foreign currency risk and interest rate risk in relation to receivables is provided in note 42.

(e) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. For more information on the risk management policy of the Group refer to note 43.

10 Derivative financial instruments

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Current assets				
Interest rate swap contracts - cash flow hedges	**-**	2,917	**-**	-
Non-current assets				
Interest rate swap contracts - cash flow hedges	**9,134**	20,669	**-**	-
Total derivative financial instrument assets	**9,134**	23,586	**-**	-
Current liabilities				
Interest rate swap contracts - cash flow hedges	**3,336**	-	**-**	-
Non-current liabilities				
Interest rate swap contracts - cash flow hedges	**8,184**	-	**-**	-
Total derivative financial instrument liabilities	**11,520**	-	**-**	-

(a) Instruments used by the Group

The Group is party to derivative financial instruments in the normal course of business. Financial instruments include interest rate swap contracts entered into to hedge exposure in accordance with the financial risk management policies (refer to note 42).

(i) Interest rate swap contracts - cash flow hedges

Variable rate borrowings of the Group currently bear an average variable interest rate of 8.40 per cent (2008: 8.39 per cent). It is policy to protect part of the loans from exposure to increasing interest rates. Accordingly, the Group has entered into interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates.

Swaps taken out by the Group cover approximately 87 per cent (2008: 60 per cent) of long term variable debt excluding working capital facilities. After hedging, the Group's variable rate borrowings bear an average fixed rate of 6.90 per cent (2008: 6.28 per cent).

The contracts require settlement of net interest receivable or payable. The settlement dates coincide with the dates on which interest is payable on the underlying debt. The contracts are settled on a net basis.

The gain or loss from remeasuring the hedging instruments at fair value is deferred in equity in the hedging reserve, to the extent that the hedge is effective, and reclassified into profit and loss when the hedged interest expense is recognised. The ineffective portion is recognised in income immediately. There was no ineffectiveness recognised in the current or prior period.

(b) Risk exposures

Information about the Group’s and the parent entity’s exposure to credit risk, foreign exchange and interest rate risk is provided in note 42.

11 Non-current assets - Receivables

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Tullarmarine/Calder Freeway upgrade	**121,093**	110,630	**121,093**	110,630
M1 Upgrade	**257,017**	217,148	**257,017**	217,148
Advances to related parties	**3,746,831**	4,853,988	**555,637**	1,407,629
Other related party loans	**1,739,971**	782,126	**977,943**	515,513
	5,864,912	5,963,892	**1,911,690**	2,250,920

Tullamarine/Calder Freeway upgrade

On 27 January 2005, the Transurban Group reached agreement with the State of Victoria and Vic Roads to use CityLink Concession Notes to fund an upgrade of the Tullamarine/Calder Freeway interchange.

Under the agreement, Transurban paid $151.0 million to Vic Roads to fund the M1 Upgrade. In exchange, the State assigned to Transurban $305.3 million of Concession Notes issued by CityLink to the State under the provisions of the Melbourne CityLink Concession Deed.

The receivable classified as “Tullamarine/Calder Freeway upgrade” recognises the discounted value of Concession Notes reassigned from the State to the Trust.

M1 Upgrade

The Transurban Group reached agreement with the State of Victoria and Vic Roads to jointly fund upgrades and improvements to 75 kilometres of the Westgate-CityLink (Southern Link)-Monash corridor.

Under the agreement, the State assigned to Transurban all remaining and future Concession Note liabilities incurred under the provisions of the Melbourne CityLink Concession Deed in exchange for payments totalling $614 million. These liabilities have a face value of $2.9 billion.

The receivable classified as “M1 Upgrade” recognises the discounted value of Concession Notes reassigned from the State to the Trust. The liability to the state is recognised in note 19 and 21.

(c) Impaired receivables and receivables past due

None of the non-current receivables are impaired or past due but not impaired.

(d) Fair values

The carrying values of non-current receivables approximate the fair values.

(e) Risk exposure

Information about the Group’s and the parent entity’s exposure to credit risk, foreign exchange and interest rate risk is provided in note 42.

12 Non-current assets - Held-to-maturity investments

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Investment in Term Loan Notes	**633,272**	558,223	**-**	-
	633,272	558,223	**-**	-

Investment in Term Loan Notes ("TLN")

Term Loan Notes represent Transurban's debt funding contribution to the Westlink Motorway Partnership. The fixed maturity date of the TLN's is the earlier of 34 years and the termination of the "Agreement to Lease" between the Roads and Traffic Authority of New South Wales and Westlink Motorway Limited.

The interest rate charged on these notes is 11.93 per cent and any unpaid interest capitalises into additional notes. During the year ended 30 June 2009 the Group acquired new notes totalling $30.4 million, and capitalised interest of $44.6 million (2008: $26.2 million).

(a) Impairment and risk exposure

None of the held-to-maturity investments are either past due or impaired.

All held-to-maturity investments are denominated in Australian currency. As a result, there is no exposure to foreign currency risk. There is also no exposure to price risk as the investments will be held to maturity.

13 Non-current assets - Other financial assets

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Units in controlled entities	**-**	-	**4,140,285**	4,140,285
	-	-	**4,140,285**	4,140,285

Non-traded investments

The investment in controlled entities represents 100 per cent of the ordinary units of The CityLink Trust, The Hills Motorway Trust, and The Sydney Roads Trust. These trusts are registered in Australia.

14 Non-current assets - Deferred tax assets

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
The balance comprises temporary differences attributable to:				
Amounts recognised in profit or loss				
Tax losses	**1,204**	-	**-**	-
	1,204	-	**-**	-
Movements:				
Opening balance at 1 July	**-**	-	**-**	-
Credited/(charged) to the income statement (note 7)	**1,623**	-	**-**	-
Losses utilised	**(419)**	-	**-**	-
Closing balance at 30 June	**1,204**	-	**-**	-
Deferred tax assets to be recovered within 12 months	**-**	-	**-**	-
Deferred tax assets to be recovered after more than 12 months	**1,204**	-	**-**	-
	1,204	-	**-**	-

15 Non-current assets - Intangible assets

Consolidated	**CityLink** **$'000**	**Hills M2 Motorway** **$'000**	**Total** **$'000**
At 1 July 2007			
Cost	1,207,442	2,092,571	3,300,013
Accumulated amortisation	(146,356)	(175,870)	(322,226)
Net book amount	1,061,086	1,916,701	2,977,787
Year ended 30 June 2008			
Opening net book amount	1,061,086	1,916,701	2,977,787
Amortisation charge	(29,457)	(54,485)	(83,942)
Closing net book amount	1,031,629	1,862,216	2,893,845
At 30 June 2008			
Cost	1,207,442	2,116,141	3,323,583
Accumulated amortisation	(175,813)	(253,925)	(429,738)
Net book amount	1,031,629	1,862,216	2,893,845
Year ended 30 June 2009			
Opening net book amount	1,031,629	1,862,216	2,893,845
Amortisation charge	(40,718)	(54,485)	(95,203)
Closing net book amount	990,911	1,807,731	2,798,642
At 30 June 2009			
Cost	1,207,442	2,116,141	3,323,583
Accumulated amortisation	(216,531)	(308,410)	(524,941)
Net book amount	990,911	1,807,731	2,798,642

15 Non-current assets - Intangible assets (continued)

Parent	**CityLink $'000**	**Total $'000**
At 1 July 2007		
Cost	385,127	385,127
Net book amount	385,127	385,127
Year ended 30 June 2008		
Opening net book amount	385,127	385,127
Amortisation charge	(3,925)	(3,925)
Closing net book amount	381,202	381,202
At 30 June 2008		
Cost	385,127	385,127
Accumulated amortisation	(3,925)	(3,925)
Net book amount	381,202	381,202
Year ended 30 June 2009		
Opening net book amount	381,202	381,202
Amortisation charge	(15,394)	(15,394)
Closing net book amount	365,808	365,808
At 30 June 2009		
Cost	385,127	385,127
Accumulated amortisation	(19,319)	(19,319)
Net book amount	365,808	365,808

CityLink Concession Asset

Transurban holds the Concession for Melbourne's CityLink tollway which grants the Group the right to design, build, operate and maintain CityLink for the Concession period, ending 14 January 2034, being 34 years following completion of construction. The tollway was opened progressively from 15 August 1999 to 17 June 2001. Transurban has the right to collect tolls from CityLink for the duration of the Concession Arrangement and maintains the tollway to ensure continuous availability for public use. Tolls are escalated in accordance with the maximum allowable increases in the Concession Deed, being a quarterly escalation at the greater of quarterly CPI or 1.1065% (equivalent to an annual escalation rate of 4.5%) for the first 15 years then quarterly by CPI, but no greater than annual CPI plus 2.5%. At the end of the Concession period, all Concession Assets are to be returned to the State Government.

During the year ended 30 June 2007, Transurban signed an agreement with the State of Victoria and VicRoads to jointly fund upgrades and improvements to 75 kilometres of the Monash – CityLink – West Gate Freeway Corridor. On initial recognition of the agreement an intangible asset was recognised and represents future economic benefits arising from increased toll revenue and as a result of the increased traffic flow from the upgrades. Transurban is also contributing to the construction of the upgrade and an intangible asset is recognised equal to that contribution. Revenue and expenses have been recognised in the period on exchanging construction services for an intangible asset.

Hills M2 Concession Asset

Through the acquisition of the Hills Motorway Group in 2005, Transurban acquired the concession for the Hills M2 Motorway in Sydney, allowing Transurban the right to toll the Motorway until 2042. The Concession Deed also requires Transurban to maintain the M2 Motorway.

Toll increases for the M2 Motorway are based on a maximum toll increase as defined in the Concession Deed, being a quarterly escalation at the greater of quarterly CPI or 1%, subject to integer rounding. At the end of the concession period, all concession assets will be returned to the State Government.

15 Non-current assets - Intangible assets (continued)

Impairment testing of intangible assets

The Group tests whether goodwill and other intangible assets have suffered any impairments, in accordance with the accounting policy stated in note1(h). The recoverable amount of assets and cash-generating units have been determined based on the greater of value-in-use and fair value less cost to sell calculations. These calculations require the use of assumptions regarding traffic flows, discount rates, growth rates and other factors affecting operating activities of cash-generating units.

Key assumptions used for fair value less cost to sell calculations

The Group makes assumptions in calculating the fair value less cost to sell of its cash generating units. These include assumptions around expected traffic flows and forecast operational costs. In performing the calculations the Group has applied a discount rate of 8.8 per cent (2008: 8.0 per cent), representing the implied discount rate applicable to the risk profile of the Group's assets, to discount the forecast future attributable cash flows. In determining future cash flows, the Group has also applied rates of growth to underlying operating assumptions to reflect the expected performance of the assets beyond the budget period in accordance with the respective concessions. The operating costs have been escalated in line with a combination of Consumer Price Index (CPI) and Average Weekly Earnings (AWE) forecasts. A long term CPI rate of 2.5 per cent (2008: 2.5 per cent) and AWE of 4.0 per cent (2008: 4.0 per cent) have been used.

16 Current liabilities - Trade and other payables

	Consolidated		**Parent**	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Trade payables	**345**	59	**-**	44
Related party payables	**94,819**	233,200	**-**	257,923
Other payables	**14,814**	12,443	**7,388**	144
	109,978	245,702	**7,388**	258,111

Other payables

Other payables represents accruals for operating expenses and interest on the Trust's borrowings.

(a) Risk exposure

Information about the Group's and Parent entity's exposure to financial risk is provided in note 42.

17 Current liabilities - Borrowings

	Consolidated		Parent	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Term Debt	**515,500**	439,150	**-**	-
Working Capital Facilities	**-**	19,000	**-**	-
Total current borrowings	**515,500**	458,150	**-**	-

(a) Security and fair value disclosures

Information about the terms and conditions of major borrowings, details of the security relating to each of the secured liabilities and the fair value of each of the borrowings is provided below or in note 20.

(b) Risk exposures

Details of the Group's exposure to risks arising from current and non-current borrowings are set out in note 42.

(c) Term Debt & Working Capital Facilities

The term debt facility of $515.5 million was due to mature in November 2009. This was refinanced in July 2009 (post balance date). The facility is fully secured against the respective rights of Airport Motorway Ltd and Airport Motorway Trust in the M1 Motorway and their assets. The interest rate applicable to the term debt is 3.54 per cent (2008: 8.4 per cent). 75 per cent of the borrowings are hedged to an all-in rate after hedging of 6.22 per cent.

The prior year term debt facility of $440.0 million was refinanced in May 2009 using the funds raised via a Syndicated bank facility (refer to note 20 for details on the new facility).

18 Current liabilities - Provisions

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Distribution to security holders	**141,152**	318,397	**141,152**	318,397
Provision for distribution to minority interests in subsidiaries	**30,493**	30,844	**-**	-
	171,645	349,241	**141,152**	318,397

The provision recognised in June 2008 was paid to security holders on 29 August 2008. The final 2009 distribution is payable on 28 August 2009.

Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	Distribution to security holders $'000	Provision for distribution to minority interests in subsidiaries $'000	Total $'000
Consolidated - 2009			
Current			
Carrying amount at start of year	318,397	30,844	349,241
Distribution paid	(459,117)	14,692	(444,425)
Provision recognised	281,136	(15,043)	266,093
Long term incentive	762	-	762
Distribution reinvestment plan	(26)	-	(26)
Carrying amount at end of year	141,152	30,493	171,645

	Distribution to security holders $'000	Provision for distribution to minority interests in subsidiaries $'000	Total $'000
Parent - 2009			
Current			
Carrying amount at start of year	318,397	-	318,397
Distribution Paid	(459,117)	-	(459,117)
Provision recognised	281,136	-	281,136
Long term incentive	762	-	762
Distribution reinvestment plan	(26)	-	(26)
Carrying amount at end of year	141,152	-	141,152

19 Current liabilities - Non-interest bearing liabilities

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Unearned income (related parties)	**17,269**	34,667	**-**	-
Unearned income (other)	**16**	54	**16**	54
M1 Upgrade (a)	**61,795**	135,257	**61,795**	135,257
	79,080	169,978	**61,811**	135,311

(a) Refer to note 11 for details.

20 Non-current liabilities - Borrowings

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Hills M2 Syndicated facility	**457,739**	-	**-**	-
Airport Motorway Trust Term Debt	**-**	515,500	**-**	-
Loans from related parties	**3,149,573**	2,975,693	**1,862,515**	1,250,728
	3,607,312	3,491,193	**1,862,515**	1,250,728

(a) Loans from related parties

The Group receives funding from a related party, Transurban Finance Company Pty Ltd, which is used to finance its activities.

(b) Risk exposures

Information about the Group's and parent entity's exposure to financial risk is provided in note 42.

(c) Hills M2 Syndicated facility

The facility comprises non-recourse Syndicated Bank debt entered into by the Hills Motorway Trust and Hills Motorway Management Limited of $465 million (less capitalised borrowing costs of $7.3 million), with terms of three years ($290.5 million) and five years ($174.5 million). This facility refinanced the term debt and working capital facility that were due to mature in June 2009 (refer note 17).

This facility is secured against the respective rights of Hills Motorway Ltd and Hills Motorway Trust in the Hills M2 Motorway and their assets.

(d) Airport Motorway Trust Term Debt

Refer to note 17 for information regarding the Airport Motorway Trust term debt.

(e) Covenants

The Transurban Group's debt has the following Interest Coverage Ration ("ICR") covenants:

- CityLink - ICR greater than 1.1 times
- Group - ICR greater than 1.25 times

In addition, the Group has a market capitalisation clause where gearing must not exceed 60%. Based on the balance sheet at 30 June 2009, the Group's Security price would need to close below $2.12 per Security for 20 consecutive business days to trigger this clause.

In addition, the non-recourse debt at M1 Eastern Distributor and Hills M2 Motorway has the following covenants:

- M1 Eastern Distributor - ICR greater than 1.05 times (1.2 times with new facility from July 2009)
- Hills M2 Motorway - ICR greater than 1.2 times

(f) Fair value

The carrying values approximate the fair values of financial assets and liabilities brought to account at balance date.

21 Non current liabilities - Non-interest bearing liabilities

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Promissory notes	**10,613**	12,973	**-**	-
M1 Upgrade	**-**	51,398	**-**	51,398
	10,613	64,371	**-**	51,398

The Hills Motorway Trust has entered into leases with the Roads and Traffic Authority of New South Wales ("RTA"). Annual lease liabilities under these leases total $7.0 million, indexed annually to the Consumer Price Index over the estimated period that the M2 Motorway will be used. Until such time as a threshold return is achieved, payments under these leases can be made at any time at the discretion of the Responsible Entity of the Trust, by means of the issue of non-interest bearing promissory notes to the RTA.

Promissory Notes have been included in the Financial Report as non-interest bearing liabilities at the present value of expected future repayments. As the timing and profile of these repayments is largely determined by the available equity cash flows of the M2 Motorway, the present value of the expected future repayments is determined using a discount rate of 12 per cent (2008: 12 per cent) which recognises their subordinated nature.

The face value of promissory Notes on issue at 30 June 2009 is $106.2 million (2008: $96.6 million). The Net Present Value at 30 June 2008 of the redemption payments relating to these Promissory Notes is $10.6 million (2008: $11.6 million).

The indicative timing of these redemption payments is set out in the following table.

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Promissory note redemption				
Estimated Promissory Note payments				
Later than 5 years but not later than 10 years	**-**	-	**-**	-
Later than 10 years but not later than 15 years	**106,234**	96,563	**-**	-
Concession Note liability at the end of the year	**106,234**	96,563	-	-
Reconciliation of the movement in the Promissory Note liability				
Promissory Notes liability at the start of the year	**12,973**	11,645	**-**	-
Discount of Promissory Notes on issue at the beginning of the year	**1,557**	1,402	**-**	-
Revaluation of notes due to change in payment profile	**(4,811)**	(1,299)	**-**	-
Promissory Notes issued during the year	**9,671**	9,438	**-**	-
Discount of Promissory Notes issued during the year	**(8,777)**	(8,213)	**-**	-
Promissory Note liability at the end of the year	**10,613**	12,973	-	-

22 Non-current liabilities - Deferred tax liabilities

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
The balance comprises temporary differences attributable to:				
Receivables	**1,140**	795	**-**	-
Total deferred tax liabilities	**1,140**	795	**-**	-
Movements:				
Opening balance at 1 July	**795**	-	**-**	-
Charged/(credited) to the income statement (note 7)	**345**	795	**-**	-
Closing balance at 30 June	**1,140**	795	**-**	-
Deferred tax liabilities to be settled within 12 months	**-**	-	**-**	-
Deferred tax liabilities to be settled after more than 12 months	**1,140**	795	**-**	-
	1,140	795	**-**	-

23 Issued units

The issued units of the Trust are a component of a parcel of stapled securities, each parcel comprising one share in Transurban Holdings Limited, one unit in Transurban Holding Trust and one share in Transurban International Limited.

The individual securities comprising a parcel of stapled securities cannot be traded separately.

	Consolidated	
	2009	2008
	$'000	$'000
(a) Share capital		
Ordinary units fully paid	**6,692,365**	6,507,180
	6,692,365	6,507,180

	Consolidated	
	2009	2008
	Number	Number
	'000	'000
Share capital		
Ordinary units fully paid	**1,281,363**	1,218,263
	1,281,363	1,218,263

23 Issued units (continued)

(b) Movements in issued units

			Consolidated		
Date	**Details**	Notes	**Number of units '000**	**Issue price**	**$'000**
1 July 2007	**Opening balance**		**1,068,374**		**5,911,399**
27 Aug 2007	Distribution Reinvestment Plan	(d)	11,408	$7.3638	84,006
19 Sep 2007	Disposal of treasury Securities	(e)	138	$6.7100	932
25 Sep 2007	Disposal of treasury Securities	(e)	44	$6.9400	310
4 Oct 2007	Disposal of treasury securities	(e)	50	$6.9830	346
29 Nov 2007	Disposal of treasury securities	(e)	273	$6.5560	1,786
5 Dec 2007	Disposal of treasury securities	(e)	30	$6.5710	197
7 Jan 2008	Disposal of treasury securities	(e)	32	$6.3410	203
27 Feb 2008	Distribution Reinvestment Plan	(d)	17,058	$6.2100	105,930
11 Mar 2008	Disposal of treasury securities	(e)	27	$5.8010	154
9 Apr 2008	Disposal of treasury securities	(e)	95	$6.3860	604
16 Apr 2008	Disposal of treasury securities	(e)	44	$5.8960	256
1 May 2008	Disposal of treasury securities	(e)	62	$6.3270	392
25 Jun 2008	Disposal of treasury securities	(e)	628	$2.4330	1,527
29 June 2008	Equity placement	(g)	120,000	$3.3379	400,550
	Less: Transaction costs arising on issue of securities				(1,412)
30 June 2008	**Balance**		**1,218,263**		**6,507,180**
1 July 2008	**Opening balance**		**1,218,263**		**6,507,180**
9 Jul 2008	Disposal of treasury securities	(e)	11	$2.7180	30
19 Aug 2008	Disposal of treasury securities	(e)	8	$3.3700	27
19 Aug 2008	Disposal of treasury securities	(e)	33	$3.3910	112
21 Aug 2008	Disposal of treasury securities	(e)	12	$3.3190	40
31 Aug 2008	Distribution Reinvestment Plan	(d)	36,555	$2.8333	103,572
31 Aug 2008	Distribution Reinvestment Plan	(d)	14,451	$2.9002	41,911
11 Sep 2008	Disposal of treasury securities	(e)	29	$3.1540	92
11 Sep 2008	Disposal of treasury securities	(e)	12	$3.1540	38
11 Sep 2008	Disposal of treasury securities	(e)	68	$3.1540	215
26 Sep 2008	Share Purchase Plan	(f)	1,830	$3.3200	6,076
9 Oct 2008	Disposal of treasury securities	(e)	11	$3.4960	38
23 Oct 2008	Disposal of treasury securities	(e)	23	$3.2950	76
7 Nov 2008	Disposal of treasury securities	(e)	25	$3.3280	83
13 Nov 2008	Disposal of treasury securities	(e)	56	$3.4894	196
14 Nov 2008	Disposal of treasury securities	(e)	93	$3.4860	324
14 Nov 2008	Vested treasury units	(e)	102	$3.0663	313
17 Nov 2008	Vested treasury units	(e)	91	$3.0663	279
18 Nov 2008	Vested treasury units	(e)	9	$3.0663	28
19 Nov 2008	Vested treasury units	(e)	39	$3.0663	120
20 Nov 2008	Vested treasury units	(e)	19	$3.0663	58
30 Nov 2008	Acquisition of treasury units	(e)	(443)	$3.2081	(1,421)
8 Dec 2008	Vested treasury units	(e)	287	$2.8135	807
8 Dec 2008	Disposal of treasury units	(e)	3	$2.8135	9
23 Dec 2008	Vested treasury units	(e)	90	$3.0663	276
24 Dec 2008	Vested treasury units	(e)	18	$3.0663	55
30 Dec 2008	Vested treasury units	(e)	27	$3.0663	83
31 Dec 2008	Transfer from share-based payment reserve - 2005	(e)			2,960
7 Jan 2009	Vested treasury units	(e)	35	$3.0663	108
22 Jan 2009	Disposal of treasury securities	(e)	10	$3.0734	29
22 Feb 2009	Distribution Reinvestment Plan	(d)	9,585	$2.9904	28,659
11 Mar 2009	Disposal of treasury securities	(e)	11	$2.4563	27
	Less: Transaction costs arising on issue of securities				(35)
30 June 2009	**Balance**		**1,281,363**		**6,692,365**

23 Issued units (continued)

All units issued form part of the Transurban Group stapled securities issued. The amounts above represent the value apportioned to Transurban Holding Trust, with the remaining value apportioned to Transurban Holdings Limited and Transurban International Limited.

(c) Trust Units

Units entitle the holder to participate in distributions and the winding up of Transurban Holding Trust in proportion to the number of and amounts paid on the units held.

On a show of hands every holder of units present at a meeting in person or by proxy is entitled to one vote.

(d) Distribution reinvestment plan

The Transurban Group has established a distribution reinvestment plan under which holders of Stapled Securities may elect to have all or part of their distribution entitlements satisfied by the issue of new stapled securities rather than by cash. Securities are to be issued under the plan at a 2.5 per cent discount to the market price for the 30 June 2009 distribution.

(e) Treasury Units

Stapled Securities (including units in the Trust) were issued to executives under Share Based Payment Plans. The stapled securities are held by the executive but will only vest in the executive in accordance with the terms of the plans. The acquired securities cannot be transferred or sold while the loan is outstanding. On forfeit the securities are sold on market.

(f) Share purchase plan

Transurban raised $6.1 million via a share purchase plan, issuing 1.8 million stapled securities to eligible security holders.

(g) Equity Placement

Transurban raised $658.8 million via an equity placement of 120 million securities to the Canadian Pension Plan Investment Board on 29 June 2008. Of this $400.6 million was attributed to the Trust, with the remaining value apportioned to Transurban Holdings Limited and Transurban International Limited.

(h) Capital risk management

The Group is subject to a gearing ratio covenant imposed by Senior Secured lenders. The Group monitors capital on the basis of the gearing ratio to ensure compliance with the covenant. There have been no breaches of the covenant. For further information refer to note 20.

The Group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to security holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amounts of distributions paid to security holders, return capital to security holders, issue new securities or sell assets to reduce debt.

24 Reserves and retained profits/(accumulated losses)

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
(a) Reserves				
Hedging reserve - cash flow hedges	**(4,653)**	10,518	**-**	-
Share-based payments reserve	**4,323**	6,874	**4,323**	6,874
	(330)	17,392	**4,323**	6,874
Movements:				
Hedging reserve - cash flow hedges				
Balance 1 July	**10,518**	5,157	**-**	-
Revaluation - gross	**(25,622)**	4,018	**-**	-
Transfer to net profit	**8,963**	1,343	**-**	-
Transfer to net profit attributable to minority interest	**1,488**	-	**-**	-
Balance 30 June	**(4,653)**	10,518	**-**	-
Share-based payments reserve				
Balance 1 July	**6,874**	4,029	**6,874**	4,029
Employee share plan expense	**738**	1,543	**478**	1,543
Employee distribution	**(70)**	1,302	**(70)**	1,302
Transfer to equity (vested loan)	**(3,219)**	-	**(2,959)**	-
Balance 30 June	**4,323**	6,874	**4,323**	6,874

(b) Accumulated losses

Movements in accumulated losses were as follows:

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Balance 1 July	**(1,671,191)**	(1,272,192)	**(1,543,940)**	(1,056,105)
Net profit/(loss) for the year	**250,830**	223,374	**292,078**	134,538
Distributions	**(280,954)**	(622,373)	**(280,954)**	(622,373)
Balance 30 June	**(1,701,315)**	(1,671,191)	**(1,532,816)**	(1,543,940)

(c) Nature and purpose of reserves

(i) Cash flow reserve - cash flow hedges
The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, as described in note 1(l). Amounts are recognised in profit and loss when the associated hedged transaction affects profit and loss.

(ii) Share-based payments reserve
The share-based payments reserve is used to recognise the value of benefits issued but not exercised.

25 Minority interest

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Minority interest	**44,007**	47,261	**-**	-
	44,007	47,261	**-**	-

Minority interests in Airport Motorway Trust

Balance at 1 July	**47,261**	53,867	**-**	-
Acquisition of subsidiary	**-**	(7,427)	**-**	-
Movement in reserves	**(1,487)**	-	**-**	-
Profit for the year	**12,923**	15,470	**-**	-
Distribution paid/provided	**(14,690)**	(14,649)	**-**	-
Balance at 30 June	**44,007**	47,261	**-**	-

On 14 September 2007, the Transurban Group acquired an additional 3.75 per cent interest in the Airport Motorway Group ("AMG"), the owner of the concession for the M1 Eastern Distributor in Sydney, for cash consideration of $46.5 million. As part of the acquisition, Transurban Holding Trust paid $11.6 million, of which $7.4 million was paid to acquire an additional 3.75 per cent of Airport Motorway Trust, and $4.2 million was paid for the receipt of debentures.

The Transurban Group acquired a 71.35 per cent interest in AMG, as part of its takeover of Sydney Roads Group in April 2007. As at 30 June 2009, Transurban holds a 75.1 per cent interest in AMG.

26 Distributions

	Parent	
	2009	2008
	$'000	$'000
Distributions proposed		
Final distribution payable and recognised as a liability: 11.0 cents (2008: 29.0 cents) per fully paid Stapled Security payable 28 August 2009	**141,095**	319,076
	141,095	319,076
Distributions paid during the year		
Final distribution for 2008 financial year of 29.0 cents (2007: 27.5 cents) per fully paid Stapled Security paid 29 August 2008	**319,076**	294,744
Interim distribution for 2009 financial year of 11.0 cents (2008: 28.0 cents) per fully paid Stapled Security paid 27 February 2009	**140,041**	303,297
Total distributions paid	**459,117**	598,041
Distributions paid in cash or satisfied by the issue of shares under the distributions reinvestment plan during the years ended 30 June 2009 and 2008 were as follows:		
Paid in cash	**172,161**	396,858
Executive loans - repayments	**551**	1,535
Satisfied by issue of Stapled Securities (a)	**286,422**	199,615
Distributions waiting to be applied to future DRP	**(17)**	33
	459,117	598,041

(a) The value of stapled securities represents the total value of securities issued, however, this value is apportioned between Transurban Holding Trust ($174 million), Transurban Holdings Limited ($70 million) and Transurban International Limited ($42 million).

27 Key management personnel disclosures

(a) Directors

With the exception of the changes noted below, the following persons were directors of Transurban Infrastructure Management Limited, the responsible entity of the Trust during the financial year:

(i) Executive directors

Christopher J Lynch

(ii) Non-executive directors

David J Ryan
Neil G Chatfield (appointed 18 February 2009)
Geoffrey O Cosgriff
Jeremy GA Davis
Robert J Edgar (appointed 21 July 2009)
Lindsay P Maxsted
Susan M Oliver (retired 22 June 2009)
Christopher J S Renwick (retired 22 June 2009)
Rodney Slater (appointed 22 June 2009)

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:

Name	*Position*
B Bourke	Chief Operating Officer
D Cardiff	Group General Manager Human Resources
K Daley	President International Development
M Fletcher	Group General Manager Public Affairs
A Head	Group General Manager Strategy & Corporate Development
S Hogg	Treasurer (acting Chief Financial Officer until 14 October 2008)
T Honan	Chief Financial Officer (from 15 October 2008)
M Kulper	President Transurban North America
E Mildwater	Chief Legal Counsel & Company Secretary

(c) Remuneration report

The Remuneration Report is presented under the following sections:

A Introduction
B Board oversight of remuneration
C Group performance and the link to remuneration
D Overview of Transurban's executive remuneration arrangements
E CEO and Senior Executive arrangements for the year ended 30 June 2009
F Contractual arrangements of Executive Directors and Senior Executives
G Non-Executive Director (NED) remuneration
H Director and Key Management Personnel remuneration and other disclosures

A Introduction

The Directors of the Transurban Infrastructure Management Limited present the Remuneration Report prepared in accordance with the requirements of the *Corporations Act 2001* and its Regulations. The information has been audited as required by section 308(3C) of the *Corporations Act 2001*.

For the purposes of this report, Key Management Personnel of the Transurban Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Transurban Group directly or indirectly. They include all Directors (executive and non-executive) and members of the Executive Committee reporting to the CEO who have authority and responsibility for planning, directing and controlling the activities of the Group. The combined group of these executives (which also represents the five highest paid executives) of the Group are referred to as Senior Executives in this report.

27 Key management personnel disclosures (continued)

B Board oversight of remuneration

Remuneration Committee

The Board Remuneration Committee of the Transurban Group is responsible for making recommendations to the Board on director and senior executive remuneration policy and structure.

The Remuneration Committee assesses the appropriateness of the nature and quantum of remuneration of executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the attraction and retention of a high performing director and executive team.

Review of remuneration strategy

The Group reviewed its remuneration strategy during the year and reaffirmed value creation as the key measure of the reward framework.

As a result of the review, the Board removed the Business Generation Incentive Plan from the framework. Performance measures in Executive incentive schemes were also reviewed with a focus on maximising shareholder value in the short and long term. Appropriate measures and targets have been implemented which maintain emphasis on earnings growth, shareholder return and other key goals over the next three years.

Through these challenging external market conditions, attracting and retaining highly skilled people remains a fundamental goal of the Group. To this end, Transurban recognises that extracting key people of calibre from their existing reward arrangements in other companies may be required. The Group also recognises the need to retain and reward those employees with responsibility to oversee future growth opportunities. The remuneration strategy has sufficient flexibility to accommodate these needs where appropriate.

C Group performance and the link to remuneration

Each element of the Remuneration framework is linked to the Group's financial performance. Changes to fixed pay are determined by an employee's performance and by the Group's capacity to pay. Short Term Incentives (STIs) also require individual performance but are heavily determined by the Group's EBITDA results. Long Term Incentives (LTIs) are determined through the use of dual performance measures, EBITDA and Total Shareholder Return (TSR). Performance hurdles for both STIs and LTIs are reviewed and determined annually so as to clearly identify expected improvements to the Group's performance.

D Overview of Transurban's executive remuneration arrangements

Remuneration strategy and objectives

Transurban's remuneration objective is to attract, retain, motivate and reward employees who are critical to the continued growth and success of the Group.

The Group's reward framework is designed to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group. The key objectives are to:

- Offer competitive remuneration benchmarked against the external market;
- Provide strong and transparent linkages between individual and Group performance and rewards;
- Reward executives for Group, business unit and individual performance against targets set by reference to appropriate benchmarks;
- Align the interests of executives with those of security holders by aligning incentives with increased security holder value; and
- Encourage executive security holdings.

27 Key management personnel disclosures (continued)

Executive remuneration structure

The following table illustrates the structure of Transurban's executive remuneration arrangements:

<table>
<tr><th colspan="2">Remuneration Items</th><th>Plans</th><th colspan="2">Conditions</th></tr>
<tr><td rowspan="3">Variable or 'at risk' remuneration</td><td rowspan="2">Long term incentive</td><td>Performance Awards Plan (PAP)</td><td>Relative TSR hurdle (50%)</td><td>Proportional EBITDA hurdle (50%)</td></tr>
<tr><td>Executive Equity Plan (EEP)</td><td colspan="2">3 year time-restricted equity</td></tr>
<tr><td>Short term incentive cash awards</td><td></td><td>EBITDA target (50%)</td><td>Individual KPIs (50%)</td></tr>
<tr><td rowspan="2">Total fixed remuneration</td><td>Benefits</td><td rowspan="2"></td><td colspan="2" rowspan="2">Set with reference to role, market and experience</td></tr>
<tr><td>Base salary</td></tr>
</table>

* Proportional EBITDA is earnings before net finance costs (revenues and expense), tax, depreciation and amortisation. It includes EBITDA from CityLink (100%), Hills M2 (100%), M1 Eastern Distributor (75.1%), M4 (50.61%), M5 (50%), M7 (50%) and DRIVe (75% including Pocahontas).

Total fixed remuneration

Total fixed remuneration is represented by Total Employment Cost (TEC), comprising cash, superannuation, and prescribed benefits including death and disability insurance, salary continuance insurance and car parking.

Variable or 'at risk' remuneration

Variable remuneration is the link between remuneration and performance. As executives progress in seniority, the proportion of remuneration which is dependent on the performance of the Group increases.

Short term incentives

Short term incentives (STI) comprise cash awards tied to individual and group performance indicators. Performance measures for short term incentives are based around company and individual performance. Performance measures for short term incentives are heavily oriented towards financial performance. Other non-financial performance metrics are also included to ensure a broader performance outcome. Group and individual performance measures are set annually and may vary from year to year to allow the Group to establish the most appropriate measures based on business circumstances at the time of setting these measures.

Long term incentives

Long term incentives (LTI) comprise both a Performance Awards Plan (PAP) and Executive Equity Plan (EEP). The Performance Awards Plan is designed to encourage sustainability of performance in the medium to longer term and is assessed over a period of three years. The plan provides equity-based remuneration which vests subject to Transurban Group's earnings and relative total security holder return performance.

The EEP is designed to encourage executive retention and security holding of this group of employees. Eighty per cent of an executive's LTI allocation is granted in the PAP with the remaining twenty per cent granted in the EEP. Details of the LTI are provided on page 194.

Hedging of equity awards

The Group prohibits executives from entering into arrangements to protect the value of unvested equity awards. This includes entering into derivative contracts to hedge their exposure to options or securities granted as part of their remuneration package.

27 Key management personnel disclosures (continued)

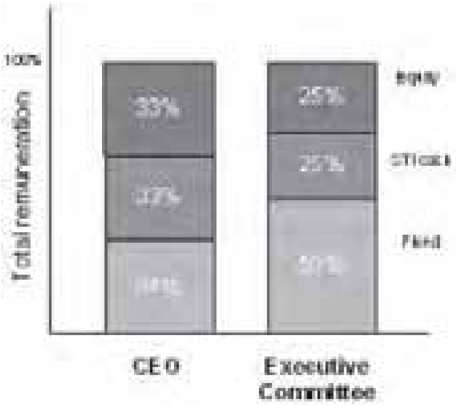
E CEO and Senior Executive arrangements for the year ended 30 June 2009

Determining remuneration levels

The remuneration of the Chief Executive Officer (CEO) and executives is established by the Board, based on the recommendation of the Remuneration Committee. Transurban also undertakes an annual remuneration review to determine the total remuneration positioning against the market.

Remuneration mix

The CEO's remuneration mix comprises 34% fixed remuneration as a proportion of total remuneration, 33% on target short term cash incentives, and 33% equity based incentives. The Executive Committee's remuneration mix comprises 50% fixed remuneration as a proportion of total remuneration, 25% on target short term cash incentives, and 25% equity based incentives. The composition of remuneration is illustrated in the diagram below.



Total Fixed Remuneration

Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating additional cost for the Group.

There are no guaranteed base pay increases in any executive's contract of employment. An executive's TEC is reviewed annually by the Remuneration Committee against market data for comparable roles and taking account of internal relativities. The process consists of a review of Group and individual performance, relevant comparative remuneration externally and internally and, where appropriate, independent external advice on policies and practices.

In the 2010 financial year, the Group anticipates restraint in fixed remuneration increases. A freeze in fixed pay has been implemented for financial year 2010 for the CEO, Executive Committee and other senior managers. Any increases for the broader workforce will be targeted to improving internal equity, rewarding high performers and to facilitate succession planning.

2009 Short term incentive structure

The Remuneration Committee considers that a robust performance management system is essential in ensuring a strong link between remuneration and performance. As a result the short term incentive (STI) structure is based on a transparency and accountability model, with a reward mechanism based on goal setting and the employee's line of sight to business performance. The STI comprises cash awards that are received subject to the attainment of clearly defined Group and individual hurdles.

STI payments are made to executives for the achievement of financial and non-financial targets set at the beginning of each financial year, subject to Board discretion. A target STI amount is specified for each executive, expressed as a percentage of the executive's TEC. The CEO has an annual STI target of 100% of TEC. The target STI payment for senior executives is 50% of TEC.

27 Key management personnel disclosures (continued)

Actual STI payments to each executive depend on the extent to which specific targets set at the beginning of the financial year are met. The measures represent key drivers for the success of the business and shared values for the key management personnel.

For the 2009 financial year, the measures comprise:

Performance measure	Proportion of STI award hurdle applies to	Performance target
Group performance	50% of each individual's target STI award	Proportional EBITDA target which is established by the Board at the commencement of each year based on the Group's budget.
Individual performance key performance indicators (KPIs)	50% of each individual's target STI award	KPIs are established at the beginning of each year with the CEO for his executive team and the Board for the CEO.

On an annual basis, after consideration of performance against targets, the CEO recommends to the Remuneration Committee the STI amount (if any) to be paid to each executive. The committee then recommends the amount to the Board for approval. The STI awards are usually paid in August/September following Transurban's annual performance review process. For each component of the award, 50% of the target amount vests at threshold performance relative to budget, 100% of target vests for achievement of target performance and an additional 50% above target can be earned for a predetermined level of outperformance.

The Executive Committee shared five individual Key Performance Indicators (KPI) being Cost Minimisation plus the establishment and implementation of improvement plans in the areas of Sustainability, Risk Management, People Management and Safety. These KPIs comprised 25% of the available STI reward. Improvement in the management of these business activities was identified as critical to the future success of the Group following a period of acquisition in prior years. The Board determined that the Executive Committee either met or exceeded each of the shared KPIs. Cost savings have been achieved beyond the expected targets. There has been significant improvement in the other four KPIs evidenced by the Board in new or updated policies, procedures and reporting frameworks. A safety and risk management culture has been embedded and control effectiveness measures put in place. People related performance planning and review processes have been fully complied with and the Group's sustainability agenda has been clarified and deployed.

Individual KPIs, representing the remaining 25% of the reward, were unique to an Executive's area of accountability. The Board reviewed the achievement of these KPIs in determining the Executive's STI reward for 2009. Overall the Board consider that the Executive Committee have performed well against the targets set for the year.

2009 Long term incentive structure

Long term incentive (LTI) grants may be awarded annually to executives based on performance to provide an incentive for future performance and in order to align remuneration with the creation of security holder wealth.

For the 2009 financial year, the CEO and CFO received an LTI allocation of 100% of TEC and senior executives received an LTI of 50% of TEC. Eighty per cent of the LTI allocation was granted in the Performance Awards Plan with the remaining twenty per cent (or a minimum value of $100,000 whichever was the greater) granted in the Executive Equity Plan.

2009 Performance Awards Plan

The Performance Awards Plan (PAP) is a modified version of the 2008 Performance Rights Plan (PRP). Under the PAP eligible executives, including those outside Australia, receive a grant of Performance Awards which entitles participants to receive securities at no cost subject to the achievement of performance conditions. The Board has discretion as to the form of the award at the end of the performance period and may grant cash payments of equivalent value. No dividends or distributions on securities are payable to participants prior to vesting.

Awards were first made under the PAP on 1 November 2008. The table on page 205 provides details of rights granted and the value of rights granted, exercised and lapsed during the year.

Dual performance measures (an earnings measure and relative total security holder return) apply to Performance Awards. The use of dual measures balances the need to improve the underlying performance of the business over the long term as well as achieve appropriate returns relative to the market.

27 Key management personnel disclosures (continued)

These measures are as follows:

1. A Proportional EBITDA hurdle applies to 50% of the Performance Award. Proportional EBITDA is earnings before net finance costs (revenues and expense), tax, depreciation and amortisation. It includes EBITDA from CityLink (100%), Hills M2 (100%), M1 Eastern Distributor (75.1%), M4 (50.61%), M5 (50%), M7 (50%) and DRIVe (75% including Pocahontas). As this plan is a long term plan, the proportional EBITDA measure will be adjusted to include or exclude the relevant EBITDA from acquisitions and divestments that may occur after the Base Year. In addition, any gain or loss arising from the investment in ConnectEast will be excluded.

This operational measure was chosen to reflect Transurban's underlying business goal of sustainable growth in earnings of existing operations in order to improve security holder value.

2. A relative Total Security holder Return (TSR) hurdle applies to 50% of the Performance Award. From 1 November 2008, Transurban's comparator group for the TSR measure is the S&P/ASX 100 constituents at the date of grant. This peer group reflects the Group's competitors for security holder capital and talent.

TSR measures total return on investment of a security, taking into account both capital appreciation and distributed income. It assumes a notional reinvestment of distributions paid on the security (on a pre-tax basis) in additional securities, at the market price on the day before the securities begin trading ex the relevant distribution. The Group's performance against the hurdle is determined according to Transurban Group's ranking against the TSR growth of the peer group over the three year performance period. A volume weighted average price of securities for the one week up to and including the testing date is used to calculate TSRs.

Relative TSR was selected as a performance hurdle as it ensures an alignment between comparative security holder return and reward for executives.

The vesting schedule and performance hurdles for the Performance Awards are as follows:

Performance measure	Proportion of Performance Award hurdle applies to	Performance target	% of award vesting
Proportional EBITDA	50%	5% compound proportional EBITDA annual growth over the three year performance period from the Base Year*	50% of the proportional EBITDA award
		9% compound proportional EBITDA annual growth	100% of the proportional EBITDA award
		Between 5-9% proportional EBITDA growth	Straight line vesting between 50-100% of the proportional EBITDA award
TSR	50%	TSR is ranked at or below the 50th percentile of the comparator group constructed in the Base Year**, tested at the end of each of the three year performance period	0% of the TSR award
		TSR is ranked above the 50th percentile of the comparator group	50% of the TSR award
		TSR is ranked at or above the 75th percentile	100% of the TSR award
		TSR is ranked above the 50th percentile but below the 75th percentile	Straight line vesting between 50-100% of the TSR award

* For the 2009 grant this is the 2008 financial year full year actual proportional EBITDA.
** For the 2009 grant this is the TSR comparator group constructed at the date of grant.

The EBITDA target has been reviewed and adjusted to reflect the new 'proportional EBITDA' measure which is ring fenced to current operations.

27 Key management personnel disclosures (continued)

Performance Awards were granted on 1 November 2008 with a three year vesting period. The awards are tested at the end of each year. If the performance measures are satisfied for the year, one third of the awards are preserved until the end of the three year period. At the end of the three years a cumulative test of the performance measures is applied to any unvested awards.

No retesting is available after the three year performance period. In the event of a change of control of the Group, automatic vesting of awards occurs.

2009 Executive Equity Plan

Equity awards are granted under the Executive Equity Plan (EEP) based on executives' performance and are designed to encourage retention of executives while focusing on business excellence. The EEP also aligns with Transurban's remuneration philosophy of encouraging executive security holding.

Individuals who are high performers and in business critical roles are nominated for awards for their past contribution and expected future performance. Board approval is required to grant EEP awards to nominated executives.

Under the EEP, eligible executives receive a grant of stapled securities in the Transurban Group ("securities") at no cost that are subject to disposal restrictions for three years from the grant date. Participants are entitled to distributions paid on their Securities during the restriction period. If the executive ceases employment with Transurban during the restriction period, their Securities will be forfeited unless the Board decides otherwise.

Awards were first made under the EEP on 1 November 2008. The table on page 205 provides details of awards.

Executives outside Australia

In light of US taxation implications, the overseas plan has been adapted to mirror the security awards under EEP with a grant of Performance Rights. Eligible executives based outside Australia receive a grant of Performance Rights at no cost which entitles participants to receive Securities which vest at the end of the vesting period of three years. Cash in lieu of distributions on the Securities is payable to participants during the vesting period. If the executive ceases employment with Transurban prior to the vesting date, their unvested Performance Rights will be forfeited.

All Employee Plans

The Group operated three broad employee-based security plans, the ShareLink Investment Tax Exempt Plan, the ShareLink Investment Tax Deferred Plan and the ShareLink Incentive Plan. These plans were offered to the Group's permanent employees, including executives.

ShareLink Investment Tax Exempt Plan (ITEP)

The ITEP provided employees the opportunity to invest, on a tax-exempt basis, up to $1,000 per annum, of which half is contributed by the Group. This plan was suspended in May 2009 following changes to taxation announced in the Federal budget. The Group intends to reactivate this plan with required modifications once the proposed legislation has been enacted.

ShareLink Investment Tax Deferred Plan (ITDP)

The Investment Tax Deferred Plan provided employees the opportunity to purchase securities, on a tax-deferred basis using pre-tax salary. There is no cap on the amount of salary an employee may elect to contribute and the company provided a matching contribution on a dollar-for-dollar basis to a maximum of $3,000 per annum. This plan was suspended in May 2009 following changes to taxation announced in the Federal budget. The Group also intends to reactivate this plan with required modifications once the proposed legislation has been enacted.

ShareLink Incentive Plan (IP)

In 2009 an allocation of 100 securities at no cost was made to each of the 453 eligible employees in recognition of the Group's prior year performance.

Legacy plans

Transurban has a number of schemes which no longer operate as open plans but under which some Key Management Personnel have outstanding entitlements. No grants were made in the 2009 financial year under any of the legacy plans. Refer to page 205 for details of the legacy plans.

27 Key management personnel disclosures (continued)

F Contractual arrangements of executive directors and senior executives

Remuneration for the Chief Executive Officer (CEO) and key management personnel are formalised in service agreements. Each of these agreements provides for access to performance related STI payments and other benefits as described above. Although not specified in agreements, executives may be nominated to participate in executive long term incentive plans (or equivalent cash plans for those executives located outside Australia).

Other key details of the agreements relating to remuneration are provided below:

Chief Executive Officer

The Chief Executive Officer (CEO) is employed under a rolling contract. The current employment contract commenced on 4 February 2008.

Under the terms of the present contract:

- The CEO received fixed remuneration of $2,080,000 per annum, which is reviewed prior to 30 June each year;
- A short term incentive payment of $2,800,000 will be made in September 2009. For subsequent years, the STI target will be 100 per cent of annual TEC. The payment will be the greater of actual performance based on the achievement of business or individual KPIs or 50 per cent of annual TEC;
- An award under the Executive Equity Plan to the value of $416,000 was made on 1 November 2008;
- An allocation of Performance Awards to the value of $1,664,000 was granted on 1 November 2008. The Performance Awards will be subject to performance conditions and will vest three years from grant date;
- The CEO's Performance Awards allocation is derived by using an option valuation methodology. A modified Black Scholes with Monte Carlo simulations was adopted for the FY09 allocation. The number of Performance Awards will be derived by dividing the CEO's remuneration value by this valuation;
- The CEO has a contractual entitlement to post-employment vesting of Long Term Incentives.

The CEO's termination provisions are as follows:

- The CEO may resign from his position and thus terminate this contract by giving six months' written notice. Upon termination, the CEO is entitled to retain any unvested LTIs, which will vest in accordance with the performance conditions under the Performance Awards Plan (PAP) as at the time of the allocation.
- The Group may terminate this employment agreement by providing twelve months' written notice or providing payment in lieu of the notice period (based on the fixed component of the CEO's remuneration). Upon termination on notice by the Group, the CEO is entitled to retain any unvested LTIs, which will vest in accordance with the performance conditions under the Performance Awards Plan (PAP) as at the time of the allocation.
- The Group may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs the CEO is only entitled to that portion of remuneration that is fixed, and only up to the date of termination. Upon termination with cause any unvested LTIs will immediately be forfeited.

Other key management personnel

All other key management personnel have ongoing contracts. Total Employment Cost (TEC) for these executives is reviewed annually by the Remuneration Committee and approved by the Board.

Executive termination provisions are as follows:

- The executive may terminate their contract by giving three months' written notice.
- The Group may terminate the executive's employment agreement by providing six months' written notice or providing payment in lieu of the notice period (based on the fixed component of the executive's remuneration). Upon termination on notice by the Group, any LTIs that have vested will be released. LTIs that have not yet vested will be forfeited.

27 Key management personnel disclosures (continued)

- The Group may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs the executive is only entitled to that portion of remuneration that is fixed, and only up to the date of termination. Upon termination with cause, any unvested LTIs will immediately be forfeited.

In addition to the above terms and conditions, the KMP service agreements include the following:

Ken Daley

- A contracted bonus equal to $1,000,000 to be paid on 30 June 2010, subject to meeting performance conditions in relation to Transurban's North American business established at the commencement of the arrangement in June 2007. The performance conditions underlying the bonus are tracking on target.
- Access to any unvested long-term incentives (pro-rated based on time served) subject to stipulated performance criteria.

Michael Kulper

- A bonus arrangement for the completion of the I-95 project which expired without payment on 30 June 2009.

Tom Honan

- A sign-on award equal to $1,000,000 received on commencement. Tom Honan received this award 75% in cash and 25% in Transurban equity purchased on market using a 5 day volume weighted average price of $5.3028.
- For the 2009 year only, Tom Honan's Performance Incentive will equal 100% of TEC as a guaranteed payment, subject to remaining an employee when Performance Incentives are awarded. In subsequent years Tom Honan's target will be 50% of TEC payable at the discretion of the Group.
- In November 2008 Tom Honan received an allocation of Long Term Incentives to the value of $1,000,000. In subsequent years the target value will be 50% of TEC.

The Group determined that the arrangements above were necessary to attract Tom Honan from his existing position.

G Non-executive director (NED) remuneration

Policy

The Board seeks to set aggregate remuneration at a level that provides the Transurban Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to security holders.

The amount of aggregate remuneration sought to be approved by security holders and the fee structure is reviewed annually. The board considers advice from external consultants as well as the fees paid to NEDs of comparable companies when undertaking the annual review process.

The constitution and the ASX listing rules specify that the aggregate remuneration of NEDs shall be determined from time to time by a general meeting. The latest determination was at the annual general meeting (AGM) held on 29 October 2007 when security holders approved an aggregate remuneration of $2,100,000 per year. The Board is not seeking to increase the aggregate remuneration at the 2009 AGM.

The remuneration of NEDs consists of director's fees and committee fees. NEDs are not eligible to receive any performance based compensation.

Non-executive director fee structure

Each non-executive director of THL receives a base fee of up to $140,000 for being a director of the Group, apart from the Chairman who receives a fee of up to three times this amount. An additional fee is also paid for each board committee on which a NED sits (ranging from $10,000 to $30,000 for participation in or chairing a sub-committee), apart from the Chairman who does not receive additional fees for chairing or participating in board committees. The payment of additional fees for serving on a committee recognises the additional time commitment required by NEDs who serve on one or more sub committees.

The constitutions of the entities comprising the Transurban Group provide that the total remuneration paid in a year to non-executive directors may not exceed $2.1 million in total for the Group.

27 Key management personnel disclosures (continued)

In September 2005, the Board resolved to discontinue previously provided retirement benefits for NEDs with effect from 30 September 2005, such that future directors were not entitled to this benefit. The value of benefits accrued up to this date attracts interest at the statutory fringe benefits rate. The accrued `frozen' retirement benefits plus interest will be paid to directors upon their retirement.

The remuneration of NEDs for the period ending 30 June 2009 and 30 June 2008 is detailed in tables on page 200 of this report.

Equity participation

The Group encourages NEDs to hold Transurban Securities. Under the ShareLink Investment Tax Deferred Plan, approved by security holders at the AGM held on 27 October 2008, NEDs were able to sacrifice a portion of their director fees to acquire Transurban securities through a tax-deferred arrangement. The maximum contribution is capped at 50% of pre-tax NED fees and the company does not provide a matching contribution for NEDs. Transurban equities are purchased on behalf of the participating NEDs and employees based on a pre-determined timeframe and frequency.

This arrangement is in line with the Group's overall remuneration philosophy and market practice and aligns NEDs with security holder interests.

This plan was suspended in May 2009 following the budget changes to taxation arrangements on shareplans, resulting in no Security purchases over the 2009 financial year. The Group intends to reactivate this plan with required modifications once the proposed legislation has been enacted.

H Director and key management personnel remuneration and other disclosures

Details of the remuneration of directors, key management personnel (as defined in AASB 124 Related Party Disclosures) and specified executives of the Group are set out in this note.

Key management personnel

For the purposes of this report, key management personnel (KMP) of the Transurban Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Transurban Group, directly or indirectly. They include all Directors of the parent (executive and non-executive) and members of the Executive Committee reporting to the CEO who have authority and responsibility for planning, directing and controlling the activities of the Group.

The key management personnel of the Group are the Directors as per page 150 and the following executives:

- B Bourke - Chief Operating Officer
- D Cardiff - Group General Manager, Human Resources
- K Daley - President, International Development
- M Fletcher - Group General Manager, Public Affairs
- A Head - Group General Manager, Strategy and Corporate Development
- S Hogg - Treasurer (Acting Chief Financial Officer until 14 October 2008)
- T Honan - Chief Financial Officer (appointed 15 October 2008)
- M Kulper - President Transurban North America
- E Mildwater - Chief Legal Counsel and Company Secretary

27 Key management personnel disclosures (continued)

Remuneration table

Remuneration of key management personnel, who included the five highest paid executives of the Company and the Group.

The remuneration amounts below represent the entire amounts paid by the Transurban Group. The full amounts have been disclosed as a reasonable basis of apportionment is not available to reflect the Trust's portion.

2009	Short-term employee benefits				Post-employment benefits		Long-term benefits	Term-ination Benefits	Share-based payments			
Name	Cash salary and fees $	Value of equities acquired in lieu of cash salary/fees $	Cash Bonus $	Non-Monetary benefits $	Super-annuation $	Retire-ment benefits (3) $	Long service leave $	$	Executive Loan Plan (a) $	PRP/PAP (b) $	EEP $	Total $
Non-executive directors												
D Ryan	385,306	-	-	-	34,694	-	-	-	-	-	-	420,000
N Chatfield	51,035	-	-	-	4,593	-	-	-	-	-	-	55,628
G Cosgriff	165,131	-	-	-	14,869	14,192	-	-	-	-	-	194,192
J Davis	158,760	-	-	-	24,000	23,642	-	-	-	-	-	206,402
R Edgar	-	-	-	-	-	-	-	-	-	-	-	-
L Maxsted	174,399	-	-	-	15,696	-	-	-	-	-	-	190,095
S Oliver(1)	166,367	-	-	-	14,973	26,554	-	-	-	-	-	207,894
C Renwick	119,293	-	-	-	56,778	-	-	-	-	-	-	176,071
R Slater	4,098	-	-	-	-	-	-	-	-	-	-	4,098
Sub-total non-executive directors	**1,224,389**	**-**	**-**	**-**	**165,603**	**64,388**	**-**	**-**	**-**	**-**	**-**	**1,454,380**
Executive directors												
C Lynch	1,980,839	-	2,800,000	36,881	100,000	-	-	-	-	404,265	75,093	5,397,078
Other key management personnel												
B Bourke	635,976	-	329,800	7,845	100,241	-	15,913	-	88,498	217,564	18,051	1,413,888
D Cardiff	344,033	-	314,500	-	57,042	-	16,198	-	20,303	82,038	18,051	852,165
K Daley	658,635	-	383,400	97,354	94,694	-	46,917	-	-	181,986	18,051	1,481,037
M Fletcher	274,381	-	163,600	6,301	28,319	-	15,327	-	1,679	47,003	18,051	554,661
A Head	368,033	-	204,500	-	33,042	-	16,419	-	12,850	62,254	18,051	715,149
S Hogg	355,355	-	170,000	-	31,900	-	-	-	-	19,436	14,440	591,131
T Honan(2)	690,950	250,000	1,750,000	-	36,226	-	-	-	-	194,358	36,103	2,957,637
M Kulper	1,235,047	-	630,022	-	110,949	-	72,102	-	-	244,528	22,575	2,315,223
E Mildwater	322,142	-	217,000	-	28,911	-	-	-	-	24,295	18,051	610,399
Total key management personnel compensation	**8,089,780**	**250,000**	**6,962,822**	**148,381**	**786,927**	**64,388**	**182,876**	**-**	**123,330**	**1,477,727**	**256,517**	**18,342,748**

(a) The amounts disclosed as remuneration is that part of the value of the Executive Loan Plan benefit which is attributable to the current year portion of the vesting period.

(b) The amounts disclosed as remuneration is that part of the value of the Performance Rights Plan benefit and Performance Awards Plan benefit which is attributable to the current year portion of the vesting period.

(c) The amounts disclosed as remuneration is that part of the value of the Executive Equity Plan benefit which is attributable to the current year portion of the vesting period.

(1) Susan Oliver retired on 22 June 2009 and received payment of $405,134 in retirement benefits.

(2) Tom Honan elected to receive a part of his sign-on award in Transurban securities which were purchased on market.

(3) Retirement benefits were frozen for all participating non-executive directors a their current levels up to September 2005. Interest accrues on director entitlement balances at 7.05 per cent per annum.

27 Key management personnel disclosures (continued)

2008	Short-term employee benefits				Post-employment benefits		Long-term benefits	Termination Benefits	Share-based payments		
Name	Cash salary and fees $	Value of equities acquired in lieu of cash salaries/fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Retirement benefits # $	Long service leave $	$	Executive Loan Plan (a) $	Performance Rights Plan (b) $	Total $
Non-executive directors											
D Ryan	385,484	-	-	-	34,694	-	-	-	-	-	420,178
G Cosgriff	165,208	-	-	-	14,869	14,192	-	-	-	-	194,269
J Davis	166,070	-	-	-	20,000	23,642	-	-	-	-	209,712
L Maxsted	49,715	-	-	-	4,474	-	-	-	-	-	54,189
S Oliver	165,208	-	-	-	14,869	27,160	-	-	-	-	207,237
C Renwick	110,047	-	-	-	70,000	-	-	-	-	-	180,047
Executive directors											
C Lynch(1)(3)	821,020	1,000,000	2,000,000	3,763	15,000	-	-	-	-	-	3,839,783
K Edwards(4)	1,289,868	-	9,218,000	-	100,000	-	86,233	5,249,395	529,631	191,405	16,664,532
Other key management personnel											
C Brant(7)	689,552	-	702,000	9,020	61,953	-	17,231	571,891	133,138	104,776	2,289,561
B Bourke(1)	633,182	750,000	557,300	8,480	51,627	-	28,478	-	119,075	97,292	2,245,434
D Cardiff	270,889	-	250,000	-	50,433	-	15,977	-	28,835	28,737	644,871
K Daley	454,420	-	1,416,200	-	100,000	-	29,482	-	(124,921)	42,641	1,917,822
M Kulper	478,842	-	2,616,927	-	38,700	-	22,401	-	(142,201)	41,668	3,056,337
G Mann(5)	236,090	-	-	-	6,470	-	-	643,191	49,386	8,217	943,354
P O'Shea(6)	409,910	-	586,000	9,020	96,190	-	(8,124)	495,580	93,202	82,323	1,764,101
Total	**6,325,505**	**1,750,000**	**17,346,427**	**30,283**	**679,279**	**64,994**	**191,678**	**6,960,057**	**686,145**	**597,059**	**34,631,427**

(a) The amounts disclosed as remuneration is that part of the value of the Executive Loan Plan benefit which is attributable to the current year portion of the vesting period.

(b) The amounts disclosed as remuneration is that part of the value of the Performance Rights Plan benefit which is attributable to the current year portion of the vesting period.

(1) Chris Lynch and Brendan Bourke elected to receive part of their fixed remuneration in Transurban securities which were purchased on market.

(2) Retirement benefits were frozen for all participating non-executive directors at their current levels up to 30 September 2005. Interest accrues on director entitlement balances at 7.05 per cent per annum.

(3) Chris Lynch joined the Group on 4 February 2008 as CEO elect and subsequently became CEO on April 5.

(4) Kim Edwards was the Managing Director from 1 July 2007 until his retirement on 4 April 2008. Kim Edwards' cash bonus comprised a short term incentive payment of $1,000,000, a Strategic Milestone Incentive Plan bonus of $5,000,000 and a Business Generation Plan Incentive of $3,218,000. Kim Edwards' termination payment included the following contractual and statutory payments: $2,470,000 being 1.3 times of fixed remuneration, $2,139,194 being all statutory leave entitlements and notice in lieu of unexpired portion of his employment contract (from 5 April 2008 to 21 February 2009), and $640,200 being cash payment in lieu of the expiration of long term incentives.

(5) Gary Mann was the Group General Manager Development from 1 July 2007 until his resignation on 23 November 2007. Gary Mann's termination payment included a statutory payment of $43,191 and a termination payment of $600,000.

(6) Paul O'Shea was the Group General Manager Legal and Risk Management from the beginning of the reporting period until his departure on 14 July 2008. Paul O'Shea's termination payment totalled $495,580.

(7) Chris Brant was the Chief Finance Officer during the year ended 30 June 2008. Chris Brant's termination payment totalled $571,891.

27 Key management personnel disclosures (continued)

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed remuneration		At risk -STI		At risk - LTI	
	2009	2008	**2009**	2008	**2009**	2008
Executive Directors						
C Lynch	**34%**	34%	**33%**	33%	**33%**	33%
Other key management personnel						
B Bourke	**50%**	50%	**25%**	25%	**25%**	25%
D Cardiff	**50%**	60%	**25%**	20%	**25%**	20%
K Daley	**50%**	50%	**25%**	25%	**25%**	25%
M Kulper	**50%**	50%	**25%**	25%	**25%**	25%
M Fletcher	**50%**	-	**25%**	-	**25%**	-
A Head	**50%**	-	**25%**	-	**25%**	-
S Hogg	**60%**	-	**20%**	-	**20%**	-
T Honan	**50%**	-	**25%**	-	**25%**	-
E Mildwater	**50%**	-	**25%**	-	**25%**	-

STI payments for 2008 and 2009 financial years

For the 2008 financial year, 100% of the STI as previously accrued in that period vested to executives and was paid in the 2009 financial year.

For each STI payment to the key management personnel listed in the tables below, the percentage of the available STI that will be paid and the percentage that will be forfeited because the person did not meet his or her performance criteria, are set out below. No part of the STI is payable in future years.

	Target STI	
	Paid %	**Forfeited %**
Executive directors		
C Lynch	135	-
Other key management personnel		
B Bourke	90	10
D Cardiff	157	-
K Daley	102	-
M Kulper	102	-
M Fletcher	102	-
A Head	102	-
S Hogg	106	-
T Honan	100	-
E Mildwater	109	-

27 Key management personnel disclosures (continued)

Equity instruments

Value of equity instruments granted, exercised and lapsed

		(A) Remuneration %	(B) Value at grant date $	(C) Value at exercise date $	(D) Value at lapse date %
C Lynch	Performance Awards Plan 2009	80	1,830,884	-	-
	Executive Equity Plan 2009	20	340,093	-	-
B Bourke	Executive Loan Plan 2006	30	142,500	-	-
	Executive Loan Plan 2007	40	220,000	-	-
	Performance Rights Plan 2008	50	325,000	-	-
	Performance Awards Plan 2009	40	323,485	-	-
	Executive Equity Plan 2009	10	81,753	-	-
D Cardiff	Executive Loan Plan 2006	20	40,000	12,742	-
	Executive Loan Plan 2007	20	44,000	-	-
	Performance Rights Plan 2008	30	96,000	-	-
	Performance Awards Plan 2009	40	176,048	-	-
	Executive Equity Plan 2009	10	81,753	-	-
K Daley	Executive Cash Plan 2007	30	103,950	-	-
	Executive Cash Plan 2008	30	126,000	-	-
	Performance Rights Plan 2008	50	275,000	-	-
	Performance Awards Plan 2009	40	254,167	-	-
	Executive Equity Plan 2009	10	81,753	-	-
M Kulper	Executive Cash Plan 2007	20	36,080	-	-
	Executive Cash Plan 2007	30	135,000	-	-
	Performance Rights Plan 2008	50	268,725	-	-
	Performance Awards Plan 2009	40	550,422	-	-
	Executive Equity Plan 2009	10	102,241	-	-
M Fletcher	Executive Loan Plan 2006	10	14,850	2,396	-
	Executive Cash Plan 2007	10	20,550	-	-
	Performance Rights Plan 2009	20	39,000	-	-
	Performance Awards Plan 2009	40	132,036	-	-
	Executive Equity Plan 2009	10	81,753	-	-
A Head	Executive Loan Plan 2006	15	22,950	401	-
	Executive Loan Plan 2007	20	30,825	-	-
	Performance Rights Plan 2008	20	70,724	-	-
	Performance Awards Plan 2009	40	176,048	-	-
	Executive Equity Plan 2009	10	81,753	-	-
S Hogg	Performance Awards Plan 2009	20	88,024	-	-
	Executive Equity Plan 2009	20	65,399	-	-
T Honan	Performance Awards Plan 2009	40	880,232	-	-
	Executive Equity Plan 2009	10	163,507	-	-
E Mildwater	Performance Awards Plan 2009	40	110,030	-	-
	Executive Equity Plan 2009	10	81,753	-	-

A = The percentage of the value of remuneration, based on the value at grant date set out in column B.
B = The value at grant date calculated in accordance with AASB 2 Share-based Payment.
C= The value at exercise date that were granted as part of remuneration and were exercised/matured during the year.
D = The value at lapse date that were granted as part of remuneration and that lapsed during the year.

The terms and conditions of each grant of Performance Awards in the 2009 financial year are:

Performance Criteria	Grant date	Vesting date	Expiry date	Fair value of rights at grant date	Spot price at grant date
TSR	1 Nov 2008	1 Nov 2011	1 Nov 2011	$3.30	$5.22
EBITDA	1 Nov 2008	1 Nov 2011	1 Nov 2011	$4.27	$5.22

27 Key management personnel disclosures (continued)

The terms and conditions of each grant of units under the Executive Equity Plan are:

Grant date	Vesting date	Expiry date	Grant price	Value per unit at grant date
1 Nov 2008	1 Nov 2011	1 Nov 2011	$5.22	$4.27

Performance of Transurban Group

As outlined in the LTI sections of this report, the reward delivered under the long-term incentive component of executive remuneration is dependent on either TSR performance or EBITDA Growth.

The table below summarises the actual and prospective relative TSR performance over the Performance Period to date in respect of unvested long term incentives. The data is indicative of results as if tested on 30 June 2009.

Long term Incentive plan	Company TSR as at 30 June 2009	indicative percentile Rank	Indicative Number of securities/rights vesting
Executive Loan Plan 2007	(27)%	63%	1,109,182
Performance Rights Plan 2008	(40)%	69%	302,056
Performance Awards Plan 2009	(17)%	39%	-

The table below illustrates the Company's annual compound growth in EBITDA for Rights granted under the Performance Rights Plan, with a 10% and 15% hurdle of annual compound growth, and the Performance Award Plan, with a 5% and 9% hurdle of annual compound growth:

Long term Incentive plan	Company Compound growth as at 30 June 2009	Indicative Number of Rights Vesting
Performance Rights Plan 2008	7%	-
Performance US Cash Rights Plan 2008	(2)%	-
Performance Awards Plan 2009	8%	670,036

27 Key management personnel disclosures (continued)

Equity instrument compensation

Number of awards granted in 2009:

	Performance Awards Plan	Executive Equity Plan
Executive directors		
C Lynch	483,721	79,647
Other key management personnel		
B Bourke	85,465	19,146
D Cardiff	46,512	19,146
K Daley	67,151	19,146
M Kulper	145,422	23,944
M Fletcher	34,884	19,146
A Head	46,512	19,146
S Hogg	23,256	15,316
T Honan	232,558	85,474
E Mildwater	29,070	19,146

No awards vested during the period.

Legacy Plans

Business Generation Incentive Plan

Transurban Group has previously offered a cash bonus under the Business Generation Incentive Plan (BGIP) to certain executives for generating new business. The bonuses were paid from a bonus pool determined by the risk adjusted net present value (NPV) of a project or business venture. The BGIP was intended to reward executives for successful business generation activities, based on the increase in security holder value derived from new business.

BGIP payments were determined and awarded by the Board, on the recommendation of the Remuneration Committee and the CEO.

After a review of the Group's STI arrangements in the 2009 financial year, the Board has opted to discontinue the BGIP from the 2009 financial year onwards and will be capturing future outperformance through the standard STI plan.

No BGIP payments were made in the 2009 financial year.

2008 Performance Rights Plan

The Performance Rights Plan (PRP) enabled eligible executives to receive a grant of Performance Rights that entitled participants to receive stapled securities in Transurban (Securities) at no cost at the end of a three year performance period, subject to the achievement of performance conditions. No dividends or distributions on securities were payable to participants prior to vesting. The Plan had two performance measures, EBITDA and relative TSR against the S&P/ASX 100 Industrials, each applied to 50% of the PRP award.

50% of the EBITDA award vests for achievement of 10% compound EBITDA annual growth over the three year performance period from the Base Year, 100% of the EBITDA award vested for achievement of 15% compound EBITDA annual growth, and there was straight line vesting between the two annual compound growth targets. None of the TSR award vests for a TSR ranking at or below the 50th percentile of the comparator group constructed in the Base Year, tested at the end of the three year performance period. 50% of the TSR award vests for a TSR ranking above the 50th percentile of the comparator group. 100% of the TSR award vests for a TSR ranking at or above the 75th percentile and there was straight line vesting between the two TSR targets. No retesting is available under the plan.

27 Key management personnel disclosures (continued)

Post-employment vesting under the Performance Awards Plan was introduced for executives that departed as a result of Transurban's restructure in the previous year. For departing executives, existing awards of Performance Rights were extinguished and a new offer of Performance Awards under the PAP was made with the same measures and vesting period based on a pro-rated entitlement for time served.

Awards were last made under the PRP in November 2007 and the PRP was discontinued in the 2009 financial year.

The terms and conditions of each grant of Performance Rights under the legacy Performance Rights Plan are:

Performance Criteria	Grant date	Vesting date	Expiry date	Fair value of rights at grant date	Spot price at grant date
TSR	1 Nov 2007	1 Nov 2010	1 Nov 2010	$3.50	$7.29
EBITDA	1 Nov 2007	1 Nov 2010	1 Nov 2010	$5.96	$7.29

Number of Performance rights granted under the legacy Performance Rights Plan 2008:

	Performance Rights Plan
Other key management personnel	
B Bourke	92,857
D Cardiff	27,428
A Head	14,857

No performance rights vested during the period.

2006 and 2007 Executive Loan Plan

The Executive Loan Plan (ELP) was discontinued as of the 2007 financial year. The ELP rewarded the improvements in the price of Transurban's stapled securities over a three year period with relative Total Security holder Return (TSR) against the S&P/ASX 100 Industrials as a performance measure. Executives based outside Australia were eligible to participate in a cash based plan similarly structured to the ELP.

Executives that participated in the ELP were provided with an interest free loan to assist them to acquire securities at market price. The term of the loan is three years and there is only one testing date. The securities are held by the executive but will only vest in the executive in accordance with the terms of the Plan. Expiry occurs three years plus 60 days from the date of commencement of the Plan, unless the rules of the Plan otherwise provide. Holding locks are applied to the securities to ensure that they can only be dealt with in accordance with the terms of the Plan. The acquired securities cannot be transferred or sold while the loan is outstanding.

The ELP was last offered in the 2007 financial year. The 2006 awards (including those under the cash plan) met the TSR hurdle and vested, however, due to the decrease in Transurban's security price the majority of participants received minimal to no value. Of the one remaining grant, Transurban anticipates that the 2007 awards (including the cash award) are likely to vest in November 2009 but participants are likely to receive minimal value based on the current security price.

The terms and conditions of each grant of units under the legacy Executive Loan Plan are:

Grant date	Vesting date	Expiry date	Grant price	Value per unit at grant date	Date payable
1 Nov 2005	1 Nov 2008	31 Dec 2008	$6.47	$1.35	1 Nov 2008
1 Nov 2006	1 Nov 2009	31 Dec 2009	$7.28	$1.37	1 Nov 2009

27 Key management personnel disclosures (continued)

Number/value of securities vested under the 2006 Loan plan during the year:

	Loan Plan (Securities)	**Cash Plan ($)**
Other key management personnel		
B Bourke	90,005	-
D Cardiff	25,148	-
K Daley	-	-
M Kulper	-	-
M Fletcher	9,706	-
A Head	15,001	-

There were no securities granted under the legacy Executive Loan Plan to KMP's during the year.

Stapled security holdings
Details of stapled securities provided to each director of Transurban Holding Trust and other key management personnel of the group are set out below.

2009	Balance at start of the year	Received during the year on exercise of options	Received via the Executive Equity Plan	Other changes during the year	Balance at end of the year
Non-executive directors					
D J Ryan	57,300	-	-	3,645	60,945
N G Chatfield	-	-	-	-	-
G O Cosgriff	116,036	-	-	9,976	126,012
J G A Davis	125,005	-	-	-	125,005
R J Edgar	5,376	-	-	2,333	7,709
L P Maxsted	-	-	-	-	-
S M Oliver	50,518	-	-	4,004	54,522
C J S Renwick	21,552	-	-	20,000	41,552
R E Slater	-	-	-	-	-
Executive directors					
C Lynch	152,800	-	79,647	594	233,041
Other key management personnel					
B Bourke	699,661	-	19,146	(98,656)	620,151
D Cardiff	167,633	-	19,146	(28,302)	158,477
K Daley	365,332	-	19,146	100	384,578
M Fletcher	15,121	-	19,146	(776)	33,491
A Head	51,701	-	19,146	(24,605)	46,242
S Hogg	-	-	15,316	7,465	22,781
T Honan	-	-	85,474	-	85,474
M Kulper	80,000	-	23,944	-	103,944
E Mildwater	4,700	-	19,146	794	24,640

27 Key management personnel disclosures (continued)

2008	Balance at start of the year	Received during the year on exercise of options	Received during the year via the Executive Loan Plan	Other changes during the year	Balance at end of the year
Non-executive directors					
D J Ryan	24,091	-	-	33,209	57,300
G O Cosgriff	48,611	-	-	67,425	116,036
J G A Davis	55,592	-	-	69,413	125,005
S M Oliver	41,831	-	-	8,687	50,518
C J S Renwick	21,552	-	-	-	21,552
Executive directors					
K Edwards	2,033,500	-	-	(2,033,500)	-
C Lynch	-	-	-	-	-
Other key management personnel					
C Brant	296,392	-	-	1,575	297,967
B Bourke	671,328	-	-	28,333	699,661
P O'Shea	442,489	-	-	81,799	524,288
G Mann	272,707	-	-	(272,707)	-
D Cardiff	167,443	-	-	190	167,633
K Daley	365,332	-	-	-	365,332
M Kulper	-	-	-	80,000	80,000

28 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$	$	**$**	$
Amounts received or due and receivable by PricewaterhouseCoopers				
Audit and Other Assurance Services				
Audit and review of financial reports	-	128,250	-	128,250
Total remuneration for audit services	-	128,250	-	128,250

The audit fee for the year has been borne by a related party, Transurban Limited.

29 Contingencies

Contingent liabilities

There are no contingent liabilities at 30 June 2009.

30 Commitments

Promissory Notes
The Responsible Entity, on behalf of the Hills Motorway Trust, has entered into leases with the Roads and Traffic Authority of New South Wales ("RTA"). Annual lease liabilities under these leases total $7.0 million indexed annually to the Consumer Price Index over the estimated period that the Hills M2 Motorway will be used. Until such time as a threshold return is achieved, payments under these leases can be made at the discretion of the Responsible Entity, by means of the issue of non-interest bearing promissory notes to the RTA. Refer to note 21.

31 Related party transactions

(a) Parent entities

The parent entity within the Group is the Transurban Holding Trust. The Transurban Holding Trust Group is part of the stapled Transurban group, which has deemed the ultimate parent entity to be Transurban Holdings Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 33.

(c) Key management personnel

Disclosure relating to key management personnel are set out in note 27.

(d) Other related parties

All of the directors of Transurban Infrastructure Management Limited are also directors of Transurban Holdings Limited. Mr Ryan and Mr Lynch are directors of Transurban International Limited. The following services are provided by the Trust to these consolidated entities:

- Financial support through interest bearing and non-interest bearing loans; and/or

31 Related party transactions (continued)

- The rental of land.

Financial support is received from Transurban Finance Company in the form of an interest bearing loan. The Trust pays interest and related finance charges for such loan.

Transurban Infrastructure Management Limited is the Responsible Entity of Transurban Holding Trust, CityLink Trust and CARS Trust and receives Responsible Entity and Management Fees.

Aggregate amounts of each of the above types of other transactions with directors of Transurban Infrastructure Management Limited:

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$	$	**$**	$
Amounts recognised as revenue				
Rental income	**215,771,599**	211,271,599	**-**	-
Interest income	**333,309,349**	342,319,336	**81,960,025**	98,216,091
	549,080,948	553,590,935	**81,960,025**	98,216,091
Amounts recognised as expenses				
Interest and other related charges paid	**202,455,835**	222,258,506	**-**	-
Responsible Entity fees	**2,504,646**	2,422,736	**1,225,998**	1,182,423
	204,960,481	224,681,242	**1,225,998**	1,182,423

Aggregate amounts of assets at balance date relating to the above types of transactions with directors of the Group:

Current receivables	**112,929,683**	93,829,453	**483,948,436**	14,632,858
Non-current receivables	**1,739,970,118**	782,126,113	**977,942,593**	515,513,176
	1,852,899,801	875,955,566	**1,461,891,029**	530,146,034

Aggregate amounts payable at balance date relating to the above types of transactions with directors of the Group:

Current payables	**94,819,471**	233,201,211	**-**	257,923,066
Unearned income	**17,268,888**	34,666,667	**-**	-
	112,088,359	267,867,878	**-**	257,923,066

31 Related party transactions (continued)

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$	$	**$**	$
Interest and finance charges				
Joint venture partnership	**72,826,036**	66,861,277	**-**	-
	72,826,036	66,861,277	**-**	-
Distributions				
Subsidiaries - revenue	**-**	-	**291,191,562**	136,863,930
	-	-	**291,191,562**	136,863,930

(e) Loan to/from related parties

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$	$	**$**	$
Loans from subsidiaries				
Beginning of the year	**-**	-	**1,250,727,945**	1,163,159,128
Loans advanced	**-**	-	**524,203,153**	1,144,053,878
Loan repayments made	**-**	-	**-**	(1,030,277,240)
Amortisation of debt fees	**-**	-	**962,568**	-
Foreign exchange movements	**-**	-	**86,620,948**	(26,207,821)
End of year	**-**	-	**1,862,514,614**	1,250,727,945
Loan to associate				
Beginning of the year	**558,223,462**	557,731,127	**-**	-
Acquisition of additional interest in Westlink M7	**30,444,226**	-	**-**	-
Loan repayment received	**-**	(25,751,528)	**-**	-
Interest capitalised	**44,604,379**	26,243,863	**-**	-
End of year	**633,272,067**	558,223,462	**-**	-
Loans to other related parties				
Beginning of the year	**4,853,988,303**	4,668,460,874	**1,407,628,671**	1,344,486,349
Loans advanced	**914,455,334**	896,083,213	**597,813,530**	456,009,468
Loans repayments received	**(1,979,435,619)**	(674,540,969)	**(1,407,628,792)**	(356,852,331)
Foreign exchange movements	**(42,176,925)**	(36,014,815)	**(42,176,369)**	(36,014,815)
End of year	**3,746,831,093**	4,853,988,303	**555,637,040**	1,407,628,671
Loans from other related parties				
Beginning of the year	**2,974,843,048**	2,866,023,030	**-**	-
Loans advanced	**113,042,973**	1,300,107,247	**-**	-
Loans repayments made	**(31,867,609)**	(1,165,143,401)	**-**	-
Amortisation of debt fees	**(327,906)**	-	**-**	-
Foreign exchange movements	**86,620,958**	(26,143,828)	**-**	-
End of year	**3,142,311,464**	2,974,843,048	**-**	-

No provision for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts from related parties.

31 Related party transactions (continued)

(f) Loan to associate

The "loan to associate" is via Term Loan Notes ("TLN"). The TLN represent the Group's funding contribution to the Westlink Motorway Partnership and earn interest at a fixed rate of 11.93 per cent until the earlier of 34 years and the termination of the "Agreement to Lease" between the Roads and Traffic Authority of New South Wales and Westlink Motorway Limited.

Any unpaid interest is capitalised and deemed to subscribe for further loan notes with an aggregate principal amount equal to that unpaid interest.

The TLN have not been affected by equity accounting losses from the associate.

(g) Terms and conditions

All transactions were made on normal terms and conditions and at market rates.

32 Initial application of AASB Interpretation 12

AASB Interpretation 12 *Service Concession Arrangements*(AASB-I 12) is applicable for the Group's annual reporting period beginning 1 July 2008. AASB-I 12 provides guidance on the accounting by operators for public-to-private service concession arrangements under which private sector entities participate in the development, financing, operation and maintenance of infrastructure for the provision of public services. The application of AASB-I 12 has led to a change in the Group's policies of accounting for the recognition and measurement of concession assets and maintenance obligations under the arrangements. AASB-I 12 has been applied retrospectively and comparative information in relation to the 2008 financial year have been restated accordingly.

On adoption of AASB-I 12 the Group has not recognised margin on past construction services as such margin could not be reliably measured.

The following adjustments made as at 1 July 2007 and 30 June 2008:

(a) At the date of initial adoption: 1 July 2007

		Consolidated		
	Notes	**1 July 2007**	**Adjustment**	**1 July 2007 (Restated)**
		$'000	$'000	$'000
Balance Sheet				
ASSETS				
Property, plant and equipment	(i)	2,592,660	(2,592,660)	-
Intangible assets	(i)	385,127	2,592,660	2,977,787
Other assets		6,752,008	-	6,752,008
Total assets		9,729,795	-	9,729,795
Other Liabilities		5,027,535	-	5,027,535
Total liabilities		5,027,535	-	5,027,535
Net assets		4,702,260	-	4,702,260
EQUITY				
Contributed equity		5,911,399	-	5,911,399
Accumulated losses	(ii)	(1,272,192)	-	(1,272,192)
Minority interest		53,867	-	53,867
Reserves		9,186	-	9,186
Total equity		4,702,260	-	4,702,260

Initial application of AASB Interpretation 12 (continued)

(b) At 30 June 2008

	Notes	30 June 2008	Adjustment	30 June 2008 (Restated)
		Consolidated		
		$'000	$'000	$'000
Balance Sheet				
ASSETS				
Property, plant and equipment	(i)	2,487,652	(2,487,652)	-
Intangible assets	(i)	381,202	2,512,643	2,893,845
Other assets		6,787,577	-	6,787,577
Total assets		9,656,431	24,991	9,681,422
LIABILITIES				
Other Liabilities		4,780,780	-	4,780,780
Total liabilities		4,780,780	-	4,780,780
Net assets		4,875,651	24,991	4,900,642
EQUITY				
Contributed equity		6,507,180	-	6,507,180
Accumulated losses	(ii)	(1,696,182)	24,991	(1,671,191)
Minority interest		47,261	-	47,261
Reserves		17,392	-	17,392
Total equity		4,875,651	24,991	4,900,642

	Notes	30 June 2008	Adjustment	30 June 2008 (Restated)
		Consolidated		
		$'000	$'000	$'000
Income statement (extract)				
Depreciation and amortisation expense	(i)	(108,933)	24,991	(83,942)
Other income statement		322,786	-	322,786
Net profit / (loss) for the year		213,853	24,991	238,844

Basic and diluted earnings per unit attributable to ordinary unit holders changed from 18.2 cents to 20.2 cents per unit.

(i) Tolling concession arrangements that grant the Group the right to operate a toll road have been reclassified as Intangible Assets, from Property, Plant and Equipment. As allowed by the transitional provisions of AASB-I 12, the assets were transferred at the carrying amount of the tolling assets at the date of initial application of AASB-I 12 (1 July 2007). From 1 July 2007, the tolling assets are amortised on a straight line basis over the life of the concession deed.

Adjustments have been made to reflect revised amortisation and depreciation charges as a result of the change in rates on certain assets.

(ii) Adjustments to accumulated losses and the income statement include:

- Revision to depreciation/amortisation charges due to extended useful life of many concession assets.

33 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of shares	Equity holding * 2009 %	Equity holding * 2008 %
The CityLink Trust	Australia	Ordinary	**100**	100
Transurban Finance Trust	Australia	Ordinary	**100**	100
Transurban AL Trust	Australia	Ordinary	**100**	100
Transurban CARS Trust	Australia	Ordinary	**100**	100
Transurban WSO Trust	Australia	Ordinary	**100**	100
Hills Motorway Trust	Australia	Ordinary	**100**	100
T (895) Finance Trust	Australia	Ordinary	**100**	100
Abigroup Westlink Partner Holding No.4 Pty Ltd	Australia	Ordinary	**100**	100
Abigroup Westlink Partner No.4 Pty Ltd	Australia	Ordinary	**100**	100
LMI Westlink Partner Holding No.4 Pty Ltd	Australia	Ordinary	**100**	100
LMI Westlink Partner No.4 Pty Ltd	Australia	Ordinary	**100**	100
Abigroup Westlink Partner Holding No.2 Pty Ltd	Australia	Ordinary	**100**	100
Abigroup Westlink Partner No.2 Pty Limited	Australia	Ordinary	**100**	100
LMI Westlink Partner Holding No.2 Pty Limited ^	Australia	Ordinary	**100**	-
LMI Westlink Partner No.2 Pty Limited ^	Australia	Ordinary	**100**	-
Sydney Roads Trust	Australia	Ordinary	**100**	100
Eastern Distributor Funding Trust	Australia	Ordinary	**100**	100
Airport Motorway Trust	Australia	Ordinary	**75.10**	75.10

* The proportion of ownership interest is equal to the proportion of voting power held.

^ Acquired on 1 September 2008

34 Investments in associates

(a) Carrying amounts

Name of company	Principal activity	Ownership interest 2009 %	Ownership interest 2008 %	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Westlink Motorway Limited		**50.0**	47.5	**-**	-	**-**	-
WSO Finance Pty Limited		**50.0**	47.5	**-**	-	**-**	-
Westlink Motorway Partnership		**50.0**	47.5	**-**	-	**-**	-

On 28 August 2008, Transurban completed its acquisition of an additional 2.5 per cent of the Westlink M7, for consideration of $38.0 million. The acquisition comprised term loan notes of $30.4 million and an increase in its equity investment of $7.6 million.

Each of the above is a member of the Westlink Motorway Group, established to invest in, construct and operate the Westlink M7 toll road in Sydney. All were incorporated in Australia.

Westlink Motorway Limited is the nominee manager of the Westlink Motorway Partnership and is carried at $90.

WSO Finance Pty Limited is the financier of the Westlink M7 toll road and is carried at $90.

Westlink Motorway Partnership was responsible for the construction of the Westlink M7 Motorway in Sydney. The M7 opened for operation on 16 December 2005.

	Consolidated 2009 $'000	Consolidated 2008 $'000
(b) Movements in carrying amounts		
Carrying amount at the beginning of the financial year	**-**	-
Share of losses after income tax	**(7,556)**	-
Additional investment acquired	**7,556**	-
Carrying amount at the end of the financial year	**-**	-
(c) Share of losses		
Loss before income tax	**7,556**	-
	7,556	-
(d) Losses not recognised		
Balance at 1 July	**35,997**	16,595
Unrecognised losses for the year	**74,239**	19,402
Balance at 30 June	**110,236**	35,997

34 Investments in associates (continued)

(e) Summarised financial information of associates

	Ownership Interest %	Group's share of: Assets $'000	Liabilities $'000	Revenues $'000	Profit $'000
2009					
Westlink Motorway	50.0	749,261	(870,467)	46,435	(81,795)
		749,261	(870,467)	46,435	(81,795)
Westlink Motorway	47.5	822,340	858,270	123,495	(19,402)
		822,340	858,270	123,495	(19,402)

(f) Share of associates' expenditure commitments

As at the reporting date, there are no expenditure commitments.

(g) Contingent liabilities of associates

As at reporting date, there are no contingent liabilities.

35 Economic dependency

The consolidated entity is reliant on distributions from the CityLink Trust and the Hills Motorway Trust and interest on Term Loan Notes and on continuing funding by entities within the Transurban Group for its ongoing viability.

36 Events occurring after the balance sheet date

On 15 July 2009, Transurban announced that Airport Motorway Trust had completed the re-financing of $515 million of non-recourse project debt for the M1 Eastern Distributor Motorway.

The new debt facility has been provided by six banks, and comprises three, five and seven year tranches.

37 Reconciliation of profit/(loss) after income tax to net cash inflow from operating activities

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Profit/(loss) for the year	**263,753**	238,844	**292,078**	134,538
Depreciation and amortisation	**95,203**	83,942	**15,394**	3,925
Share of loss of associates and joint venture partnership	**7,556**	-	**-**	-
Capitalised TLN interest	**(44,604)**	(26,244)	**-**	-
Non-cash concession notes income	**(50,332)**	(49,102)	**(50,332)**	(49,102)
Distribution income	**-**	-	**(291,192)**	(93,724)
Non cash finance costs	**67,031**	67,674	**55,210**	60,808
Change in operating assets and liabilities				
(Increase) in receivables & prepayments	**305**	1,626	**-**	-
(Increase) / decrease in operating related party balances	**(423,484)**	(404,772)	**(82,376)**	(128,268)
Increase in deferred taxes	**(859)**	795	**-**	-
Increase in current tax payable	**1,235**	1,350	**-**	-
Increase (decrease) in payables	**2,657**	(1,060)	**7,200**	(18)
(Decrease) in unearned income	**(17,436)**	(4,705)	**(38)**	(6,039)
(Decrease) increase in Promissory Note liability	**(2,360)**	1,328	**-**	-
Net cash (outflow) inflow from operating activities	**(101,335)**	(90,324)	**(54,056)**	(77,880)

38 Non-cash investing and financing activities

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Distributions satisfied by the issue of units under the distribution reinvestment plan	**174,142**	189,963	**174,142**	189,936
	174,142	189,963	**174,142**	189,936

39 Earnings per unit

	Consolidated	
	2009	2008
	Cents	Cents
Basic earnings per unit attributable to ordinary unit holders	**19.8**	20.5
Diluted earnings per unit attributable to ordinary unit holders	**19.8**	20.5

	Consolidated	
	2009	2008
	$'000	$'000
Basic earnings per share		
Profit from continuing operations	**263,753**	238,844
Profit from continuing operations attributable to minority interests	**(12,923)**	(15,470)
Profit from continuing operations attributable to the ordinary equity holders of the company used in calculating basic earnings per share	**250,830**	223,374

	Consolidated	
	2009	2008
	Number	Number
Weighted average number of units used in calculating basic and diluted earnings per unit	**1,267,502,187**	1,088,861,291
Adjustments for calculation of diluted earnings per unit:		
Performance rights	**1,297,389**	452,071
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**1,268,799,576**	1,089,313,362

(a) Information concerning the classification of units

(i) Stapled securities
Stapled Securities, and therefore units, are fully paid and have been recognised in the determination of basic earnings per unit.

40 Intra-group guarantees

As at 30 June 2009, the Transurban Group comprises Transurban Holdings Limited, Transurban Holding Trust and Transurban International Limited, traded and quoted on the ASX as one triple stapled security.

Under the stapling arrangement, each entity directly and/or indirectly supports each other and its controlled entities within the group on a continual basis.

41 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 and that are believed to be reasonable under the circumstances.

(i) Valuation of Promissory notes and Concession Notes Receivable
The Trust holds non-interest bearing long term debt represented by promissory notes and a long term receivable that offsets a concession notes liability held in CityLink Melbourne, that are included in the financial statements at the present value of expected future repayments. The calculations to discount these notes to their present value are based on the timing and profile of the repayments. Assumptions are made in determining the timing and profile, based on expected available equity cash flows of the Trust's cash generating units.

A discount rate is used to value the promissory notes and concession notes receivable to their present value, which is determined through reference to other facilities in the market with similar characteristics.

41 Critical accounting estimates and judgements (continued)

(ii) Fair value of derivatives and other financial instruments
The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at each balance date.

(iii) Impairment of Assets

The Group tests whether its assets have suffered any impairment when an event occurs that indicates that this may be the case. The recoverable amount of any cash generating units have been determined based on the greater of value-in-use and fair value less cost to sell calculations. These calculations require the use of assumptions regarding traffic flows, discount rates, growth rates and other factors affecting operating activities.

42 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The financial risk management function is carried out centrally by the Transurban Group Treasury team (Treasury) under policies approved by the Board. Treasury work closely with the Group's operating units to actively identify and monitor all financial risks, and put hedging in place where appropriate. The Board are informed on a regular basis of any material exposures to financial risks.

The Group's hedging strategies are detailed below, and include the use of derivative financial instruments. The Group's policies allow derivative transactions to be undertaken only for the purpose of reducing risk, and do not permit speculative trading. Treasury continuously monitor risk exposures over time through review of cashflows, price movements, market analysis and ongoing communication within the Group. When measuring financial risk, Treasury consider positive and negative exposures, existing hedges and the ability to offset exposures where possible.

(a) Market risk

(i) Foreign exchange risk
The Group operates internationally and is exposed to foreign exchange risk when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

Foreign currency exposures are viewed as either investment exposures or operating exposures. Exposures from investment in foreign assets are generally managed using foreign currency debt. All known material operating exposures out to 12 months are hedged, using hedging instruments, offsetting exposures or drawing on foreign currency funds.

The Group's exposure to foreign currency risk at the reporting date was as follows:

	30 June 2009 USD $'000	30 June 2008 USD $'000
Receivables	**310,023**	320,016
Payables	**(233,255)**	(254,969)
Net exposure	**76,768**	65,047

The above table is presented in the currency in which the exposure exists.

42 Financial risk management (continued)

The carrying amounts of the parent entity's financial assets and liabilities are denominated in Australian dollars except as set out below:

	30 June 2009 USD $'000	30 June 2008 USD $'000
Receivables	**310,023**	293,228
Trade payables	**(233,255)**	(228,869)
Net exposure	**76,768**	64,359

Group sensitivity

Based on the financial instruments held at end of the period, had the Australian dollar strengthened/weakened by 10 cents against the U.S. dollar with all other variables held constant, the Group's post-tax profit for the year would have been $10,381,000 lower (2008: $6,359,000 lower) or $13,299,000 higher (2008: $7,834,000 higher), as a result of foreign exchange gains/losses on translation of US dollar denominated financial instruments as detailed in the above table.

Equity is not impacted by movements in foreign exchange. The Group's exposure to other foreign exchange movements is not material.

Parent entity sensitivity

Based on the financial instruments held at end of the period, had the Australian dollar strengthened/weakened by 10 cents against the U.S. dollar with all other variables held constant, the parent's post-tax profit for the year would have been $10,381,000 lower (2008: $6,292,000 lower) or $13,299,000 higher (2008: $7,751,000 higher), as a result of foreign exchange gains/losses on translation of US dollar denominated financial instruments as detailed in the above table.

Equity is not impacted by movements in foreign exchange. The Parent entity's exposure to other foreign exchange movements is not material.

(ii) Cash flow interest rate risk

The Group's main exposure to interest rate risk arises from long-term borrowings. Treasury manages interest rate risk by entering into fixed rate debt facilities or using interest rate swaps to convert floating rate debt. Generally, the Group raises long term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. The Group's policy is to hedge interest rate exposure at a minimum in compliance with the covenant requirements of funding facilities and up to 100%. At 30 June 2009 79 per cent of the Group's interest rate exposure on variable rate borrowings was hedged.

42 Financial risk management (continued)

As at the reporting date, the Group had the following variable rate borrowings and interest rate swap contracts outstanding:

	30 June 2009 Weighted average interest rate %	30 June 2009 Balance $'000	30 June 2008 Weighted average interest rate %	30 June 2008 Balance $'000
Cash and cash equivalents	**2.9**	**(28,418)**	7.1	(45,882)
Floating Rate Borrowings	**4.7**	**1,075,321**	8.4	1,222,321
Interest rate swaps (notional principal amount)	**3.4**	**(851,625)**	8.0	(738,625)
Net exposure to cash flow interest rate risk		**195,278**		437,814
Parent				
Cash and cash equivalents	**2.8**	**(492)**	7.1	(1,308)
Floating Rate Borrowings	**3.1**	**94,821**	8.4	247,821
Net exposure to cash flow interest rate risk		**94,329**		246,513

An analysis by maturities is provided in (c) below.

Group sensitivity

The Group's main interest rate risk arises from cash equivalents and loans and other receivables with variable interest rates. At 30 June 2009, if interest rates had changed by +/-100 basis points from the year-end rates with all other variables held constant, post-tax profit for the year would have been $1,953,000 lower/higher (2008: $4,378,000 lower/higher).

Parent entity sensitivity

The parent entity's main interest rate risk arises from cash equivalents and loans and other receivables with variable interest rates. At 30 June 2009, if interest rates had changed by +/-100 basis points from the year-end rates with all other variables held constant, post-tax profit for the year would have been $943,000 lower/higher (2008: $2,465,000 lower/higher).

(b) Credit risk

The Group has no significant concentrations of credit risk from Operating Activities, and has policies in place to ensure that transactions are made with commercial customers with an appropriate credit history. However as an owner and operator of large infrastructure assets, the Group is exposed to credit risk with its financial counterparties through undertaking financial transactions intrinsic to its business. These include funds held on deposit, cash investments and the market value of derivative transactions.

Treasury assesses the credit strength of potential financial counterparties using objective ratings provided by multiple independent rating agencies. Board approved limit allocation rules ensure higher limits are granted to higher rated counterparties. The Group also seeks to mitigate its total credit exposure to counterparties by only dealing with credit worthy counterparties, limiting the exposure to any one counterparty, minimising the size of the exposure where possible through netting offsetting exposures, diversifying exposures across counterparties, closely monitoring changes in total credit exposures and changes in credit status, and taking mitigating action when necessary.

The Group's investment in the Westlink Motorway (WM7) is through Term Loan Notes (see note 12 for details) The return on these Notes is ultimately dependent on the performance of the Motorway. The Group continually monitors the performance and expected cash flows of the Motorway.

42 Financial risk management (continued)

(c) Liquidity risk

The Group maintains sufficient cash and undrawn facilities to maintain short term flexibility and enable the Group to meet financial commitments in a timely manner. Treasury assesses liquidity over the short term (up to 12 months) and medium term (1 – 5 years) by maintaining accurate forecasts of operating expenses, committed capital expenditure and payments to security holders. Long term liquidity requirements are reviewed as part of the annual strategic planning process.

Short term liquidity is managed by maintaining a strategic liquidity reserve. This reserve is based on the Group's forecast annual operating costs and certain risk exposure scenarios as maintained by the Group's strategic risk register, and is maintained as cash and undrawn facilities. The reserve is maintained on a rolling 12 month basis. Medium term liquidity forecasting is maintained on a rolling 5 year horizon.

Financing arrangements

The Group and the parent entity had access to the following undrawn borrowing facilities at the reporting date:

	Consolidated		Parent entity	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Floating rate				
Expiring within one year	**110,846**	96,000	**-**	85,000
Expiring beyond one year	**302,552**	531,759	**-**	531,759
	413,398	627,759	**-**	616,759

The facilities are committed for the term of the facility and cannot be withdrawn by the bank without notice.

Maturities of financial liabilities

The tables below analyse the Group's and the parent entity's financial liabilities, net settled derivative financial instruments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. For interest rate swaps the cash flows have been estimated using forward interest rates applicable at the reporting date.

Group - At 30 June 2009	**1 year or less**	**Over 1 to 2 years**	**Over 2 to 3 years**	**Over 3 to 4 years**	**Over 4 to 5 years**	**Over 5 years**	**Total contractual cash flows**	**Carrying Amount (assets)/ liabilities**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Non-derivatives								
Non-interest bearing	343,418	-	-	-	-	106,234	449,652	354,031
Variable rate	647,096	41,311	319,299	11,627	186,537	-	1,205,870	1,075,321
Fixed rate	349,934	190,184	490,184	545,684	146,309	2,397,212	4,119,507	3,047,491
Total non-derivatives	1,340,448	231,495	809,483	557,311	332,846	2,503,446	5,775,029	4,476,843
Derivatives								
Net settled (interest rate swaps)	12,216	1,876	(6,075)	(2,600)	(2,397)	-	3,020	2,386
Total derivatives	12,216	1,876	(6,075)	(2,600)	(2,397)	-	3,020	2,386

42 Financial risk management (continued)

Group - At 30 June 2008	1 year or less	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	Total contractual cash flows	Carrying Amount (assets)/ liabilities
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Non-derivatives								
Non-interest bearing	743,243	61,800	-	-	-	96,563	901,606	794,571
Variable rate	561,134	578,938	20,397	120,422	12,034	159,296	1,452,221	1,222,322
Fixed rate	178,024	328,024	168,274	368,274	530,274	2,144,734	3,717,604	2,727,022
Total non-derivatives	1,482,401	968,762	188,671	488,696	542,308	2,400,593	6,071,431	4,743,915
Derivatives								
Net settled (interest rate swaps)	(10,321)	(9,004)	(3,213)	-	-	-	(22,538)	(23,586)
Total derivatives	(10,321)	(9,004)	(3,213)	-	-	-	(22,538)	(23,586)

Parent - At 30 June 2009	**1 year or less**	**Over 1 to 2 years**	**Over 2 to 3 years**	**Over 3 to 4 years**	**Over 4 to 5 years**	**Over 5 years**	**Total contractual cash flows**	**Carrying Amount (assets)/ liabilities**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Non-derivatives								
Non-interest bearing	210,335	-	-	-	-	-	210,335	210,335
Variable rate	84,550	15,640	-	-	-	-	100,190	94,821
Fixed rate	162,988	112,058	375,868	372,411	76,873	1,259,540	2,359,738	1,767,694
Total non-derivatives	457,873	127,698	375,868	372,411	76,873	1,259,540	2,670,263	2,072,850

Parent - At 30 June 2008	1 year or less	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	Total contractual cash flows	Carrying Amount (assets)/ liabilities
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Non-derivatives								
Non-interest bearing	724,808	61,800	-	-	-	-	786,608	763,163
Variable rate	9,371	9,320	9,230	109,242	989	13,090	151,242	112,147
Fixed rate	74,337	122,158	71,229	335,039	331,581	590,561	1,524,905	1,138,581
Total non-derivatives	808,516	193,278	80,459	444,281	332,570	603,651	2,462,755	2,013,891

(d) Fair value estimation

Refer to note 1 for the Group's policy on fair value estimation.

In the directors' opinion:

(a) the financial statements and notes set out on pages 155 to 224 are in accordance with the *Corporations Act 2001,* including:
  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  (ii) giving a true and fair view of the Trust's and consolidated entity's financial position as at 30 June 2009 and of their performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable; and

The directors have been given the declarations by the chief executive officer and chief finance officer required by section 295A of the *Corporations Act 2001.*

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

David J Ryan
Director

Christopher J Lynch
Director

Melbourne
26 August 2009

PRICEWATERHOUSECOOPERS

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Independent auditor's report to the members of Transurban Holding Trust

Report on the financial report

We have audited the accompanying financial report of Transurban Holding Trust (the Trust) which comprises the balance sheet as at 30 June 2009, the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both Transurban Holding Trust and the Transurban Holding Trust Group (the consolidated entity). The consolidated entity comprises the Trust and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of Transurban Infrastructure Management Limited, the Responsible Entity of the Trust are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the consolidated financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

PRICEWATERHOUSECOOPERS

Independent auditor's report to the members of Transurban Holding Trust (continued)

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of Transurban Holding Trust is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Trust's and the consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the consolidated financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

PricewaterhouseCoopers

PricewaterhouseCoopers

John Yeoman
Partner

Melbourne
26 August 2009

Transurban International Limited and Controlled Entities

ARBN 121 746 825

Financial statements for the year ended 30 June 2009

Transurban International Limited ARBN 121 746 825
Financial statements - 30 June 2009

Contents

Directors' report

The directors of Transurban International Limited present their report on the consolidated entity (and referred to as "the Group") consisting of Transurban International Limited (TIL) and the entities it controlled at the end of, or during, the year ended 30 June 2009.

Directors

With the exception of the changes noted below, the following persons were directors of Transurban International Limited during the whole of the financial year and up to the date of this report.

Non-executive Directors

David J Ryan AO

Jennifer Eve

James Keyes

Executive Director

Christopher J Lynch

Principal activities

During the year the Group’s principal activity was providing management services to, and acting as the holding entity of, the Transurban Group's investment in Transurban DRIVe Holdings LLC (DRIVe), an unlisted co-investment vehicle which invests in existing and new toll roads and similar or related opportunities in North America. TIL currently holds a 75 per cent interest in DRIVe.

Dividends

No dividends were declared or paid during the financial year.

Results

The consolidated net loss for the year ended for the Group was $39,701,000 (2008: $37,088,000).

Review of Operations

Key operational highlights for the Group's assets during the period were as follows:

Pocahontas 895 (Virginia USA)

Traffic volumes for the year ended 30 June 2009 were 5.3 million transactions, a decrease of 11.6 per cent on the prior year. Toll revenue increased by 0.6 per cent to US$13.8 million (A $18.5 million, an increase of 20.1 per cent) driven by a toll price increase in January 2009.

Construction on the Richmond Airport Connector commenced in the current financial year and is expected to be completed in 2011.

Transurban’s investment in Pocahontas 895 is 75.0 per cent, held through Transurban DRIVe (our co-investment vehicle in North America). Transurban DRIVe is accounted for as an associate.

Capital Beltway Express (Virginia USA)

Construction on the Capital Beltway (I-495) High Occupancy Toll (HOT) lane project started in July 2008. Transurban and its construction partner Fluor are developing the HOT lanes under an 80 year concession agreement with the Commonwealth of Virginia. The HOT lanes are scheduled to open in 2013.

Transurban’s investment in Capital Beltway Express is held through Transurban DRIVe. Transurban DRIVe holds 90.0 per cent equity in the project, and Transurban holds 75.0 per cent of Transurban DRIVe. Transurban DRIVe is accounted for as an associate.

Significant changes in the state of affairs

There were no significant changes to the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

At the date of this report the directors are not aware of any circumstances that have arisen since 30 June 2009 that have significantly affected or may significantly affect the Group's operations in future financial years, the results of those operations in future financial years, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Likely developments in the operations of the Group and the expected results of operations have not been included in these financial statements because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Information on directors

David J Ryan AO, BBus, FCPA, FAICD. *Chairman & Independent non-executive director*
David was appointed to the Board on 29 April 2003. He has a background in commercial banking, investment banking and operational business management. He has held senior executive management positions in investment banking and industry, as well as being the Chairman or a non-executive director of a number of listed public companies.

David is a non executive director of Lend Lease Corporation Limited and non-executive Chairman of Tooth & Co Limited and ABC Learning Centres Limited (administrators appointed) (receivers and managers appointed).

At Transurban, David is Chairman of the Board, Chairman of the Nomination Committee, Chairman of the Sustainability Committee, a member of the Audit and Risk Committee and a member of the Remuneration Committee.

David holds interests in 60,945 Securities.

Christopher J Lynch B Comm, MBA, FCPA, FAICD *Chief Executive Officer*
Chris joined Transurban as CEO Elect in February 2008 and was appointed to the Board on 18 February 2008. He became CEO in April 2008.

Chris came to Transurban from one of the world's largest resources and mining companies, BHP Billiton. He held a series of senior appointments there, including 5 years as Chief Financial Officer. His last position at BHP Billiton was Executive Director and Group President Carbon Steel Materials. Prior to his time at BHP Billiton the bulk of Chris' career was with Alcoa Inc where he was Vice President and Chief Information Officer (1999 2000), CFO Europe (1997 1999), Managing Director of KAAL Australia Limited (1996 1997), and before that a series of financial leadership roles.

Chris has experience in senior leadership roles in global corporations operating across multiple markets and the development and operation of major projects with large up front capital requirements.

Chris is also a Commissioner of the Australian Football League, and a former director of BHP Billiton Limited (January 2006 – June 2007), BHP Billiton Plc (January 2006 – June 2007), Samancor Limited (January 2006 – June 2007), and Samarco Limited (January 2006 – June 2007).

Chris holds interests in 233,041 Securities.

Jennifer Eve BA, LLB (Hons), LLM in Corporate Law *Independent non-executive director*
Jennifer joined the Transurban International Limited Board on 18 September 2006. She is an associate and member of the Funds and Investment Services Team within the Corporate and Commercial Practice Group at Appleby. She practices in the area of company and commercial law, specialising in the formation and administration of investment vehicles including segregated account companies, mutual funds, hedge funds, partnerships and closed-ended funds. Jennifer also has experience involving debt restructuring and intergroup restructuring. Jennifer is also a local team member of the Segregated Accounts Portfolio Team and the Global Islamic Finance Team.

Jennifer was educated in Bermuda, Canada and the United Kingdom. She holds three degrees including a Masters in Corporate Law. She is a member of the Bar of England and Wales (non-practicing) and Bermuda.

James Keyes MA. (Hons) *Independent non-executive director*
James joined the Transurban International Limited Board on 18 September 2006. He is Managing Director of Renaissance Capital. He is responsible for the Bermuda office, which he established for Renaissance in 2008. He was previously a partner at offshore law firm Appleby. He practised as a lawyer for over 15 years, specialising in mutual funds, corporate finance and securities.

James attended Oxford University in England and graduated as a Rhodes Scholar. He is a member of the Bermuda International Business Association's committee on collective investment schemes.

Company secretary

Elizabeth Mildwater BEc, LLB (Hons), MA, GAICD
Elizabeth was appointed Company Secretary on 20 May 2008. Before joining Transurban she was Company Secretary of SP AusNet for three years. She has over 15 years of legal, company secretarial and other relevant experience, including significant in-house legal and company secretarial experience in the electricity transmission and project development areas. Prior to her in-house work, she was a solicitor with Australian law firms Blake Dawson Waldron and Freehills.

Brett Burns BCom, LLB
Brett is General Counsel, Australia for the Transurban Group. Brett is responsible for all Australian legal matters and also provides support to the North American business and Company Secretariat. Brett has worked with the Transurban Group for the past seven years, initially as an external legal adviser and then joining the Transurban Group in 2003.

Juliet Evans
Juliet Evans is a Corporate Administrator on the Funds and Investment Services team at Appleby Corporate Services. She holds the ICSA Certificate in Offshore Business Administration and has six years of experience in the corporate administration field. Juliet is Company Secretary of Transurban International Limited.

Meetings of directors

The numbers of meetings of the board of directors of Transurban International Limited held during the year ended 30 June 2009, and the numbers of meetings attended by each director are listed below:

	Attended	Held#
David J Ryan	4	4
James Keyes	4	4
Jennifer Eve	3	4
Christopher J Lynch	4	4

= Number of meetings held during the time the director held office

The number of meetings of each board committee of Transurban Holdings Limited, Transurban International Limited and Transurban Infrastructure Management Limited as Responsible Entity of Transurban Holding Trust, held during the year ended 30 June 2009, and the number of meetings attended by each director are set out in the following table:

Name	Audit Committee (1)(2)		Remuneration Committee(3)		Nomination Committee(4)		Risk Committee (1)(5)		Sustainability Committee(6)	
	Attended	Held#	Attended	Held#	Attended	Held#	Attended	Held#	Attended	Held#
David J Ryan	4	4	5	5	4	4	3	*	*	*
James Keyes	*	*	*	*	*	*	*	*	*	*
Jennifer Eve	*	*	*	*	*	*	*	*	*	*
Christopher J Lynch	4	*	5	*	4	*	4	*	3	*

= Number of meetings held during the time the director held office or was a member of the committee during the year
* = Not a member of the relevant committee

(1)Effective 23 June 2009, the Audit Committee and the Risk Committee were combined to form the Audit and Risk Committee. Refer to the Corporate Governance Statement for further information.

(2)Chris Lynch was not a member of the Audit Committee but attended meetings during the year.

(3)Chris Lynch was not a member of the Remuneration Committee but attended meetings during the year. Chris Lynch was excluded from discussions involving his remuneration during meetings of the Remuneration Committee which he attended.

(4)Chris Lynch was not a member of the Nomination Committee but attended meetings during the year.

(5)Chris Lynch was not a member of the Risk Committee but attended meetings during the year.

(6)Chris Lynch was not a member of the Sustainability Committee but attended meetings during the year.

Remuneration report

The Remuneration Report is presented under the following sections:

A Introduction

The Directors of Transurban International Limited present the Remuneration Report prepared in accordance with the requirements of the *Corporations Act 2001* and its Regulations. The information has been audited as required by section 308(3C) of the *Corporations Act 2001*.

For the purposes of this report, Key Management Personnel of Transurban International Limited are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Transurban Group directly or indirectly. They include all Directors of the parent (executive and non-executive) and members of the Executive Committee reporting to the CEO who have authority and responsibility for planning, directing and controlling the activities of the Group. The combined group of these executives (which also represents the five highest paid executives) of the Group are referred to as Senior Executives in this report.

B Board oversight of remuneration

Remuneration Committee

The Board Remuneration Committee of the Transurban Group is responsible for making recommendations to the Board on director and senior executive remuneration policy and structure.

The Remuneration Committee assesses the appropriateness of the nature and quantum of remuneration of executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the attraction and retention of a high performing director and executive team.

Review of remuneration strategy

The Group reviewed its remuneration strategy during the year and reaffirmed value creation as the key measure of the reward framework.

As a result of the review, the Board removed the Business Generation Incentive Plan from the framework. Performance measures in Executive incentive schemes were also reviewed with a focus on maximising shareholder value in the short and long term. Appropriate measures and targets have been implemented which maintain emphasis on earnings growth, shareholder return and other key goals over the next three years.

Through these challenging external market conditions, attracting and retaining highly skilled people remains a fundamental goal of the Group. To this end, Transurban recognises that removing key people of calibre from their existing reward arrangements in other companies may be required. The Group also recognises the need to retain and reward those employees with responsibility to oversee future growth opportunities. The remuneration strategy has sufficient flexibility to accommodate these needs where appropriate.

C Group performance and the link to remuneration

Each element of the Remuneration framework is linked to the Group’s financial performance. Changes to fixed pay are determined by an employee’s performance and by the Group’s capacity to pay. Short Term Incentives (STIs) also require individual performance but are heavily determined by the Group’s EBITDA results. Long Term Incentives (LTIs) are determined through the use of dual performance measures, EBITDA and Total Shareholder Return (TSR). Performance hurdles for both STIs and LTIs are reviewed and determined annually so as to clearly identify expected improvements to the Group’s performance.

Remuneration report (continued)

D Overview of Transurban's executive remuneration arrangements

Remuneration strategy and objectives

Transurban's remuneration objective is to attract, retain, motivate and reward employees who are critical to the continued growth and success of the Group.

The Group's reward framework is designed to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group. The key objectives are to:

- Offer competitive remuneration benchmarked against the external market;
- Provide strong and transparent linkages between individual and Group performance and rewards;
- Reward executives for Group and individual performance against targets set by reference to appropriate benchmarks;
- Align the interests of executives with those of security holders by aligning incentives with increased security holder value; and
- Encourage executive security holdings.

Executive remuneration structure

The following table illustrates the structure of Transurban's executive remuneration arrangements:

<table>
<tr><th colspan="2">Remuneration items</th><th>Plans</th><th colspan="2">Conditions</th></tr>
<tr><td rowspan="3">Variable or 'at risk' remuneration</td><td rowspan="2">Long term incentive</td><td>Performance Awards Plan (PAP)</td><td>Relative TSR hurdle (50%)</td><td>Proportional EBITDA hurdle (50%)</td></tr>
<tr><td>Executive Equity Plan (EEP)</td><td colspan="2">3 year time-restricted equity</td></tr>
<tr><td>Short term incentive cash awards</td><td></td><td>EBITDA target (50%)</td><td>Individual KPIs (50%)</td></tr>
<tr><td rowspan="2">Total fixed remuneration</td><td>Benefits</td><td rowspan="2"></td><td colspan="2" rowspan="2">Set with reference to role, market and experience</td></tr>
<tr><td>Base salary</td></tr>
</table>

* Proportional EBITDA is earnings before net finance costs (revenues and expense), tax, depreciation and amortisation. It includes EBITDA from CityLink (100%), Hills M2 (100%), M1 Eastern Distributor (75.1%), M4 (50.61%), M5 (50%), M7 (50%) and DRIVe (75% including Pocahontas).

Total fixed remuneration

Total fixed remuneration is represented by Total Employment Cost (TEC), comprising cash, superannuation, and prescribed benefits including death and disability insurance, salary continuance insurance and car parking.

Variable or 'at risk' remuneration

Variable remuneration is the link between remuneration and performance. As executives progress in seniority, the proportion of remuneration which is dependent on the performance of the Group increases.

Short term incentives

Short term incentives (STI) comprise cash awards tied to individual and group performance indicators. Performance measures for short term incentives are based around company and individual performance. Performance measures for short term incentives are heavily oriented towards financial performance. Other non-financial performance metrics are also included to ensure a broader performance outcome. Group and individual performance measures are set annually and may vary from year to year to allow the Group to establish the most appropriate measures based on business circumstances at the time of setting these measures.

Remuneration report (continued)

Long term incentives

Long term incentives (LTI) comprise both a Performance Awards Plan (PAP) and Executive Equity Plan (EEP). The Performance Awards Plan is designed to encourage sustainability of performance in the medium to longer term and is assessed over a period of three years. The plan provides equity-based remuneration which vests subject to Transurban Group's earnings and relative total security holder return performance.

The EEP is designed to encourage executive retention and security holding of this group of employees. Eighty per cent of an executive's LTI allocation is granted in the PAP with the remaining twenty per cent in the EEP. Details of the LTI are provided on page 237 below.

Hedging of equity awards

The Group prohibits executives from entering into arrangements to protect the value of unvested equity awards. This includes entering into derivative contracts to hedge their exposure to options or securities granted as part of their remuneration package.

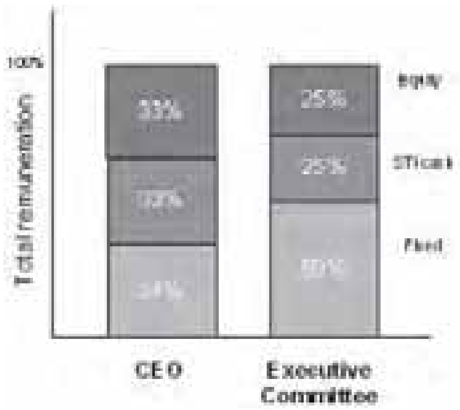
E CEO and Senior Executive arrangements for the year ended 30 June 2009

Determining remuneration levels

The remuneration of the Chief Executive Officer (CEO) and executives is established by the Board, based on the recommendation of the Remuneration Committee. Transurban also undertakes an annual remuneration review to determine the total remuneration positioning against the market.

Remuneration mix

The CEO's remuneration mix comprises 34% fixed remuneration as a proportion of total remuneration, 33% on target short term cash incentives, and 33% equity based incentives. The Executive Committee's remuneration mix comprises 50% fixed remuneration as a proportion of total remuneration, 25% on target short term cash incentives, and 25% equity based incentives. The composition of remuneration is illustrated in the diagram below.



Total Fixed Remuneration

Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating additional cost for the Group.

There are no guaranteed base pay increases in any executive's contract of employment. An executive's TEC is reviewed annually by the Remuneration Committee against market data for comparable roles and taking account of internal relativities. The process consists of a review of Group and individual performance, relevant comparative remuneration externally and internally and, where appropriate, independent external advice on policies and practices.

Remuneration report (continued)

In the 2010 financial year, the Group anticipates restraint in fixed remuneration increases. A freeze in fixed pay has been implemented for financial year 2010 for the CEO, Executive Committee and other senior managers. Any increases in the broader workforce will be targeted to improving internal equity, rewarding high performers and to facilitate succession planning.

2009 Short term incentive structure

The Remuneration Committee considers that a robust performance management system is essential in ensuring a strong link between remuneration and performance. As a result the short term incentive (STI) structure is based on a transparency and accountability model, with a reward mechanism based on goal setting and the employee's line of sight to business performance. The STI comprises cash awards that are received subject to the attainment of clearly defined Group and individual hurdles.

STI payments are made to executives for the achievement of financial and non-financial targets set at the beginning of each financial year, subject to Board discretion. A target STI amount is specified for each executive, expressed as a percentage of the executive's TEC. The CEO has an annual STI target of 100% of TEC. The target STI payment for senior executives is 50% of TEC.

Actual STI payments to each executive depend on the extent to which specific targets set at the beginning of the financial year are met. The measures represent key drivers for the success of the business and shared values for the key management personnel.

For the 2009 financial year, the measures comprise:

Performance measure	Proportion of STI award hurdle applies to	Performance target
Group performance	50% of each individual's target STI award	Proportional EBITDA target which is established by the Board at the commencement of each year based on the Group's budget.
Individual performance key performance indicators (KPIs)	50% of each individual's target STI award	KPIs are established at the beginning of each year with the CEO for his executive team and the Board for the CEO.

On an annual basis, after consideration of performance against targets, the CEO recommends to the Remuneration Committee the STI amount (if any) to be paid to each executive. The committee then recommends the amount to the Board for approval. The STI awards are usually paid in August/September following Transurban's annual performance review process. For each component of the award, 50% of the target amount vests at threshold performance relative to budget, 100% of target vests for achievement of target performance and an additional 50% above target can be earned for a predetermined level of outperformance.

The Executive Committee shared five individual Key Performance Indicators (KPI) being Cost Management plus the establishment and implementation of improvement plans in the areas of Sustainability, Risk Management, People Management and Safety. These KPIs comprised 25% of the available STI reward. Improvement in the management of these business activities was identified as critical to the future success of the Group following a period of acquisition in prior years. The Board determined that the Executive Committee either met or exceeded each of the shared KPIs. Cost savings have been achieved beyond the expected targets. There has been significant improvement in the other four KPI's evidenced by the Board in new or updated policies, procedures and reporting frameworks. A safety and risk management culture has been embedded and control effectiveness measures put in place. People related performance planning and review processes have been fully complied with and the Group's sustainability agenda has been clarified and deployed.

Individual KPIs, representing the remaining 25% of the reward, were unique to an Executive's area of accountability. The Board reviewed the achievement of these KPIs in determining the Executive's STI reward for 2009. Overall the Board consider that the Executive Committee have performed well against the targets set for the year.

Remuneration report (continued)

2009 Long term incentive structure

Long term incentive (LTI) grants may be awarded annually to executives based on performance to provide an incentive for future performance and in order to align remuneration with the creation of security holder wealth.

For the 2009 financial year, the CEO and CFO received an LTI allocation of 100% of TEC and senior executives received an LTI of 50% of TEC. Eighty per cent of the LTI allocation was granted in the Performance Awards Plan with the remaining twenty per cent (or a minimum value of $100,000 whichever was the greater) granted in the Executive Equity Plan.

2009 Performance Awards Plan

The Performance Awards Plan (PAP) is a modified version of the 2008 Performance Rights Plan (PRP). Under the PAP eligible executives, including those outside Australia, receive a grant of Performance Awards which entitles participants to receive securities at no cost subject to the achievement of performance conditions. The Board has discretion as to the form of the award at the end of the performance period and may grant cash payments of equivalent value. No dividends or distributions on securities are payable to participants prior to vesting.

Awards were first made under the PAP on 1 November 2008. The table on page 248 provides details of rights granted and the value of rights granted, exercised and lapsed during the year.

Dual performance measures (an earnings measure and relative total security holder return) apply to Performance Awards. The use of dual measures balances the need to improve the underlying performance of the business over the long term as well as achieve appropriate returns relative to the market.

These measures are as follows:

1. A Proportional EBITDA hurdle applies to 50% of the Performance Award. Proportional EBITDA is earnings before net finance costs (revenues and expense), tax, depreciation and amortisation. It includes EBITDA from CityLink (100%), Hills M2 (100%), M1 Eastern Distributor (75.1%), M4 (50.61%), M5 (50%), M7 (50%) and DRIVe (75% including Pocahontas). As this plan is a long term plan, the proportional EBITDA measure will be adjusted to include or exclude the relevant EBITDA from acquisitions and divestments that may occur after the Base Year. In addition, any gain or loss arising from the investment in ConnectEast will be excluded.

This operational measure was chosen to reflect Transurban's underlying business goal of sustainable growth in earnings of existing operations in order to improve security holder value.

2. A relative Total Security holder Return (TSR) hurdle applies to 50% of the Performance Award. From 1 November 2008, Transurban's comparator group for the TSR measure is the S&P/ASX 100 constituents at the date of grant. This peer group reflects the Group's competitors for security holder capital and talent.

TSR measures total return on investment of a security, taking into account both capital appreciation and distributed income. It assumes a notional reinvestment of distributions paid on the security (on a pre-tax basis) in additional securities, at the market price on the day before the securities begin trading ex the relevant distribution. The Group's performance against the hurdle is determined according to Transurban Group's ranking against the TSR growth of the peer group over the three year performance period. A volume weighted average price of securities for the one week up to and including the testing date is used to calculate TSRs.

Relative TSR was selected as a performance hurdle as it ensures an alignment between comparative security holder return and reward for executives.

Remuneration report (continued)

The vesting schedule and performance hurdles for the Performance Awards are as follows:

Performance measure	Proportion of Performance Award hurdle applies to	Performance target	% of award vesting
Proportional EBITDA	50%	5% compound proportional EBITDA annual growth over the three year performance period from the Base Year*	50% of the proportional EBITDA award
		9% compound proportional EBITDA annual growth	100% of the proportional EBITDA award
		Between 5-9% proportional EBITDA growth	Straight line vesting between 50-100% of the proportional EBITDA award
TSR	50%	TSR is ranked at or below the 50th percentile of the comparator group constructed in the Base Year**, tested at the end of each of the three year performance period	0% of the TSR award
		TSR is ranked above the 50th percentile of the comparator group	50% of the TSR award
		TSR is ranked at or above the 75th percentile	100% of the TSR award
		TSR is ranked above the 50th percentile but below the 75th percentile	Straight line vesting between 50-100% of the TSR award

* For the 2009 grant this is the 2008 financial year full year actual proportional EBITDA.
** For the 2009 grant this is the TSR comparator group constructed at the date of grant.

The EBITDA target has been reviewed and adjusted to reflect the new ‘proportional EBITDA’ measure which is ring fenced to current operations.

Performance Awards were granted on 1 November 2008 with a three year vesting period. The awards are tested at the end of each year. If the performance measures are satisfied for the year, one third of the awards are preserved until the end of the three year period. At the end of the three years a cumulative test of the performance measures is applied to any unvested awards.

No retesting is available after the three year performance period. In the event of a change of control of the Group, automatic vesting of awards occurs.

2009 Executive Equity Plan

Equity awards are granted under the Executive Equity Plan (EEP) based on executives’ performance and are designed to encourage retention of executives while focusing on business excellence. The EEP also aligns with Transurban’s remuneration philosophy of encouraging executive security holding.

Individuals who are high performers and in business critical roles are nominated for awards for their past contribution and expected future performance. Board approval is required to grant EEP awards to nominated executives.

Under the EEP, eligible executives receive a grant of stapled securities in the Transurban Group (”securities”) at no cost that are subject to disposal restrictions for three years from the grant date. Participants are entitled to distributions paid on their Securities during the restriction period. If the executive ceases employment with Transurban during the restriction period, their Securities will be forfeited unless the Board decides otherwise.

Awards were first made under the EEP on 1 November 2008. The table on page 248 provides details of awards.

Remuneration report (continued)

Executives outside Australia

In light of US taxation implications, the overseas plan has been adapted to mirror the security awards under EEP with a grant of Performance Rights. Eligible executives based outside Australia receive a grant of Performance Rights at no cost which entitles participants to receive Securities which vest at the end of the vesting period of three years. Cash in lieu of distributions on the Securities is payable to participants during the vesting period. If the executive ceases employment with Transurban prior to the vesting date, their unvested Performance Rights will be forfeited.

All Employee Plans

The Group operated three broad employee-based security plans, the ShareLink Investment Tax Exempt Plan, the ShareLink Investment Tax Deferred Plan and the ShareLink Incentive Plan. These plans were offered to the Group's permanent employees, including executives.

ShareLink Investment Tax Exempt Plan (ITEP)

The ITEP provided employees the opportunity to invest, on a tax-exempt basis, up to $1,000 per annum, of which half is contributed by the Group. This plan was suspended in May 2009 following changes to taxation announced in the Federal budget. The Group intends to reactivate this plan with required modifications once the proposed legislation has been enacted.

ShareLink Investment Tax Deferred Plan (ITDP)

The Investment Tax Deferred Plan provided employees the opportunity to purchase securities, on a tax-deferred basis using pre-tax salary. There is no cap on the amount of salary an employee may elect to contribute and the company provided a matching contribution on a dollar-for-dollar basis to a maximum of $3,000 per annum. This plan was suspended in May 2009 following changes to taxation announced in the Federal budget. The Group also intends to reactivate this plan with required modifications once the proposed legislation has been enacted.

ShareLink Incentive Plan (IP)

In 2009 an allocation of 100 securities at no cost was made to each of the 453 eligible employees in recognition of the Group's prior year performance.

Legacy plans

Transurban has a number of schemes which no longer operate as open plans but under which some Key Management Personnel have outstanding entitlements. No grants were made in the 2009 financial year under any of the legacy plans. Refer to page 248 for details of the legacy plans.

F Contractual arrangements of executive directors and senior executives

Remuneration for the Chief Executive Officer (CEO) and key management personnel are formalised in service agreements. Each of these agreements provides for access to performance related STI payments and other benefits as described above. Although not specified in agreements, executives may be nominated to participate in executive long term incentive plans (or equivalent cash plans for those executives located outside Australia).

Other key details of the agreements relating to remuneration are provided below:

Chief Executive Officer

The Chief Executive Officer (CEO) is employed under an ongoing contract. The current employment contract commenced on 4 February 2008.

Under the terms of the present contract:

- The CEO received fixed remuneration of $2,080,000 per annum, which is reviewed prior to 30 June each year;
- A short term incentive payment of $2,800,000 will be made in September 2009. For subsequent years, the STI target will be 100 per cent of annual TEC. The payment will be the greater of actual performance based on the achievement of business or individual KPIs or 50 per cent of annual TEC;
- An award under the Executive Equity Plan to the value of $416,000 was made on 1 November 2008;

Remuneration report (continued)

- An allocation of Performance Awards to the value of $1,664,000 was granted on 1 November 2008. The Performance Awards will be subject to performance conditions and will vest three years from grant date;
- The CEO's Performance Awards allocation is derived by using an option valuation methodology. A modified Black Scholes with Monte Carlo simulations was adopted for the 2009 financial year allocation. The number of Performance Awards will be derived by dividing the CEO's remuneration value by this valuation;
- The CEO has a contractual entitlement to post-employment vesting of Long Term Incentives.

The CEO's termination provisions are as follows:

- The CEO may resign from his position and thus terminate this contract by giving six months' written notice. Upon termination, the CEO is entitled to retain any unvested LTIs, which will vest in accordance with the performance conditions under the Performance Awards Plan (PAP) as at the time of the allocation.
- The Group may terminate this employment agreement by providing twelve months' written notice or providing payment in lieu of the notice period (based on the fixed component of the CEO's remuneration). Upon termination on notice by the Group, the CEO is entitled to retain any unvested LTIs, which will vest in accordance with the performance conditions under the Performance Awards Plan (PAP) as at the time of the allocation.
- The Group may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs the CEO is only entitled to that portion of remuneration that is fixed, and only up to the date of termination. Upon termination with cause any unvested LTIs will immediately be forfeited.

Other key management personnel

All other key management personnel have rolling contracts. Total Employment Cost (TEC) for these executives is reviewed annually by the Remuneration Committee and approved by the Board.

Executive termination provisions are as follows:

- The executive may terminate their contract by giving three months' written notice.
- The Group may terminate the executive's employment agreement by providing six months' written notice or providing payment in lieu of the notice period (based on the fixed component of the executive's remuneration). Upon termination on notice by the Group, any LTIs that have vested will be released. LTIs that have not yet vested will be forfeited.
- The Group may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs the executive is only entitled to that portion of remuneration that is fixed, and only up to the date of termination. Upon termination with cause, any unvested LTIs will immediately be forfeited.

In addition to the above terms and conditions, the Key Management Personnel service agreements include the following:

Ken Daley

- A contracted bonus equal to $1,000,000 to be paid on 30 June 2010, subject to meeting performance conditions in relation to Transurban's North American business established at the commencement of the arrangement in June 2007. The performance conditions underlying the bonus are tracking on target.
- Access to any unvested long-term incentives (pro-rated based on time served) subject to stipulated performance criteria.

Michael Kulper

- A bonus arrangement for the completion of the I-95 project which expired without payment on 30 June 2009.

Tom Honan

- A sign-on award equal to $1,000,000 received on commencement. Tom Honan received this award 75% in cash and 25% in Transurban equity purchased on market using a 5 day volume weighted average price of $5.3028.

Remuneration report (continued)

- For the 2009 year only, Tom Honan's Performance Incentive will equal 100% of TEC as a guaranteed payment, subject to remaining an employee when Performance Incentives are awarded. In subsequent years Tom Honan's target will be 50% of TEC payable at the discretion of the Group.
- In November 2008 Tom Honan received an allocation of Long Term Incentives to the value of $1,000,000. In subsequent years the target value will be 50% of TEC.

The Group determined that the arrangements above were necessary to attract Tom Honan from his existing position.

G Non-executive director (NED) remuneration

Policy

The Board seeks to set aggregate remuneration at a level that provides the Transurban Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to security holders.

The amount of aggregate remuneration sought to be approved by security holders and the fee structure is reviewed annually. The board considers advice from external consultants as well as the fees paid to NEDs of comparable companies when undertaking the annual review process.

The constitution and the ASX listing rules specify that the aggregate remuneration of NEDs shall be determined from time to time by a general meeting. The latest determination was at the annual general meeting (AGM) held on 29 October 2007 when security holders approved an aggregate remuneration of $2,100,000 per year. The Board is not seeking to increase the aggregate remuneration at the 2009 AGM.

The remuneration of NEDs consists of director's fees and committee fees. NEDs are not eligible to receive any performance based compensation.

Non-executive director fee structure

Each non-executive director of TIL receives a base fee of up to $140,000 for being a director of the Group, apart from the Chairman who receives a fee of up to three times this amount. An additional fee is also paid for each board committee on which a NED sits (ranging from $10,000 to $30,000 for participation in or chairing a sub-committee), apart from the Chairman who does not receive additional fees for chairing or participating in board committees. The payment of additional fees for serving on a committee recognises the additional time commitment required by NEDs who serve on one or more sub committees.

The constitutions of the entities comprising the Transurban Group provide that the total remuneration paid in a year to non-executive directors may not exceed $2.1 million in total for the Group.

In September 2005, the Board resolved to discontinue previously provided retirement benefits for NEDs with effect from 30 September 2005, such that future directors were not entitled to this benefit. The value of benefits accrued up to this date attracts interest at the statutory fringe benefits rate. The accrued `frozen' retirement benefits plus interest will be paid to directors upon their retirement.

The remuneration of NEDs for the period ending 30 June 2009 and 30 June 2008 is detailed in the tables on page 243 of this report.

Equity participation

The Group encourages NEDs to hold Transurban Securities. Under the ShareLink Investment Tax Deferred Plan, approved by security holders at the AGM held on 27 October 2008, NEDs were able to sacrifice a portion of their director fees to acquire Transurban securities through a tax-deferred arrangement. The maximum contribution is capped at 50% of pre-tax NED fees and the company does not provide a matching contribution for NEDs. Transurban equities are purchased on behalf of the participating NEDs and employees based on a pre-determined timeframe and frequency.

This arrangement is in line with the Group's overall remuneration philosophy and market practice and aligns NEDs with security holder interests.

This plan was suspended in May 2009 following the budget changes to taxation arrangements on shareplans, resulting in no Security purchases over the 2009 financial year. The Group intends to reactivate this plan with required modifications once the proposed legislation has been enacted.

Remuneration report (continued)

H Director and key management personnel remuneration and other disclosures

Details of the remuneration of directors, key management personnel (as defined in AASB 124 Related Party Disclosures) and specified executives of the Group are set out in note 21.

Key management personnel

For the purposes of this report, Key Management Personnel of the Transurban Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Transurban Group, directly or indirectly. They include all Directors of the parent (executive and non-executive) and members of the Executive Committee reporting to the CEO who have authority and responsibility for planning, directing and controlling the activities of the Group.

The Key Management Personnel of the Group are the Directors as per page 230 and the following executives:

- B Bourke - Chief Operating Officer
- D Cardiff - Group General Manager, Human Resources
- K Daley - President, International Development
- M Fletcher - Group General Manager, Public Affairs
- A Head - Group General Manager, Strategy and Corporate Development
- S Hogg - Treasurer
- T Honan - Chief Financial Officer (appointed 15 October 2008)
- M Kulper - President Transurban North America
- E Mildwater - Chief Legal Counsel and Company Secretary

Remuneration report (continued)

Remuneration table

Remuneration of key management personnel, who included the five highest paid executives of the Company and the Group:

The remuneration amounts below represent the entire amounts paid by the Transurban Group. The full amounts have been disclosed as a reasonable basis of apportionment is not available to reflect the Transurban International Limited's portion.

2009	Short-term employee benefits				Post-employment benefits		Long-term benefits	Termination Benefits	Share-based payments			
Name	Cash salary and fees $	Value of equities acquired in lieu of cash salary/fees $	Cash Bonus $	Non-Monetary benefits $	Super-annuation $	Retirement benefits $	Long service leave $	$	Executive Loan Plan (a) $	PRP/PAP (b) $	EEP (c) $	Total $
Non-executive directors												
D Ryan	385,306	-	-	-	34,694	-	-	-	-	-	-	420,000
J Eve	47,030	-	-	-	-	-	-	-	-	-	-	47,030
J Keyes	47,030	-	-	-	-	-	-	-	-	-	-	47,030
Sub-total non-executive directors	**479,366**	**-**	**-**	**-**	**34,694**	**-**	**-**	**-**	**-**	**-**	**-**	**514,060**
Executive directors												
C Lynch	1,980,839	-	2,800,000	36,881	100,000	-	-	-	-	404,265	75,093	5,397,078
Other key management personnel												
B Bourke	635,976	-	329,800	7,845	100,241	-	15,913	-	88,498	217,564	18,051	1,413,888
D Cardiff	344,033	-	314,500	-	57,042	-	16,198	-	20,303	82,038	18,051	852,165
K Daley	658,635	-	383,400	97,354	94,694	-	46,917	-	-	181,986	18,051	1,481,037
M Fletcher	274,381	-	163,600	6,301	28,319	-	15,327	-	1,679	47,003	18,051	554,661
A Head	368,033	-	204,500	-	33,042	-	16,419	-	12,850	62,254	18,051	715,149
S Hogg	355,355	-	170,000	-	31,900	-	-	-	-	19,436	14,440	591,131
T Honan(1)	690,950	250,000	1,750,000	-	36,226	-	-	-	-	194,358	36,103	2,957,637
M Kulper	1,235,047	-	630,022	-	110,949	-	72,102	-	-	244,528	22,575	2,315,223
E Mildwater	322,142	-	217,000	-	28,911	-	-	-	-	24,295	18,051	610,399
Total key management personnel compensation	**7,344,757**	**250,000**	**6,962,822**	**148,381**	**656,018**	**-**	**182,876**	**-**	**123,330**	**1,477,727**	**256,517**	**17,402,428**

(a) The amounts disclosed as remuneration is that part of the value of the Executive Loan Plan benefit which is attributable to the current year portion of the vesting period.

(b) The amounts disclosed as remuneration is that part of the value of the Performance Rights Plan benefit and Performance Award Plan benefit which is attributable to the current year portion of the vesting period.

(c) The amounts disclosed as remuneration is that part of the value of the Executive Equity Plan benefit which is attributable to the current year portion of the vesting period.

(1) Tom Honan elected to receive part of his sign-on award in Transurban securities which were purchased on market.

Remuneration report (continued)

2008	Short-term employee benefits				Post-employment benefits		Long-term benefits	Termination Benefits	Share-based payments		
Name	Cash salary and fees $	Value of equities acquired in lieu of cash salaries/fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Retirement benefits $	Long service leave $	$	Executive Loan Plan (a) $	Performance Rights Plan (b) $	Total $
Non-executive directors											
D Ryan	385,484	-	-	-	34,694	-	-	-	-	-	420,178
J Eve	10,000	-	-	-	-	-	-	-	-	-	10,000
J Keyes	10,000	-	-	-	-	-	-	-	-	-	10,000
Executive directors											
C Lynch(1)(2)	821,020	1,000,000	2,000,000	3,763	15,000	-	-	-	-	-	3,839,783
K Edwards(3)	1,289,868	-	9,218,000	-	100,000	-	86,233	5,249,395	529,631	191,405	16,664,532
Other key management personnel											
C Brant(6)	689,552	-	702,000	9,020	61,953	-	17,231	571,891	133,138	104,776	2,289,561
B Bourke(1)	633,182	750,000	557,300	8,480	51,627	-	28,478	-	119,075	97,292	2,245,434
D Cardiff	270,889	-	250,000	-	50,433	-	15,977	-	28,835	28,737	644,871
K Daley	454,420	-	1,416,200	-	100,000	-	29,482	-	(124,921)	42,641	1,917,822
M Kulper	478,842	-	2,616,927	-	38,700	-	22,401	-	(142,201)	41,668	3,056,337
G Mann(4)	236,090	-	-	-	6,470	-	-	643,191	49,386	8,217	943,354
P O'Shea(5)	409,910	-	586,000	9,020	96,190	-	(8,124)	495,580	93,202	82,323	1,764,101
Total	**5,689,257**	**1,750,000**	**17,346,427**	**30,283**	**555,067**	**-**	**191,678**	**6,960,057**	**686,145**	**597,059**	**33,805,973**

(a) The amounts disclosed as remuneration is that part of the value of the Executive Loan Plan benefit which is attributable to the current year portion of the vesting period.

(b) The amounts disclosed as remuneration is that part of the value of the Performance Rights Plan benefit which is attributable to the current year portion of the vesting period.

(1) Chris Lynch and Brendan Bourke elected to receive part of their fixed remuneration in Transurban securities which were purchased on market.

(2) Chris Lynch joined the Group on 4 February 2008 as CEO elect and subsequently became CEO on April 5.

(3) Kim Edwards was the Managing Director from 1 July 2007 until his retirement on 4 April 2008. Kim Edwards' cash bonus comprised a short term incentive payment of $1,000,000, a Strategic Milestone Incentive Plan bonus of $5,000,000 and a Business Generation Plan Incentive of $3,218,000. Kim Edwards' termination payment included the following contractual and statutory payments: $2,470,000 being 1.3 times of fixed remuneration, $2,139,194 being all statutory leave entitlements and notice in lieu of unexpired portion of his employment contract (from 5 April 2008 to 21 February 2009), and $640,200 being cash payment in lieu of the expiration of long term incentives.

(4) Gary Mann was the Group General Manager Development from 1 July 2007 until his resignation on 23 November 2007. Gary Mann's termination payment included a statutory payment of $43,191 and a termination payment of $600,000.

(5) Paul O'Shea was the Group General Manager Legal and Risk Management during the year ended 30 June 2008. Paul O'Shea's termination payment totalled $495,580.

(6) Chris Brant was the Chief Finance Officer during the year ended 30 June 2008. Chris Brant's termination payment totalled $571,891.

Remuneration report (continued)

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed remuneration		At risk -STI		At risk - LTI	
	2009	2008	**2009**	2008	**2009**	2008
Executive Directors						
C Lynch	**34%**	34%	**33%**	33%	33%	33%
Other key management personnel						
B Bourke	**50%**	50%	**25%**	25%	25%	25%
D Cardiff	**50%**	60%	**25%**	20%	25%	20%
K Daley	**50%**	50%	**25%**	25%	25%	25%
M Kulper	**50%**	50%	**25%**	25%	25%	25%
M Fletcher	**50%**	-	**25%**	-	25%	-
A Head	**50%**	-	**25%**	-	25%	-
S Hogg	**60%**	-	**20%**	-	20%	-
T Honan	**50%**	-	**25%**	-	25%	-
E Mildwater	**50%**	-	**25%**	-	25%	-

STI payments for 2008 and 2009 financial years
For the 2008 financial year, 100% of the STI as previously accrued in that period vested to executives and was paid in the 2009 financial year.

For each STI payment to the key management personnel listed in the tables below, the percentage of the available STI that will be paid and the percentage that will be forfeited because the person did not meet his or her performance criteria, are set out below. No part of the STI is payable in future years.

	Target STI	
	Paid %	**Forfeited %**
Executive directors		
C Lynch	135	-
Other key management personnel		
B Bourke	90	10
D Cardiff	157	-
K Daley	102	-
M Kulper	102	-
M Fletcher	102	-
A Head	102	-
S Hogg	106	-
T Honan	100	-
E Mildwater	109	-

Remuneration report (continued)

Equity instruments

Value of equity instruments granted, exercised and lapsed

		(A) Remuneration %	(B) Value at grant date $	(C) Value at exercise date $	(D) Value at lapse date %
C Lynch	Performance Awards Plan 2009	80	1,830,884		
	Executive Equity Plan 2009	20	340,093		
B Bourke	Executive Loan Plan 2006	30	142,500	-	
	Executive Loan Plan 2007	40	220,000		
	Performance Rights Plan 2008	50	325,000		
	Performance Awards Plan 2009	40	323,485		
	Executive Equity Plan 2009	10	81,753		
D Cardiff	Executive Loan Plan 2006	20	40,000	12,742	
	Executive Loan Plan 2007	20	44,000		
	Performance Rights Plan 2008	30	96,000		
	Performance Awards Plan 2009	40	176,048		
	Executive Equity Plan 2009	10	81,753		
K Daley	Executive Cash Plan 2006	30	103,950	-	
	Executive Cash Plan 2007	30	126,000		
	Performance Rights Plan 2008	50	275,000		
	Performance Awards Plan 2009	40	254,167		
	Executive Equity Plan 2009	10	81,753		
M Kulper	Executive Cash Plan 2006	20	36,080	-	
	Executive Cash Plan 2007	30	135,000		
	Performance Rights Plan 2008	50	268,725		
	Performance Awards Plan 2009	40	550,422		
	Executive Equity Plan 2009	10	102,241		
M Fletcher	Executive Loan Plan 2006	10	14,850	2,396	
	Executive Cash Plan 2007	10	20,550		
	Performance Rights Plan 2008	20	39,000		
	Performance Awards Plan 2009	40	132,036		
	Executive Equity Plan 2009	10	81,753		
A Head	Executive Loan Plan 2006	15	22,950	401	
	Executive Loan Plan 2007	20	30,825		
	Performance Rights Plan 2008	20	70,724		
	Performance Awards Plan 2009	40	176,048		
	Executive Equity Plan 2009	10	81,753		
S Hogg	Performance Awards Plan 2009	20	88,024		
	Executive Equity Plan 2009	20	65,399		
T Honan	Performance Awards Plan 2009	40	880,232		
	Executive Equity Plan 2009	10	163,507		
E Mildwater	Performance Awards Plan 2009	40	110,030		
	Executive Equity Plan 2009	10	81,753		

A = The percentage of the value of remuneration, based on the value at grant date set out in column B.
B = The value at grant date calculated in accordance with AASB 2 Share-based Payment.
C= The value at exercise date that were granted as part of remuneration and were exercised/matured during the year.
D = The value at lapse date that were granted as part of remuneration and that lapsed during the year.

Remuneration report (continued)

The terms and conditions of each grant of Performance Awards in the 2009 financial year are:

Performance Criteria	Grant date	Vesting date	Expiry date	Fair value of rights at grant date	Spot price at grant date
TSR	1 Nov 2008	1 Nov 2011	1 Nov 2011	$3.30	$5.22
EBITDA	1 Nov 2008	1 Nov 2011	1 Nov 2011	$4.27	$5.22

The terms and conditions of each grant of units under the Executive Equity Plan are:

Grant date	Vesting date	Expiry date	Grant price	Value per unit at grant date
1 Nov 2008	1 Nov 2011	1 Nov 2011	$5.22	$4.27

Performance of Transurban Group

As outlined in the LTI sections of this report, the reward delivered under the long-term incentive component of executive remuneration is dependent on either TSR performance or EBITDA Growth.

The table below summarises the actual and prospective relative TSR performance over the Performance Period to date in respect of unvested long term incentives. The data is indicative of results as if tested on 30 June 2009.

Long term Incentive plan	Company TSR as at 30 June 2009	Indicative percentile Rank	Indicative Number of securities/rights vesting
Executive Loan Plan 2007	(27)%	63%	1,109,182
Performance Rights Plan 2008	(40)%	69%	302,056
Performance Awards Plan 2009	(17)%	39%	-

The table below illustrates the Company's annual compound growth in EBITDA for Rights granted under the Performance Rights Plan, with a 10% and 15% hurdle of annual compound growth, and the Performance Award Plan, with a 5% and 9% hurdle of annual compound growth:

Long term Incentive plan	Company Compound growth as at 30 June 2009	Indicative Number of Rights Vesting(1)
Performance Rights Plan 2008	7%	-
Performance US Cash Rights Plan 2008	(2)%	-
Performance Awards Plan 2009	8%	670,036

Remuneration report (continued)

Equity instrument compensation

Number of awards granted in 2009:

	Performance Awards Plan	Executive Equity Plan
Executive directors		
C Lynch	483,721	79,647
Other key management personnel		
B Bourke	85,465	19,146
D Cardiff	46,512	19,146
K Daley	67,151	19,146
M Kulper	145,422	23,944
M Fletcher	34,884	19,146
A Head	46,512	19,146
S Hogg	23,256	15,316
T Honan	232,558	85,474
E Mildwater	29,070	19,146

No awards vested during the period.

Legacy Plans

Business Generation Incentive Plan

Transurban Group has previously offered a cash bonus under the Business Generation Incentive Plan (BGIP) to certain executives for generating new business. The bonuses were paid from a bonus pool determined by the risk adjusted net present value (NPV) of a project or business venture. The BGIP was intended to reward executives for successful business generation activities, based on the increase in security holder value derived from new business.

BGIP payments were determined and awarded by the Board, on the recommendation of the Remuneration Committee and the CEO.

After a review of the Group’s STI arrangements in the 2009 financial year, the Board has opted to discontinue the BGIP from the 2009 financial year onwards and will be capturing future outperformance through the standard STI plan.

No BGIP payments were made in the 2009 financial year.

2008 Performance Rights Plan

The Performance Rights Plan (PRP) enabled eligible executives to receive a grant of Performance Rights that entitled participants to receive stapled securities in Transurban (Securities) at no cost at the end of a three year performance period, subject to the achievement of performance conditions. No dividends or distributions on Securities were payable to participants prior to vesting. The Plan had two performance measures, EBITDA and relative TSR against the S&P/ASX 100 Industrials, each applied to 50% of the PRP award.

50% of the EBITDA award vests for achievement of 10% compound EBITDA annual growth over the three year performance period from the Base Year, 100% of the EBITDA award vested for achievement of 15% compound EBITDA annual growth, and there was straight line vesting between the two annual compound growth targets. None of the TSR award vests for a TSR ranking at or below the 50th percentile of the comparator group constructed in the Base Year, tested at the end of the three year performance period. 50% of the TSR award vests for a TSR ranking above the 50th percentile of the comparator group. 100% of the TSR award vests for a TSR ranking at or above the 75th percentile and there was straight line vesting between the two TSR targets. No retesting is available under the plan.

Remuneration report (continued)

Post-employment vesting under the Performance Awards Plan was introduced for executives that departed as a result of Transurban's restructure in the previous year. For departing executives, existing awards of Performance Rights were extinguished and a new offer of Performance Awards under the PAP was made with the same measures and vesting period based on a pro-rated entitlement for time served.

Awards were last made under the PRP in November 2007 and the PRP was discontinued in the 2009 financial year following the introduction of the Performance Awards Plan.

The terms and conditions of each grant of Performance Rights under the legacy Performance Rights Plan are:

Performance Criteria	Grant date	Vesting date	Expiry date	Fair value of rights at grant date	Spot price at grant date
TSR	1 Nov 2007	1 Nov 2010	1 Nov 2010	$3.50	$7.29
EBITDA	1 Nov 2007	1 Nov 2010	1 Nov 2010	$5.96	$7.29

Number of Performance rights granted under the legacy Performance Rights Plan 2008:

	Performance Rights Plan
Other key management personnel	
B Bourke	92,857
D Cardiff	27,428
A Head	14,857

No performance rights vested during the period.

2006 and 2007 Executive Loan Plan

The Executive Loan Plan (ELP) was discontinued as of the 2007 financial year. The ELP rewarded the improvements in the price of Transurban's stapled securities over a three year period with relative Total Security holder Return (TSR) against the S&P/ASX 100 Industrials as a performance measure. Executives based outside Australia were eligible to participate in a cash based plan similarly structured to the ELP.

Executives that participated in the ELP were provided with an interest free loan to assist them to acquire securities at market price. The term of the loan is three years and there is only one testing date. The securities are held by the executive but will only vest in the executive in accordance with the terms of the Plan. Expiry occurs three years plus 60 days from the date of commencement of the Plan, unless the rules of the Plan otherwise provide. Holding locks are applied to the securities to ensure that they can only be dealt with in accordance with the terms of the Plan. The acquired securities cannot be transferred or sold while the loan is outstanding.

The ELP was last offered in the 2007 financial year. The 2006 awards (including those under the cash plan) met the TSR hurdle and vested, however, due to the decrease in Transurban's security price the majority of participants received minimal to no value. Of the one remaining grant, Transurban anticipates that the 2007 awards (including the cash award) are likely to vest in November 2009 but participants are likely to receive minimal value based on the current security price.

The terms and conditions of each grant of units under the legacy Executive Loan Plan are:

Grant date	Vesting date	Expiry date	Grant price	Value per unit at grant date	Date payable
1 Nov 2005	1 Nov 2008	31 Dec 2008	$6.47	$1.35	1 Nov 2008
1 Nov 2006	1 Nov 2009	31 Dec 2009	$7.28	$1.37	1 Nov 2009

Remuneration report (continued)

Number/value of securities vested under the 2006 Loan plan during the year:

	Loan Plan (Securities)	Cash Plan ($)
Other key management personnel		
B Bourke	90,005	-
D Cardiff	25,148	-
K Daley	-	-
M Kulper	-	-
M Fletcher	9,706	-
A Head	15,001	-

There were no securities granted under the legacy Executive Loan Plan to KMP's during the year.

Indemnification and Insurance

The Company indemnifies all past and present Directors and Secretaries of the Company, including at this time the Directors named in this report and the Secretary or Secretaries, against every liability incurred by them in their respective capacities unless:

- The liability is owed to the Company or to a related body corporate;
- The liability did not arise out of the conduct of good faith; or
- The liability is for a pecuniary penalty order or a compensation order under the *Corporations Act 2001.*

The Company also indemnifies each person who is or has been an officer of the Company against liability for costs or expenses incurred by the person in his or her capacity as an officer of the Company in defending civil or criminal proceedings in which judgment is given in favour of the person or the person is acquitted or in connection with an application in which the Court grants relief to the person under the *Corporations Act 2001.*

The Auditors of the Company are in no way indemnified out of the assets of the Company.

Non-audit services

The Group has an "External Auditor Independence" policy which is intended to support the independence of the external auditor by regulating the provision of services by the external auditor. The external auditor will not be engaged to perform any service that may impair or be perceived to impair the external auditor's judgement or independence. The external auditor will only provide a permissible non-audit service where there is a compelling reason for it to do so, and the aim is for the external auditor not to provide non-audit services at all. All non-audit services must be pre-approved by the Cheif Financial Officer (services less than $5000) or the Chair of the Audit and Risk Committee (in all other cases).

The board of directors has considered the position and, in accordance with advice received from the Audit and Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.* The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- the Audit and Risk Committee reviews the non-audit services to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants , including reviewing or auditing the auditor's own work, acting in a management or a decision making capacity for the combined entity, acting as advocate for the combined entity or jointly sharing economic risk and rewards.

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

Non-audit services (continued)

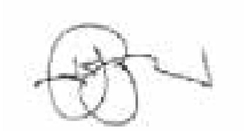
	Consolidated	
	2009	2008
	$	$
Audit and Other Assurance Services		
Audit and review of financial reports	**50,000**	128,250
Total remuneration for PricewaterhouseCoopers	**50,000**	128,250

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 252.

Rounding of amounts
The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor
PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001.*

This report is made in accordance with a resolution of directors.



David J Ryan
Director

Christopher J Lynch
Director

Melbourne
26 August 2009

PRICEWATERHOUSECOOPERS

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SOUTHBANK VIC 3006
GPO Box 1331
MELBOURNE VIC 3001
DX 77
Telephone 61 3 8603 1000
Facsimile 61 3 8603 1999

Auditor's Independence Declaration

As lead auditor for the audit of Transurban International Limited for the year ended 30 June 2009, 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.

This declaration is in respect of Transurban International Limited and the entities it controlled during the year.

John Yeoman
Partner
PricewaterhouseCoopers

Melbourne
26 August 2009

Transurban International Limited ARBN 121 746 825
Financial statements - 30 June 2009

Contents

This financial report covers both the separate financial statements of Transurban International Limited as an individual entity and the consolidated financial statements for the consolidated entity consisting of Transurban International Limited and its subsidiaries. The financial report is presented in the Australian currency.

Transurban International Limited is domiciled and incorporated in Bermuda. Its registered office and principal place of business is:

Transurban International Limited
22 Victoria Street
Hamilton
Bermuda

The financial report was authorised for issue by the directors on 26 August 2009. The company has the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally. All releases to the ASX and the media, financial reports and other information are available on our website: www.transurban.com

Transurban International Limited
Income statements
For the year ended 30 June 2009

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Revenue from continuing operations	3	**28,686**	42,947	**359**	132
Other income	4	**19,981**	-	**-**	-
Expenses from ordinary activities					
Administration costs		**(7,392)**	(8,119)	**(697)**	(557)
Business Development		**(37,373)**	(42,388)	**-**	-
Depreciation and amortisation expense		**(3,380)**	(738)	**-**	-
Finance costs	5	**(13,590)**	(15,788)	**-**	(5)
Share of net loss of associates and joint venture partnership accounted for using the equity method		**(24,950)**	(18,721)	**-**	-
Loss before income tax		**(38,018)**	(42,807)	**(338)**	(430)
Income tax (expense) benefit	6	**(1,683)**	5,719	**-**	-
Loss for the year		**(39,701)**	(37,088)	**(338)**	(430)

	Notes	Cents	Cents
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the company:			
Basic earnings per share	30	**(3.1)**	(3.4)
Diluted earnings per share	30	**(3.1)**	(3.4)

The above income statements should be read in conjunction with the accompanying notes.

Transurban International Limited
Balance sheets
As at 30 June 2009

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
ASSETS					
Current assets					
Cash and cash equivalents	7	**400**	1,000	**14**	14
Trade and other receivables	8	**21,914**	54,461	**156,874**	95,823
Total current assets		**22,314**	55,461	**156,888**	95,837
Non-current assets					
Investments accounted for using the equity method	9	**269,315**	250,441	**-**	-
Other financial assets	10	**-**	-	**1**	1
Property, plant and equipment	11	**918**	3,117	**-**	-
Deferred tax assets	12	**7,726**	9,845	**-**	-
Total non-current assets		**277,959**	263,403	**1**	1
Total assets		**300,273**	318,864	**156,889**	95,838
LIABILITIES					
Current liabilities					
Trade and other payables	13	**257,047**	266,307	**-**	852
Current tax liabilities		**-**	1,614	**-**	-
Provisions	14	**6,045**	7,456	**-**	-
Non-interest bearing liabilities	15	**5,349**	1,666	**-**	-
Total current liabilities		**268,441**	277,043	**-**	852
Non-current liabilities					
Deferred tax liabilities	16	**1,309**	2,229	**-**	-
Provisions	17	**95**	24	**-**	-
Total non-current liabilities		**1,404**	2,253	**-**	-
Total liabilities		**269,845**	279,296	**-**	852
Net assets		**30,428**	39,568	**156,889**	94,986
EQUITY					
Contributed equity	18	**138,983**	95,554	**138,983**	95,554
Reserves	19	**(31,568)**	(18,700)	**18,872**	60
Accumulated losses	19	**(76,987)**	(37,286)	**(966)**	(628)
Total equity		**30,428**	39,568	**156,889**	94,986

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

Transurban International Limited
Statements of changes in equity
For the year ended 30 June 2009

Consolidated	Notes	Attributable to members of Transurban International Limited: Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total $'000
Balance at 1 July 2007		-	8	(198)	(190)
Adjustment on adoption of:					
AASB-I 12		-	(5)	-	(5)
Restated total equity at the beginning of the financial year		**-**	**3**	**(198)**	**(195)**
Changes in the fair value of cash flow hedges, net of tax	19	-	(13,164)	-	(13,164)
Exchange differences on translation of foreign operation	19	-	3,686	-	3,686
(Loss) for year		-	-	(37,088)	(37,088)
Total recognised income and expense for the year		**-**	**(9,478)**	**(37,088)**	**(46,566)**
Contributions of equity, net of transaction costs	18	95,189	-	-	95,189
Treasury securities	18	365	-	-	365
Acquisition of Minority Interests reserves	19	-	(9,225)	-	(9,225)
Balance at 30 June 2008		**95,554**	**(18,700)**	**(37,286)**	**39,568**
Balance at 1 July 2008		95,554	(18,700)	(37,286)	39,568
Changes in the fair value of cash flow hedges, net of tax	19	-	(42,438)	-	(42,438)
Exchange differences on translation of foreign operation	19	-	29,405	-	29,405
(Loss) for year		-	-	(39,701)	(39,701)
Total recognised income and expense for the year		**-**	**(13,033)**	**(39,701)**	**(52,734)**
Contributions of equity, net of transaction costs	18	1,411	-	-	1,411
Distribution Reinvestment Plan	18	41,528	-	-	41,528
Treasury securities	18	488	-	-	488
Changes in fair value of share based payment reserve	19	2	165	-	167
Balance at 30 June 2009		**138,983**	**(31,568)**	**(76,987)**	**30,428**

Parent	Notes	**Contributed equity $'000**	**Reserves $'000**	**(Accumulated losses) $'000**	**Total $'000**
Balance at 1 July 2007		-	8	(198)	(190)
Exchange differences on translation of foreign operation	19	-	52	-	52
(Loss) for year		-	-	(430)	(430)
Total recognised income and expense for the year		**-**	**52**	**(430)**	**(378)**
Contributions of equity, net of transaction costs	18	95,189	-	-	95,189
Treasury securities	18	365	-	-	365
Balance at 30 June 2008		**95,554**	**60**	**(628)**	**94,986**
Balance at 1 July 2008		95,554	60	(628)	94,986
Exchange differences on translation of foreign operation	19	-	18,647	-	18,647
(Loss) for year		-	-	(338)	(338)
Total recognised income and expense for the year		**-**	**18,647**	**(338)**	**18,309**
Contributions of equity, net of transaction costs	18	1,411	-	-	1,411
Distribution Reinvestment Plan	18	41,528	-	-	41,528
Treasury securities	18	488	-	-	488
Changes in fair value of share based payment reserve	19	2	165	-	167
Balance at 30 June 2009		**138,983**	**18,872**	**(966)**	**156,889**

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

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Cash flows from operating activities					
Receipts from customers (inclusive of GST)		**19,653**	44,867	**435**	-
Payments to suppliers and employees (inclusive of GST)		**(29,717)**	(28,054)	**(461)**	(893)
Interest received		**13**	155	**(1)**	1
Interest paid		**(65)**	(313)	**-**	(4)
Income taxes paid		**(3,430)**	(297)	**-**	-
Net cash (outflow) inflow from operating activities	29	**(13,546)**	16,358	**(27)**	(896)
Cash flows from investing activities					
Cash acquired on acquisition of subsidiaries		**-**	1,731	**-**	-
Payment for investments in associates		**(24,954)**	(310,953)	**-**	-
Payments for property, plant and equipment		**(1,181)**	(3,130)	**-**	-
Net cash (outflow) from investing activities		**(26,135)**	(312,352)	**-**	-
Cash flows from financing activities					
Loans to related parties		**(61,779)**	(34,032)	**(71,932)**	(95,263)
Repayment of loans from related parties		**152,419**	-	**71,291**	-
Loans from related parties		**150,238**	265,702	**253**	511
Repayment of loans to related parties		**(203,370)**	(30,337)	**(1,603)**	-
Proceeds from issue of stapled securities		**1,110**	95,526	**1,110**	95,526
Proceeds from sale of treasury securities		**827**	365	**827**	365
Share issue transactions costs		**(39)**	(264)	**(39)**	(264)
Net cash inflow (outflow) from financing activities		**39,406**	296,960	**(93)**	875
Net (decrease) increase in cash and cash equivalents		**(275)**	966	**(120)**	(21)
Cash and cash equivalents at the beginning of the financial year		**1,000**	19	**14**	19
Effects of exchange rate changes on cash and cash equivalents		**(325)**	15	**120**	16
Cash and cash equivalents at end of year	7	**400**	1,000	**14**	14

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

Contents of the notes to the financial statements

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The combined financial report includes separate financial statements for Transurban International Limited (TIL) as an individual entity and the Group consisting of Transurban International Limited and its subsidiaries.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001.*

Where necessary, comparatives have been reclassified for consistency with current year disclosures.

Compliance with IFRS
Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report of Transurban International Limited complies with International Financial Reporting Standards (IFRS).

Early adoption of standards
The Group has not elected to adopt any new accounting standards early.

Historical cost convention
These financial statements have been prepared under the historical cost convention, as modified by the revaluation of other financial assets and liabilities.

Critical accounting estimates
The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 33.

(b) Principles of consolidation

Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Transurban International Limited (company or parent entity) as at 30 June 2009 and the results of all subsidiaries for the year then ended. Transurban International Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to note 1(g)).

The consolidated financial statements incorporate an elimination of inter-entity transactions and balances and other adjustments necessary to present the financial statements on a combined basis. The accounting policies adopted in preparing the financial statements have been consistently applied by the individual entities comprising the financial statements except as otherwise indicated.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Transurban International Limited.

Associates
Associates are all entities over which the Group has significant influence but not control. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

1 Summary of significant accounting policies (continued)

(b) Principles of consolidation (continued)

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Segment reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

(d) Foreign currency translation

Functional and presentation currency
Items included in the financial statements of each other the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars, which is Transurban Holdings Limited's (the ultimate parent of the Transurban Group) functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Translation differences on financial assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

1 Summary of significant accounting policies (continued)

(d) Foreign currency translation (continued)

Group companies
The results and financial position of all Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the income statement, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, rebates and amounts collected on behalf of third parties.

Revenue is recognised in the major business activities as follows:

(i) Business development fees
Business development fees are recognised when receivable and to the extent of costs incurred, and it is probable the costs will be recovered.

(ii) Interest income
Interest income is recognised on a time proportionate basis using the effective interest rate method.

(iii) Dividends
Dividends are recognised as revenue when the right to receive payment is established.

(f) Income tax

Transurban International Limited is domiciled in Bermuda. There is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by TIL under Bermudan tax legislation.

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 consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1 Summary of significant accounting policies (continued)

(f) Income tax (continued)

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(g) Business combinations

The purchase method of accounting is used to account for all business combinations, excluding business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity and internal costs expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(h) Impairment of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. The decrement in the carrying amount is recognised as an expense in net profit or loss in the reporting period in which the impairment occurs.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(i) Cash and cash equivalents

For cash flow presentation purposes, 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 insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. Trade receivables are due for settlement no more than 30 days from the date of revenue recognition.

1 Summary of significant accounting policies (continued)

(j) Trade receivables (continued)

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the allowance is recognised in the income statement.

(k) Investments and other financial assets

Classification
The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 8) in the balance sheet.

Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

Available-for-sale financial assets
Available-for-sale financial assets comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

1 Summary of significant accounting policies (continued)

(k) Investments and other financial assets (continued)

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when the Group's right to receive payments is established.

Impairment

The Group assessed at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for available-for-sale, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the profit or loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

(l) Fair value estimation

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

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; appropriate quoted market price for financial liabilities is for the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps and cross currency swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

The carrying value less impairment allowance of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(m) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

Depreciation
Depreciation is calculated on a straight line basis so as to write-off the net costs of items of plant and equipment over their expected useful lives. Estimates of remaining useful lives will be made annually for all assets. The expected useful lives are 3 - 15 years.

Impairment
Fixed assets are assessed for impairment in line with the policy stated in note 1(h).

1 Summary of significant accounting policies (continued)

(n) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(p) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred, except to the extent to which they relate to the construction of qualifying assets in which case specifically identifiable borrowing costs are capitalised into the cost of the asset. Borrowing costs include interest on short-term and long term borrowings.

Costs incurred in connection with the arrangement of borrowings are deferred and amortised over the effective period of the funding.

(q) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

(r) Employee benefits

Wages, salaries and annual leave
Liabilities for wages and salaries, including non-monetary benefits are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. An expense for non-accumulating sick leave is recognised when the leave is taken and measured at the rates paid or payable.

Liabilities for annual leave are recognised in the provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. The provision is classified as a current liability.

Long service leave
The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

1 Summary of significant accounting policies (continued)

(r) Employee benefits (continued)

Equity-based compensation benefits
Equity-based compensation benefits have been provided to employees via the Transurban Group Executive Option Plan. Information relating to these plans is set out in section D of the remuneration report.

The fair value of units granted under the plans are recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the units.

The fair value of units granted under cash settled share-based compensation plans is recognised as an expense over the vesting period with a corresponding increase in liabilities. The fair value of the liability is remeasured at each reporting date with any changes in fair value recognised in the income statement for the period.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term, the impact of dilution, the security price at grant date and expected price volatility of the underlying security, the expected dividend yield and the risk free interest rate for the term of the plan.

The fair value granted is adjusted to reflect the market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and growth targets). Non-market vesting conditions are included in assumptions about the number of units that are expected to become exercisable. At each reporting date, the Group revises its estimate of the number of units that are expected to become exercisable. The employee benefit expense recognised each reporting period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity.

Superannuation
Superannuation is contributed to plans as nominated by the employee. The contribution is not less than the statutory minimum. The superannuation plans are all accumulation funds.

The cost of current and deferred employee compensation and contributions to employee superannuation plans were charged to the income statement.

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

Business Generation Incentive Plan
The Group recognises a liability for bonuses as part of a Business Generation Incentive Plan. The Plan provides for cash bonuses to be paid from a bonus pool determined by the risk adjusted net present value of a project or business venture. The Plan is intended to reward executives for successful business generation activities, based on the increase in security holder value derived from new business.

(s) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a reduction from the proceeds. Incremental costs directly attributable to the issue of new share or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(t) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

1 Summary of significant accounting policies (continued)

(u) Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to members of the share excluding any minority interest and costs of servicing equity other than distributions, by the weighted average number of shares outstanding during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(v) Goods and Services Tax (GST)

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

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

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

(w) Rounding of amounts

The company is of a kind referred to in Class order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(x) Working capital deficiency

As at 30 June 2009 the Group has a working capital deficiency represented by net current liabilities of $246.13 million (2008: $221.56 million). This working capital deficiency reflects a number of specific factors primarily related to an intercompany loan payable with another entity within the Transurban Group. The directors have considered the position and believe it is unlikely that the loan will be called upon.

(y) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The Group's and the parent entity's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 2008-8 *Amendment to IAS 39 Financial Instruments: Recognition and Measurement* (effective 1 July 2009)
AASB 2008-8 amends AASB 139 Financial Instruments: Recognition and Measurement and must be applied retrospectively in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendment makes two significant changes. It prohibits designating inflation as a hedgeable component of a fixed rate debt. It also prohibits including time value in one-sided hedged risk when designating options as hedges. The Group will apply the amended standard from 1 July 2009. It is not expected to have a material impact on the Group's financial statements.

(ii) Revised AASB 3 *Business Combinations*, AASB 127 *Consolidated and Separate Financial Statements* and AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127* (effective 1 July 2009)

The revised AASB 3 continues to apply the acquisition method to business combinations, but with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquire either as fair value or at the non-controlling interest's proportionate share of acquiree's net assets. All acquisition-related costs must be expensed. This is different to the Group's current policy which is set out in note 1(g) above.

1 Summary of significant accounting policies (continued)

(y) New accounting standards and interpretations (continued)

The revised AASB 127 requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and those transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. This is consistent with the Group's current accounting policy if significant influence is not retained.

The Group will apply the revised standards prospectively to all business combinations and transactions with non-controlling interests from 1 July 2009.

(iii) AASB 2008-7 *Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* (effective 1 July 2009)

In July 2008, the AASB approved amendments to AASB 1 First time Adoption of International Financial Reporting Standards and AASB 127 Consolidated and Separate Financial Statements. The Group will apply the revised rules prospectively from 1 July 2009. After that date, all dividends received from investments in subsidiaries, jointly controlled entities or associates will be recognised as revenue, even if they are paid out of pre-acquisition profits, but the investments may need to be tested for impairment as a result of the dividend payments. Under the entity's current policy, these dividends are deducted from the cost of investment. Furthermore, if a new intermediate parent entity was created in the event of an internal reorganisation, investments in subsidiaries will be measured at the carrying amount of the net assets of the subsidiary rather than the subsidiary's fair value.

(iv) Revised AASB 101 *Presentation of Financial Statements* and AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101* (effective 1 January 2009)
The September 2007 revised AASB 101 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior year adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The Group will apply the revised standard from 1 July 2009.

(v)AASB 8 *Operating Segments* and AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8*

AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The Group will adopt AASB 8 from 1 July 2009, and will only result in disclosure changes.

(vi) Revised AASB 123 *Borrowing Costs* and AASB 2007-6 *Amendments to Australian Accounting Standards arising from AASB 123* (effective from 1 January 2009)

The revised AASB 123 has removed the option to expense all borrowing costs and, when adopted, will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Group, as the Group already capitalises borrowing costs relating to qualifying assets.

(vii)AASB Interpretation 17 *Distribution of Non-cash Assets to Owners* and AASB 2008-13 *Amendments to Australian Accounting Standards arising from AASB Interpretation 17* (effective 1 July 2009)

AASB-I 17 applies to situations where an entity pays dividends by distributing non-cash assets to its shareholders. These distributions will need to be measured at fair value and the entity will need to recognise the difference between the fair value and the carrying amount of the distributed assets in the income statement on distribution. This is different to the Group's current policy which is to measure distributions of non-cash assets at their carrying amounts. The interpretation further clarifies when a liability for the dividend must be recognised and that it is also measured at fair value. The Group will apply the interpretation prospectively from 1 July 2009.

1 Summary of significant accounting policies (continued)

(y) New accounting standards and interpretations (continued)

(viii) AASB 2009-2 *Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments* (effective 1 January 2009)

AASB 2009-2 results in amendments to AASB 7. It requires fair value measurement disclosures to be classified into a new three-level hierarchy and additional disclosures for items whose fair value is determined by valuation techniques rather than observable market values. The AASB also clarified and enhanced the existing requirements for the disclosure of liquidity risk of derivatives. The Group is currently assessing the impact of the disclosure requirements. The amendment will not affect any of the amounts recognised in the financial statements.

2 Segment information

Description of segments

The Group's only business segment for the year ending 30 June 2009 was an investment in, and providing management services to, Transurban DRIVe, and the investigation of possible investment opportunities in the toll road sector in North America.

3 Revenue

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
From continuing operations				
Interest	**12**	152	**-**	1
Business development fees	**28,674**	42,795	**359**	131
	28,686	42,947	**359**	132

4 Other income

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Foreign exchange gains (net) (2008: loss)	**19,981**	-	**-**	-
	19,981	-	**-**	-

5 Expenses

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Loss before income tax includes the following specific expenses:				
Employee benefits expense	**15,334**	15,507	**-**	-
Rental expense	**1,955**	1,316	**-**	-
Finance costs				
Interest and finance charges paid/payable	**13,590**	15,788	**-**	5
Foreign exchange losses (net gain in 2009 - see note 4)				
Net foreign exchange losses	**-**	7,011	**275**	50

6 Income tax expense

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
(a) Income tax expense				
Current tax	**(3,758)**	1,852	**-**	-
Deferred tax	**2,722**	(7,571)	**-**	-
Under/(Over) provided in prior years	**2,719**	-	**-**	-
	1,683	(5,719)	**-**	-
Deferred income tax (revenue) expense included in income tax expense comprises:				
Decrease (increase) in deferred tax assets (note 12)	**4,179**	(9,800)	**-**	-
(Decrease) increase in deferred tax liabilities (note 16)	**(1,457)**	2,229	**-**	-
	2,722	(7,571)	**-**	-

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
(b) Numerical reconciliation of income tax expense to prima facie tax payable				
Profit from continuing operations before income tax expense	**(38,018)**	(42,807)	**(338)**	(430)
Tax at the Australian tax rate of 30% (2008 - 30%)	**(11,405)**	(12,294)	**(101)**	(129)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Tax differential	**(3,088)**	(2,452)	**-**	-
Equity accounted results	**9,731**	6,654	**-**	-
Income not subject to tax	**1,110**	4,202	**101**	129
Initial recognition of unbooked deferred tax assets	**-**	(2,095)	**-**	-
Sundry items	**2,616**	266	**-**	-
Under/(over) provision in prior years	**2,719**	-	**-**	-
Income tax expense	**1,683**	(5,719)	**-**	-

7 Current assets - Cash and cash equivalents

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Cash at bank and in hand	**400**	1,000	**14**	14
Balance per statement of cash flows	**400**	1,000	**14**	14

8 Current assets - Trade and other receivables

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Trade receivables	**43**	5,296	**14**	12
Loans to related parties	**7,125**	45,838	**156,737**	95,628
Other receivables	**13,885**	3,268	**76**	130
Current tax receivable	**804**	-	**-**	-
Prepayments	**57**	59	**47**	53
	21,914	54,461	**156,874**	95,823

No class within trade and other receivables contain impaired or passed due assets. Based on the credit history, it is expected that these amounts will be received when due. The company does not hold any collateral in relation to these receivables.

(a) Interest rate risk

Information about the Group's exposure to interest rate risk in relation to trade and other receivables is provided in note 34.

(b) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

Refer to note 34 for more information on the risk management policies of the Group.

9 Non-current assets - Investments accounted for using the equity method

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Investment - DRIVe Holdings (note 27)	**269,315**	250,441	**-**	-
	269,315	250,441	**-**	-

10 Non-current assets - Other financial assets

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Shares in subsidiaries (note 26)	**-**	-	**1**	1
	-	-	**1**	1

11 Non-current assets - Property, plant and equipment

Consolidated	**Fixtures and fittings $'000**
At 1 July 2007	
Cost	-
Accumulated depreciation	-
Net book amount	-
Year ended 30 June 2008	
Opening net book amount	-
Additions	3,970
Subsidiary sold	(115)
Depreciation charge	(738)
Closing net book amount	3,117
At 30 June 2008	
Cost	3,970
Accumulated depreciation	(853)
Net book amount	3,117
Year ended 30 June 2009	
Opening net book amount	3,117
Additions	1,181
Depreciation charge	(3,380)
Closing net book amount	918
At 30 June 2009	
Cost	4,786
Accumulated depreciation	(3,868)
Net book amount	918

12 Non-current assets - Deferred tax assets

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
The balance comprises temporary differences attributable to:				
Accrued expenses	**132**	917	**-**	-
Provisions	**1,278**	4,211	**-**	-
Unearned income	**6,176**	2,032	**-**	-
Sundry items	**140**	2,685	**-**	-
Total deferred tax assets	**7,726**	9,845	**-**	-
Movements:				
Opening balance at 1 July	**9,845**	-	**-**	-
Credited/(charged) to the income statement (note 6)	**(4,179)**	9,800	**-**	-
Foreign exchange movements	**2,060**	45	**-**	-
Closing balance at 30 June	**7,726**	9,845	**-**	-
Deferred tax assets to be recovered after more than 12 months	**7,726**	9,845	**-**	-
Closing balance at 30 June	**7,726**	9,845	**-**	-

13 Current liabilities - Trade and other payables

		Consolidated		Parent	
		2009	2008	**2009**	2008
	Notes	**$'000**	$'000	**$'000**	$'000
Trade payables and accruals		**3,291**	4,701	**-**	95
Loans from related parties	24	**253,756**	261,606	**-**	757
		257,047	266,307	**-**	852

Loans from related parties are at call and non-interest bearing.

(a) Risk exposure

Information about the Group's and the parent entity's exposure to foreign exchange risk is provided in note 34.

14 Current liabilities - Provisions

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Employee benefits	**3,065**	7,456	**-**	-
Onerous contracts	**2,980**	-	**-**	-
	6,045	7,456	**-**	-

The provision for employee entitlements includes provision for annual leave, bonuses and the current portion of long service leave provision.

(a) Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	Onerous contracts $'000
Consolidated - 2009	
Current	
Carrying amount at start of year	-
- provision recognised	4,165
- amounts paid during the year	(184)
- movements in foreign exchange rates	(1,001)
Carrying amount at end of year	2,980

15 Current liabilities - Non-interest bearing liabilities

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Unearned income	**5,349**	1,666	**-**	-
	5,349	1,666	**-**	-

16 Non-current liabilities - Deferred tax liabilities

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
The balance comprises temporary differences attributable to:				
Unrealised gain	**-**	2	**-**	-
Fixed assets	**917**	2,227	**-**	-
Accruals	**392**	-	**-**	-
Total deferred tax liabilities	**1,309**	2,229	**-**	-
Movements:				
Opening balance at 1 July	**2,229**	-	**-**	-
Charged/(credited) to the income statement (note 6)	**(1,457)**	2,229	**-**	-
Foreign exchange movements	**537**	-	**-**	-
Closing balance at 30 June	**1,309**	2,229	**-**	-
Deferred tax liabilities to be settled after more than 12 months	**1,309**	2,229	**-**	-
	1,309	2,229	**-**	-

17 Non-current liabilities - Provisions

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Employee benefits - long service leave	**95**	24	**-**	-
	95	24	**-**	-

The provision for employee entitlements is the non-current portion of the long service leave provision.

18 Contributed equity

	2009	2008
	$'000	$'000
(a) Share capital		
Ordinary shares		
Fully paid stapled securities	**138,983**	95,554
	138,983	95,554

	Number	Number
	'000	'000
Share capital		
Ordinary shares		
Fully paid stapled securities	**1,281,363**	1,218,263
	1,281,363	1,218,263

18 Contributed equity (continued)

(b) Movements in ordinary share capital:

Date	Details	Notes	Number of securities '000	Issue price	$'000
1 July 2007	**Opening balance**		**1,068,375**		-
27 Aug 2007	Distribution Reinvestment Plan	(e)	11,408	$-	-
19 Sep 2007	Disposal of treasury securities	(d)	138	$-	-
25 Sep 2007	Disposal of treasury securities	(d)	44	$-	-
4 Oct 2007	Disposal of treasury securities	(d)	50	$-	-
29 Nov 2007	Disposal of treasury securities	(d)	273	$-	-
5 Dec 2007	Disposal of treasury securities	(d)	30	$-	-
7 Jan 2008	Disposal of treasury securities	(d)	31	$-	-
27 Feb 2008	Distribution Reinvestment Plan	(e)	17,058	$-	-
11 Mar 2008	Disposal of treasury securities	(d)	27	$-	-
9 Apr 2008	Disposal of treasury securities	(d)	95	$-	-
16 Apr 2008	Disposal of treasury securities	(d)	44	$-	-
1 May 2008	Disposal of treasury securities	(d)	62	$-	-
25 Jun 2008	Disposal of treasury securities	(d)	628	$0.58	365
26 June 2008	Equity Placement	(h)	120,000	$0.80	95,526
	Less: Transaction costs arising on issue of securities				(337)
30 June 2008	**Balance**		**1,218,263**		**95,554**
1 July 2008	**Opening balance**		**1,218,263**		**95,554**
9 Jul 2008	Disposal of treasury securities	(d)	11	$0.65	7
19 Aug 2008	Disposal of treasury securities	(d)	8	$0.80	7
19 Aug 2008	Disposal of treasury securities	(d)	33	$0.81	27
21 Aug 2008	Disposal of treasury securities	(d)	12	$0.79	10
31 Aug 2008	Distribution Reinvestment Plan	(e)	36,555	$0.68	24,700
31 Aug 2008	Distribution Reinvestment Plan	(e)	14,451	$0.69	9,995
11 Sep 2008	Disposal of treasury securities	(d)	29	$0.75	22
11 Sep 2008	Disposal of treasury securities	(d)	12	$0.75	9
11 Sep 2008	Disposal of treasury securities	(d)	68	$0.75	51
26 Sep 2008	Share Purchase Plan	(f)	1,830	$0.79	1,450
9 Oct 2008	Disposal of treasury securities	(d)	11	$0.83	9
23 Oct 2008	Disposal of treasury securities	(d)	23	$0.79	18
7 Nov 2008	Disposal of treasury securities	(d)	25	$0.79	20
13 Nov 2008	Disposal of treasury securities	(d)	56	$0.83	47
14 Nov 2008	Disposal of treasury securities	(d)	93	$0.83	77
14 Nov 2008	Vested treasury units	(d)	102	$0.73	75
17 Nov 2008	Vested treasury units	(d)	91	$0.73	67
18 Nov 2008	Vested treasury units	(d)	9	$0.73	6
19 Nov 2008	Vested treasury units	(d)	39	$0.73	29
20 Nov 2008	Vested treasury units	(d)	19	$0.73	14
30 Nov 2008	Acquisition of treasury units	(d)	(443)	$0.77	(339)
8 Dec 2008	Vested treasury units	(d)	287	$0.67	192
8 Dec 2008	Disposal of treasury units	(d)	3	$0.67	2
23 Dec 2008	Vested treasury units	(d)	90	$0.73	66
24 Dec 2008	Vested treasury units	(d)	18	$0.73	13
30 Dec 2008	Vested treasury units	(d)	27	$0.73	20
31 Dec 2008	Transfer from share-based payments reserve - 2005	(d)			2
7 Jan 2009	Vested treasury units	(d)	35	$0.73	24
22 Jan 2009	Disposal of treasury securities	(d)	10	$0.73	7
27 Feb 2009	Distribution Reinvestment Plan	(e)	9,585	$0.71	6,835
11 Mar 2009	Disposal of treasury securities	(d)	11	$0.59	6
	Less: Transaction costs arising on issue of securities				(39)
30 June 2009	**Balance**		**1,281,363**		**138,983**

18 Contributed equity (continued)

All shares issued were a component of Stapled Securities issued by the Transurban Group. Prior to June 2008, a nil value was assigned to Transurban International Limited, with the value being apportioned between Transurban Holdings Limited and Transurban Holding Trust.

(c) Stapled securities

Stapled Securities entitle the holder to participate in distributions and the winding up of the Transurban Group in proportion to the number of and amounts paid on the securities held. On a show of hands, every holder of Stapled Securities present at a meeting in person or by proxy is entitled to one vote.

(d) Treasury securities

Stapled securities were issued to Transurban Group executives under the Share-based Payment plans. The securities are held by the executive but will only vest in the executive in accordance with the terms of the plans. The acquired securities cannot be transferred or sold while the loan is outstanding. On forfeit, the securities are sold on market.

(e) Distribution Reinvestment Plan

The Transurban Group has established a distribution reinvestment plan under which holders of Stapled Securities may elect to have all or part of their distribution entitlements satisfied by the issue of new Stapled Securities rather than by cash.

(f) Share purchase plan

TIL raised $1.5 million via a share purchase plan, issuing 1.8 million stapled securities to eligible security holders.

(g) Capital risk management

The Group is subject to a gearing ratio covenant imposed by Senior Secured lenders. The Group monitors capital on the basis of the gearing ratio to ensure compliance with the covenant.

The Group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to security holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amounts of distributions paid to security holders, return capital to security holders, issue new securities or sell assets to reduce debt.

(h) Equity Placement

TIL raised $95.5 million via an equity placement of 120 million securities to the Canadian Pension Plan Investment Board.

19 Reserves and retained profits/(accumulated losses)

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
(a) Reserves				
Hedging reserve - cash flow hedges	**(55,602)**	(13,164)	**-**	-
Share-based payments reserve	**165**	-	**165**	-
Foreign currency translation reserve	**33,094**	3,689	**18,707**	60
Transactions with minority interest reserve	**(9,225)**	(9,225)	**-**	-
	(31,568)	(18,700)	**18,872**	60
Movements:				
Hedging reserve - cash flow hedges				
Balance 1 July	**(13,164)**	-	**-**	-
Movement in associate's reserve	**(42,438)**	(13,164)	**-**	-
Balance 30 June	**(55,602)**	(13,164)	**-**	-
Share-based payments reserve				
Balance 1 July	**-**	-	**-**	-
Employee share plan expense	**165**	-	**165**	-
Balance 30 June	**165**	-	**165**	-
Foreign currency translation reserve				
Balance 1 July	**3,689**	3	**60**	8
Currency translation differences arising during the year	**29,405**	3,686	**18,647**	52
Balance 30 June	**33,094**	3,689	**18,707**	60
Transactions with minority interest reserve				
Balance 1 July	**(9,225)**	-	**-**	-
Acquisition of commonly controlled entities	**-**	(9,225)	**-**	-
Balance 30 June	**(9,225)**	(9,225)	**-**	-

(b) Accumulated losses

Movements in retained profits were as follows:

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Opening retained earnings	**(37,286)**	(198)	**(628)**	(198)
Net (loss) for the year	**(39,701)**	(37,088)	**(338)**	(430)
Balance 30 June	**(76,987)**	(37,286)	**(966)**	(628)

19 Reserves and retained profits/(accumulated losses) (continued)

(c) Nature and purpose of reserves

(i) Hedging reserve - cash flow hedges
The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, as described in note 1. Amounts are recognised in profit and loss when the associated hedged transaction affects profit and loss.

(ii) Share-based payments reserve
The share-based payments reserve is used to recognise the value of long-term incentives issued but not exercised.

(iii) Foreign currency translation reserve
Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve, as described in note 1(d). The reserve is recognised in profit and loss when the net investment is disposed of.

(iv) Transactions with minority interest reserve
The transactions with minority interest reserve arose as a result of the acquisition of Transurban (USA) Holdings Inc. and its subsidiaries Transurban (USA) Inc. and Transurban (USA) Operations Inc. from a commonly controlled Transurban Group entity (Transurban Limited).

20 Dividends

No dividends were paid or declared during the year.

21 Key management personnel disclosures

(a) Directors

The following persons were directors of Transurban International Limited during the financial year:

(i) *Chairman - non-executive*
David J Ryan

(ii) *Executive directors*
Christopher Lynch

(iii) *Non-executive directors*
Jennifer Eve
James Keyes

(b) Other key management personnel

T Honan	Chief Financial Officer (from 15 October 2008)
B Bourke	Chief Operating Officer
D Cardiff	Group General Manager Human Resources
K Daley	President International Development
M Kulper	President Transurban North America
S Hogg	Treasurer (acting Chief Financial Officer until 14 October 2008)
M Fletcher	Group General Manager Public Affairs
A Head	Group General Manager Strategy & Corporate Development
E Mildwater	Chief Legal Counsel and Company Secretary

The remuneration amounts below represent the entire amounts paid by the Transurban Group. The full amounts have been disclosed as a reasonable basis of apportionment is not available to reflect the Group's portion.

21 Key management personnel disclosures (continued)

(c) Key management personnel compensation

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$	$	**$**	$
Short-term employee benefits	**14,705,962**	24,815,967	**14,705,962**	24,815,967
Post-employment benefits	**656,016**	746,745	**656,016**	746,745
Long-term benefits	**182,876**	-	**182,876**	-
Termination benefits	**-**	6,960,057	**-**	6,960,057
Share-based payments	**1,857,574**	1,283,204	**1,857,574**	1,283,204
	17,402,428	33,805,973	**17,402,428**	33,805,973

Detailed remuneration disclosures are made in the Directors' Report. The relevant information can be found in sections A-D of the remuneration report on pages 233 to 250.

(d) Equity instrument disclosures relating to key management personnel

(i) Share-based payments

Details of executive long term incentives, together with terms and conditions, can be found in section D of the remuneration report in the Director's Report. The non-executive directors do not receive any share-based payments.

(ii) Performance Awards Plan (PAP)

2009 Name	**Balance at start of the year**	**Granted during the year as remuneration**	**Matured and paid during the year**	**Other changes during the year**	**Balance at end of the year**	**Matured and payable at the end of the year**
Directors of Transurban International Limited						
C Lynch	-	483,721	-	-	483,721	-
Other key management personnel of the Group						
B Bourke	-	85,465	-	-	85,465	-
D Cardiff	-	46,512	-	-	46,512	-
K Daley	-	67,151	-	-	67,151	-
A Head	-	46,512	-	-	46,512	-
S Hogg	-	23,256	-	-	23,256	-
T Honan	-	232,558	-	-	232,558	-
M Kulper	-	145,422	-	-	145,422	-
E Mildwater	-	29,070	-	-	29,070	-

As the Performance Awards Plan was introduced in November 2008, there is no comparative data.

21 Key management personnel disclosures (continued)

(iii) ***Executive Loan Plan***
The number of securities held during the financial year by each director of Transurban International Limited and other key management personnel of the Company, including their personally related parties, are set out below.

2009 Name	**Balance at start of the year**	**Granted during the year as remuneration**	**Exercised during the year**	**Other changes during the year**	**Balance at end of the year**	**Vested and exercisable at the end of the year**
Directors of Transurban International Limited						
C Lynch	-	-	-	-	-	-
Other key management personnel of the Group						
B Bourke	262,000	-	(90,005)	(11,995)	160,000	-
D Cardiff	63,500	-	(25,148)	(3,352)	35,000	-
K Daley	174,000	-	(74,000)	-	100,000	-
M Fletcher	15,000	-	-	-	15,000	-
A Head	-	-	-	-	-	-
S Hogg	-	-	-	-	-	-
M Kulper	190,000	-	(90,000)	-	100,000	-
T Honan	-	-	-	-	-	-
E Mildwater	-	-	-	-	-	-

2008 Name	**Balance at start of the year**	**Granted during the year as remuneration**	**Exercised during the year**	**Other changes during the year**	**Balance at end of the year**	**Vested and exercisable at the end of the year**
Directors of Transurban International Limited						
K Edwards	722,500	-	-	(722,500)	-	-
Other key management personnel of the Group						
B Bourke	262,000	-	-	-	262,000	-
C Brant	293,000	-	-	-	293,000	-
D Cardiff	63,500	-	-	-	63,500	-
K Daley	174,000	-	-	-	174,000	-
M Kulper	190,000	-	-	-	190,000	-
G Mann	272,500	-	-	(272,500)	-	-
P O'Shea	205,000	-	-	-	205,000	-

21 Key management personnel disclosures (continued)

(iv) ***Stapled security holdings***

The number of Transurban Group Stapled Securities and Convertible Adjusting Rate Securities ("CARS") held during the financial year by each director of Transurban International Limited and other key management personnel, including their personally-related parties, are set out below.

Stapled Securities

2009 Name	**Balance at start of the year**	**Received during the year via the Performance Rights Plan**	**Received during the year via the Executive Equity Plan**	**Other changes during the year**	**Balance at end of the year**
Directors of Transurban International Limited					
D J Ryan	57,300	-	-	3,645	60,945
J Eve	-	-	-	-	-
J Keyes	-	-	-	-	-
C Lynch	152,800	-	79,647	594	233,041
Other key management personnel of the Group					
B Bourke	699,661	-	19,146	(98,656)	620,151
D Cardiff	167,633	-	19,146	(28,302)	158,477
K Daley	365,332	-	19,146	100	384,578
M Fletcher	15,121	-	19,146	(776)	33,491
A Head	51,701	-	19,146	(24,605)	46,242
S Hogg	-	-	15,316	7,465	22,781
T Honan	-	-	85,474	-	85,474
M Kulper	80,000	-	23,944	-	103,944
E Mildwater	4,700	-	19,146	794	24,640

2008 Name	**Balance at start of the year**	**Received during the year via the Performance Rights Plan**	**Received during the year via the Executive Loan Plan**	**Other changes during the year**	**Balance at end of the year**
Directors of Transurban International Limited					
D J Ryan	24,091	-	-	33,209	57,300
K Edwards	2,033,500	-	-	(2,033,500)	-
C Lynch	-	-	-	152,800	152,800
Other key management personnel of the Group					
C Brant	296,392	-	-	-	296,392
B Bourke	671,328	-	-	28,333	699,661
D Cardiff	167,443	-	-	190	167,633
K Daley	365,332	-	-	-	365,332
M Kulper	-	-	-	80,000	80,000
G Mann	272,707	-	-	(272,707)	-
P O'Shea	442,489	-	-	81,799	524,288

21 Key management personnel disclosures (continued)

(v) Executive Equity Plan (EEP)

2009 Name	Balance at start of the year	Granted during the year as remuneration	Matured and paid during the year	Other changes during the year	Balance at end of the year	Matured and payable at the end of the year
Directors of Transurban International Limited						
C J Lynch	-	79,647	-	-	79,647	-
Other key management personnel of the Group						
B Bourke	-	19,146	-	-	19,146	-
D Cardiff	-	19,146	-	-	19,146	-
K Daley	-	19,146	-	-	19,146	-
M Fletcher	-	19,146	-	-	19,146	-
A Head	-	19,146	-	-	19,146	-
S Hogg	-	15,316	-	-	15,316	-
T Honan	-	85,474	-	-	85,474	-
M Kulper	-	23,944	-	-	23,944	-
E Mildwater	-	19,146	-	-	19,146	-

As the Executive Equity Plan was introduced in November 2008, there is no comparative data.

(vi) Performance Rights Plan

2009 Name	Balance at start of the year	Granted during the year as remuneration	Exercised during the year	Other changes during the year	Balance at end of the year	Vested and exercisable at the end of the year
Directors of Transurban International Limited						
C Lynch	-	-	-	-	-	-
Other key management personnel of the Group						
B Bourke	92,857	-	-	-	92,857	-
D Cardiff	27,248	-	-	-	27,248	-
K Daley	78,571	-	-	-	78,571	-
M Fletcher	11,142	-	-	-	11,142	-
A Head	14,857	-	-	-	14,857	-
S Hogg	-	-	-	-	-	-
T Honan	-	-	-	-	-	-
M Kulper	76,778	-	-	-	76,778	-
E Mildwater	-	-	-	-	-	-

2008 Name	Balance at start of the year	Granted during the year as remuneration	Matured and paid during the year	Other changes during the year	Balance at end of the year	Matured and payable at the end of the year
Directors of Transurban International Limited						
K Edwards	-	285,714	-	(285,714)	-	-
C Lynch	-	-	-	-	-	-
Other key management personnel of the Group						
C Brant	-	100,000	-	-	100,000	-
B Bourke	-	92,857	-	-	92,857	-
D Cardiff	-	27,248	-	-	27,248	-
K Daley	-	78,571	-	-	78,571	-
M Kulper	-	76,778	-	-	76,778	-
P O'Shea	-	78,571	-	-	78,571	-

22 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$	$	**$**	$
Amounts received or due and receivable by PricewaterhouseCoopers				
Audit and Other Assurance Services				
Audit and review of financial reports	**50,000**	128,250	**-**	128,250
Total remuneration for PricewaterhouseCoopers	**50,000**	128,250	**-**	128,250

23 Contingencies

(a) Contingent liabilities

As at the date of this report, there are no contingent liabilities.

24 Related party transactions

(a) Parent entities

The ultimate parent entity of Transurban International Limited is Transurban Holdings Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 26.

(c) Key management personnel

Disclosure relating to key management personnel are set out in note 21.

(d) Transactions with related parties

The following transactions occurred with related parties:

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$	$	**$**	$
Loans to key management personnel disclosed in				
Business development fees	**28,259,082**	42,641,668	**-**	-
Management fees	**413,752**	152,873	**358,994**	130,780
	28,672,834	42,794,541	**358,994**	130,780

(e) Loans to/from related parties

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$	$	**$**	$
Loans to related parties				
Beginning of the period	**45,837,702**	2	**95,627,701**	2
Loans advanced	**124,163,519**	56,602,176	**481,331,578**	95,632,599
Repayment of loans	**(153,620,008)**	(24,507,318)	**(411,037,354)**	(7,436)
Acquisition of subsidiaries	**-**	16,004,799	**-**	-
Foreign exchange movements	**(9,256,554)**	(2,261,957)	**(9,185,358)**	2,536
	7,124,659	45,837,702	**156,736,567**	95,627,701
Loans from related parties				
Beginning of the period	**261,605,671**	223,148	**757,063**	223,148
Loans advanced	**620,371,574**	466,961,204	**-**	1,719,486
Loan repayments	**(622,571,235)**	(251,986,687)	**(757,063)**	(1,185,571)
Acquisition of subsidiaries	**-**	46,967,613	**-**	-
Unsecured loans	**-**	(559,607)	**-**	-
Foreign exchange movements	**(5,650,309)**	-	**-**	-
	253,755,701	261,605,671	**-**	757,063

(f) Other related parties

Mr Lynch and Mr Ryan are directors of Transurban Holdings Limited and Transurban Infrastructure Management Limited. Related party transactions have occurred with these Transurban Group entities and their wholly-owned subsidiaries.

Ms Eve is an Associate of Appleby (Legal from within Bermuda). During the year Transurban International Limited utilised Appleby for various legal services to the amount of $90,991 (2008: $112,325).

25 Business combination

Prior period

(a) Summary of acquisition

On 10 September 2007 the Company acquired 100 per cent of the issued capital of Transurban (USA) Holdings Inc. and its subsidiaries Transurban (USA) Inc. and Transurban (USA) Operations Inc.

The acquired entities contributed $8.7 million of net loss to the Group for the period 10 September 2007 to 30 June 2008. If the acquisition had occurred on 1 July 2007, consolidated revenue and consolidated losses for the year ended 30 June 2008 would have been $38.1 million and $9.1 million respectively.

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

	$'000
Purchase consideration	
Cash paid	-
Total purchase consideration	-
Fair value of net identifiable assets (liabilities) acquired	(9,225)
Goodwill	-

(b) Assets and liabilities acquired

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount $'000	Fair value $'000
Cash	**1,613**	**1,613**
Other receivables	**19,443**	**19,443**
Plant and equipment	**744**	**744**
Trade and other payables	**(29,647)**	**(29,647)**
Provisions	**(1,378)**	**(1,378)**
Net assets	**(9,225)**	**(9,225)**

26 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of shares	Equity holding * 2009 %	2008 %
Transurban International Holdings LLC	Bermuda	Ordinary	**100**	100
Transurban (USA) Holdings Inc	USA	Ordinary	**100**	100
Transurban (USA) Inc	USA	Ordinary	**100**	100
Transurban DRIVe Management	USA	Ordinary	**100**	100
Transurban (USA) Operations	USA	Ordinary	**100**	100

* The proportion of ownership interest is equal to the proportion of voting power held.

27 Investments in associates

Transurban DRIVe

(a) Carrying amounts

Name of company		Ownership interest 2009 %	Ownership interest 2008 %	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Transurban DRIVe Holdings LLC	Consulting	**75**	75	**269,315**	250,441	**-**	-
				269,315	250,441	**-**	-

	Consolidated 2009 $'000	Consolidated 2008 $'000
(b) Movements in carrying amounts		
Carrying amount at the beginning of the financial year	**250,441**	-
Investment in associate	**24,809**	305,565
Share of profits (losses) after income tax	**(24,950)**	(18,721)
Movements in exchange rates	**61,453**	(23,233)
Movements in reserves	**(42,438)**	(13,170)
Carrying amount at the end of the financial year	**269,315**	250,441
(c) Share of associates' profits or losses		
Loss before income tax	**(39,010)**	(30,141)
Income tax (expense) benefit	**14,060**	11,420
Loss after income tax	**(24,950)**	(18,721)

(d) Summarised financial information of associates

The Group's share of the results of its principal associates and its aggregated assets (including goodwill) and liabilities are as follows:

	Ownership Interest %	Group's share of: Assets $'000	Liabilities $'000	Revenues $'000	Profit $'000
2009					
Transurban DRIVe Holdings LLC	75	2,014,388	(1,745,073)	14,550	(24,950)
		2,014,388	(1,745,073)	14,550	(24,950)
2008					
Transurban DRIVe Holdings LLC	75	1,214,776	(964,110)	10,606	(18,721)
		1,214,776	(964,110)	10,606	(18,721)

27 Investments in associates (continued)

(e) Share of expenditure commitments

	Consolidated	
	2009	2008
	$'000	$'000
Capital commitments	**860,591**	757,904
Operating commitments	**154,827**	118,000
	1,015,418	875,904

(f) Contingent liabilities of associates

As at the reporting date there are no contingent liabilities

28 Events occurring after the balance sheet date

There are no unusual matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the entity, the results of those operations or the state of affairs of the entity in subsequent financial years.

29 Reconciliation of profit after income tax to net cash inflow from operating activities

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Loss for the year	**(39,701)**	(37,088)	**(338)**	(430)
Depreciation and amortisation	**3,380**	738	**-**	-
Share of losses of associates	**24,950**	18,721	**-**	-
Non cash business development costs	**-**	13,524	**-**	-
Change in operating assets and liabilities				
Decrease (Increase) in prepayments	**2**	(45)	**(6)**	38
(Increase) in trade and other receivables	**(5,364)**	(8,564)	**(52)**	(143)
Non cash related party loans	**3,473**	21,227	**274**	(456)
(Decrease) Increase in trade payables and accruals	**(1,410)**	4,701	**95**	95
(Decrease) increase in provisions	**(1,340)**	7,480	**-**	-
Increase in unearned income	**3,683**	1,666	**-**	-
Decrease (Increase) in deferred taxes	**1,199**	(7,616)	**-**	-
(Decrease) in current tax payable/receivable	**(2,418)**	1,614	**-**	-
Net cash (outflow) inflow from operating activities	**(13,546)**	16,358	**(27)**	(896)

30 Earnings per stapled security

	Consolidated 2009 Cents	Consolidated 2008 Cents
(a) Basic earnings per share		
Loss from continuing operations attributable to the ordinary equity holders of the company	**(3.1)**	(3.4)
(b) Diluted earnings per share		
Loss from continuing operations attributable to the ordinary equity holders of the company	**(3.1)**	(3.4)

	Consolidated 2009 $'000	Consolidated 2008 $'000
Profit from continuing operations	**(39,701)**	(37,088)

(c) Weighted average number of shares used as the denominator

	Consolidated 2009 Number	Consolidated 2008 Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	**1,267,502,187**	1,088,861,291
Adjustments for calculation of diluted earnings per share:		
Performance rights	**1,297,389**	452,071
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**1,268,799,576**	1,089,313,362

31 Share-based payments

The Transurban Group operates the following share based compensation plans:

(a) Performance Rights Plan ("PRP")

The Performance Rights Plan (PRP) enabled eligible executives to receive a grant of Performance Rights that entitled participants to receive stapled securities in Transurban (Securities) at no cost at the end of a three year performance period, subject to the achievement of performance conditions. No dividends or distributions on Securities were payable to participants prior to vesting. The Plan had two performance measures, EBITDA and relative TSR against the S&P/ASX 100 Industrials, each applied to 50% of the PRP award.

Awards were last made under the PRP in November 2007 and the PRP was discontinued in the 2009 financial year.

Australian based Plan	**Grant date**	**Vesting date**	**Fair value of rights at grant date**	**Spot price at grant date**
Performance Criteria				
TSR	1 Nov 2007	1 Nov 2010	$ 3.50	$ 7.29
EBITDA	1 Nov 2007	1 Nov 2010	$ 5.96	$ 7.29

Overseas Based Plan	**Grant date**	**Vesting date**	**Fair value at rights at grant date**	**Spot price at grant date**	**Fair value of rights at reporting date**
Performance Criteria					
TSR	1 Nov 2007	1 Nov 2010	$ 3.50	$ 7.29	$ 2.78
EBITDA	1 Nov 2007	1 Nov 2010	$ 5.96	$ 7.29	$ 3.86

(b) 2009 Executive Equity Plan

Equity awards are granted under the Executive Equity Plan (EEP) based on executives' performance and are designed to encourage retention of executives while focusing on business excellence. The EEP also aligns with Transurban's remuneration philosophy of encouraging executive security holding.

Individuals who are high performers and in business critical roles are nominated for awards for their past contribution and expected future performance. Board approval is required to grant EEP awards to nominated executives.

Under the EEP, eligible executives receive a grant of stapled securities in the Transurban Group ("securities") at no cost that are subject to disposal restrictions for three years from the grant date. Participants are entitled to distributions paid on their Securities during the restriction period. If the executive ceases employment with Transurban during the restriction period, their Securities will be forfeited unless the Board decides otherwise.

Grant Date	**Expiry date**	**Exercise price**	**Balance at start of the year Number**	**Granted during the year Number**	**Exercised during the year Number**	**Forfeited during the year Number**	**Balance at end of the year Number**
Consolidated and parent - 2009							
1 Nov 2008	1 Nov 2011	$4.27	-	632,886	(722)	(20,472)	611,692
Total			-	632,886	(722)	(20,472)	611,692

31 Share-based payments (continued)

(c) Performance Awards Plan

The Performance Awards Plan (PAP) is a modified version of the 2008 Performance Rights Plan (PRP). Under the PAP, eligible executives including those outside Australia, receive a grant of Performance Awards which entitles participants to receive securities at no cost subject to the achievement of performance conditions. The Board has discretion as to the form of the award at the end of the performance period and may grant cash payments of equivalent value. No dividends or distributions on securities are payable to participants prior to vesting.

Dual performance measures (an earnings measure and relative total security holder return) apply to Performance Awards. The use of dual measures balances the need to both improve the underlying performance of the business over the long term as well as appropriate returns relative to the market.

Performance Awards were granted on 1 November 2008 with a three year vesting period. The awards are tested at the end of each year. If the performance measures are satisfied for the year, one third of the awards are preserved until the end of the three year period. At the end of the three years a cumulative test of the performance measures is applied to any unvested awards.

Set out below are the awards granted under the plan.

Grant date	Expiry date	Fair value at grant date	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Forfeited during the year Number	Balance at end of the year Number
Consolidated and parent - 2009							
1 Nov 2008	1 Nov 2011	$3.79	-	1,345,369	-	(31,083)	1,314,286
Total			-	-	-	(31,083)	1,314,286

Fair value at grant date for TSR performance criteria: $3.30; EBITDA performance criteria: $4.27.

31 Share-based payments (continued)

(d) Executive Loan Plan

The Executive Loan Plan (ELP) was discontinued as of the 2007 financial year. The ELP rewarded the improvements in the price of Transurban's stapled securities over a three year period with relative Total Security holder Return (TSR) against the S&P/ASX 100 Industrials as a performance measure. Executives based outside Australia were eligible to participate in a cash based plan similarly structured to the ELP.

Executives that participated in the ELP were provided with an interest free loan to assist them to acquire securities at market price. The term of the loan is three years and there is only one testing date. The securities are held by the executive but will only vest in the executive in accordance with the terms of the Plan. Expiry occurs three years plus 60 days from the date of commencement of the Plan, unless the rules of the Plan otherwise provide. Holding locks are applied to the securities to ensure that they can only be dealt with in accordance with the terms of the Plan. The acquired securities cannot be transferred or sold while the loan is outstanding.

Set out below are securities granted under the plan.

Australian Based Plan

Grant Date	Expiry date	Grant price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Forfeited during the year Number	Balance at end of the year Number
Consolidated and parent - 2009							
1 Nov 2005	1 Nov 2008	$6.47	814,200	-	(696,831)	(117,369)	-
1 Nov 2006	1 Nov 2009	$7.28	1,175,000	-	-	(277,654)	897,346
Total			1,989,200	-	(696,831)	(395,023)	897,346
Weighted average grant price			$6.95		$6.47	$7.04	$7.28

31 Share-based payments (continued)

Overseas Based Plan

2009 Grant Date	Expiry date	Grant price	Balance at start of the year Number	Granted during the year Number	Matured during the year Number	Forfeited during the year Number	Balance at end of the year Number	Matured and payable at end of the year Number
1 Nov 2005	1 Nov 2008	$6.47	189,700	-	(189,700)	-	-	-
1 Nov 2006	1 Nov 2009	$7.28	300,000	-	-	(30,000)	270,000	-
Total			489,700	-	(189,700)	-	270,000	-
Weighted average grant price			$6.97		$6.47	$-	$7.28	

Australian Based Plan

2008 Grant Date	Expiry date	Grant price	Balance at start of the year Number	Granted during the year Number	Forfeited during the year Number	Balance at end of the year Number
1 Nov 2005	1 Nov 2008	$6.47	1,350,200	-	(536,000)	814,200
1 Nov 2006	1 Nov 2009	$7.28	1,933,500	-	(758,500)	1,175,000
Total			3,283,700	-	(1,294,500)	1,989,200
Weighted average exercise price			$6.95		$6.95	$6.95

Overseas Based Plan

2008 Grant Date	Expiry date	Grant price	Balance at start of the year Number	Granted during the year Number	Forfeited during the year Number	Balance at end of the year Number
1 Nov 2005	1 Nov 2008	$6.47	189,700	-	-	189,700
1 Nov 2006	1 Nov 2009	$7.28	300,000	-	-	300,000
Total			489,700	-	-	489,700
Weighted average exercise price		$6.97				$6.97

(e) Employee security scheme

The Transurban Employee Security Ownership Plan (“the Plan”) provides employees with an opportunity to be a part owner of Transurban and partner in its continued success.

31 Share-based payments (continued)

All Australian based permanent employees are eligible to participate in either the Investment Tax Exempt Plan or the Investment Tax Deferred Plan. Under the plans, Transurban provides participants with a matching component toward the acquisition of the stapled securities. For the period 1 July 2008 to 30 June 2009, the cost of company matches was $33,292 (2008: $61,875) for the Investment Tax Exempt Plan and $207,417 (2008: $452,250) for the Investment Tax Deferred Plan. These plans were suspended in May 2009 following changes to taxation announced in the Federal budget. The Group intends to reactivate the plans with required modifications once the proposed legislation has been implemented.

The third element under the Plan is the Incentive Plan. Subject to Board approval and the performance of the company, eligible employees may receive a certain number of Transurban securities at no cost to them.

In February 2009, each participant was allocated 100 stapled securities at a value of $4.84 per security. Stapled securities provided under the Plan were acquired on the open market.

	2009 Number	2008 Number
Shares purchased on the market under the plan and provided to participating employees	**45,300**	50,500

(f) Performance Rights Plan ('PRP')

Under the new PRP, Executives will be granted performance rights to acquire, at no cost to them, an allocated number of stapled securities, subject to the achievement of performance conditions at the end of a three year vesting period. Two performance measures will be utilised, one linked to Total Shareholder Return (TSR) over a three year vesting period and the second, an operational performance measure over the same period. The Plan has been structured so that rewards are only obtained if there are materially improved security holder returns and operational performance results over the three year vesting period. The performance hurdles attached to the performance rights have been set to ensure that both executives and stapled security holders generally benefit from the allocation of stapled securities to executives under the Plan

There is only one testing date. The right to Stapled Securities cannot be transferred, exercised or otherwise dealt with during the vesting period.

No performance rights were issued under this plan in the current year as it was approved by the Board of Directors for implementation in November of 2007.

Refer to section D of the remuneration report for details.

(g) Expenses arising from shared-based payments

Total expenses arising from share-based payment transaction recognised during the period as part of employee benefit expense was $1.6 million (2008: $1.4 million).

32 Intra-group guarantees

As at 30 June 2009, the Transurban Group comprises Transurban Holdings Limited, Transurban Holding Trust and Transurban International Limited, traded and quoted on the ASX as one triple stapled security.

Under the stapling arrangement, each entity directly and/or indirectly supports each other and its controlled entities within the group on a continual basis.

33 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 and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The Group is subject to income taxes. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The entity recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact current and deferred tax provisions in the period in which such determination is made.

34 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risks to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and cash flow forecasting for foreign exchange risks.

Risk management is carried out by the Finance Group under policies approved by the Board of Directors. The Finance Group identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board are informed on a regular basis of any material exposures to financial risks.

(a) Market risk

(i) Foreign exchange risk
The Group operates internationally and is exposed primarily to foreign exchange risk arising from currency exposures to the AUD Dollar. Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The risk is measured using cash flow forecasting.

The Group's exposure to foreign currency risk at the reporting date was as follows:

	30 June 2009 AUD $'000	30 June 2008 AUD $'000
Cash and cash equivalents	**13**	13
Trade and other receivables	**-**	888
Receivables	**1,228**	5,025
Payables	**(2,226)**	(55,624)
Provisions	**(4,049)**	1,000

The above table is presented in the currency in which the exposure exists. The AUD exposure exists in the USD functional currency entities.

34 Financial risk management (continued)

The parent entity's exposure to foreign currency risk at the reporting date was as follows:

	30 June 2009 AUD $'000	30 June 2008 AUD $'000
Cash and cash equivalents	**13**	13
Receivables	**-**	449
Payables	**-**	(809)

The above table is presented in the currency in which the exposure exists. The AUD exposure exists in the USD functional currency entities.

Group sensitivity
Based on the financial instruments held at end of the period, had the U.S. dollar strengthened/weakened by 10 cents against the Australian dollar with all other variables held constant, the Group's post-tax profit for the year would have been $187,000 higher (2008: $2,511,000 higher) or $220,000 lower (2008: $3,046,000 higher), as a result of foreign exchange gains/losses on translation of Australian dollar denominated financial instruments as detailed in the above table.

Parent entity sensitivity
Based on the financial instruments held at end of the period, had the U.S. dollar strengthened/weakened by 10 cents against the Australian dollar with all other variables held constant, the Group's post-tax profit for the year would have been $1,000 lower (2008: $25,000 higher) or $1,000 lower (2008: $25,000 higher), as a result of foreign exchange gains/losses on translation of Australian dollar denominated financial instruments as detailed in the above table.

(ii) Cash flow and fair value interest rate risk
The Group's interest rate risk arises from long-term intercompany borrowings and funds on deposit. The parent entity's only interest rate risk arises from funds on deposit.

As at the reporting date, the Group had the following variable rate borrowings and interest rate swap contracts outstanding:

	30 June 2009		30 June 2008	
	Weighted average interest rate %	**Balance $'000**	Weighted average interest rate %	Balance $'000
Cash and cash equivalents	**-%**	(400)	1.3%	(1,000)
Floating Rate Borrowings	**-%**	-	3.6%	51,693
Net exposure to cash flow interest rate risk		(400)		50,693

Group sensitivity

At 30 June 2009, if interest rates had changed by +/-100 basis points from the year-end rates with all other variables held constant, post-tax profit for the year would have been $2,000 higher/lower (2008: $309,000 lower/higher).

Parent entity sensitivity

At 30 June 2009, if interest rates had changed by +/-100 basis points from the year-end rates with all other variables held constant, post-tax profit for the year would have been unchanged (2008: unchanged).

(b) Credit risk

The Group has no significant concentrations of credit risk from Operating Activities. The Group has policies in place to ensure that transactions are made with commercial customers with an appropriate credit history. The Group continually monitors the credit ratings and credit exposure of each counterparty. The Group does not obtain any security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

34 Financial risk management (continued)

(c) Liquidity risk

The Company maintains sufficient cash to maintain short-term flexibility and enable the Company to meet financial commitments in a timely manner.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group - At 30 June 2009	**1 year or less**	**Over 1 to 2 years**	**Over 2 to 3 years**	**Over 3 to 4 years**	**Over 4 to 5 years**	**Over 5 years**	**Total contractual cash flows**	**Carrying Amount (assets)/ liabilities**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Non-derivatives								
Non-interest bearing	3,291	-	-	-	-	-	3,291	3,291
Variable rate	-	-	-	-	-	-	-	-
Fixed rate	268,728	-	-	-	-	-	268,728	253,756
Total non-derivatives	272,019	-	-	-	-	-	272,019	257,047

Group - At 30 June 2008	1 year or less	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	Total contractual cash flows	Carrying Amount (assets)/ liabilities
Non-derivatives								
Non-interest bearing	21,848	-	-	-	-	-	21,848	21,848
Variable rate	-	-	-	-	-	-	-	-
Fixed rate	258,977	-	-	-	-	-	258,977	244,549
Total non-derivatives	280,825	-	-	-	-	-	280,825	266,397

There is no liquidity risk exposure to the Group or parent entity in the current or prior periods other than as shown above.

(d) Fair value estimation

Refer to note 1 for the Group's policy on Fair Value estimation.

35 Initial Application of AASB Interpretation 12

AASB Interpretation 12 *Service Concession Arrangements* (AASB-I 12) is applicable for the Group's annual reporting period beginning 1 July 2008. AASB-I 12 provides guidance on the accounting by operators for public-to-private service concession arrangements under which private sector entities participate in the development, financing, operation and maintenance of infrastructure for the provision of public services. The application of AASB-I 12 has led to a change in the Group's policies of accounting for the classification of concession assets and maintenance obligations under the arrangements. AASB-I 12 has been applied retrospectively and comparative information in relation to the 2008 financial year and year ended 30 June 2009 have been restated accordingly.

AASB-1 12 has the following impacts in respect of the Group's equity accounted results of Transurban DRIVe (which holds the Group's investment in the Pocahontas Parkway):

30 June 2008

A decrease in the Group's investment in Transurban DRIVe of $1.827 million and a corresponding increase in the equity accounted losses from Transurban DRIVe of $1.833 million. The translation of the result from US dollars to Australian dollars resulted in a foreign currency adjustment to reserves of $0.006 million.

There was no impact on earnings per share as a result of this change.

Transurban International Limited
Directors' declaration
30 June 2009

In the directors' opinion:

(a) the financial statements and notes set out on pages 253 to 298 are in accordance with the *Corporations Act 2001,* including:
   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
   (ii) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their 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.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001.*

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

David J Ryan
Director

Christopher J Lynch
Director

Melbourne
26 August 2009

PRICEWATERHOUSECOOPERS

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Independent auditor's report to the members of Transurban International Limited

Report on the financial report

We have audited the accompanying financial report of Transurban International Limited (the company), which comprises the balance sheet as at 30 June 2009, the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both Transurban International Limited and the Transurban International Limited Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the consolidated financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

PRICEWATERHOUSECOOPERS

Independent auditor's report to the members of Transurban International Limited (continued)

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001.*

Auditor's opinion

In our opinion:

(a) the financial report of Transurban International Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001;* and

(b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 233 to 250 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the Remuneration Report of Transurban International Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

John Yeoman
Partner

Melbourne
26 August 2009

Security holder information as at 26 August 2009

(a) Distribution of stapled securities

1. The number of holders of stapled securities, which comprise one share in Transurban Holdings Limited, one share in Transurban International Limited and one unit in Transurban Holding Trust, was 70,938.
2. The voting rights are one vote per stapled security.
3. At 26 August 2009 the percentage of the total holdings held by or on behalf of the 20 largest holders of these securities was 77.43 per cent.
4. The distribution of holders was as follows:

Security grouping	Number of holders	Number of stapled securities held	%
1 – 1,000	26,408	10,850,998	0.85
1,001 – 5,000	33,725	83,943,968	6.54
5,001 – 10,000	7,091	50,532,525	3.94
10,001 – 100,000	3,518	72,924,528	5.69
100,001 – and over	196	1,064,430,587	82.98
Total	**70,938**	1,282,682,606	**100**

5. Substantial security holders as at 26 August 2009 were as follows:

Name	Number of stapled securities held	%
CAPITAL PARTNERS PTY LTD	199,731,951	15.57
CANADIAN PENSION PLAN INVESTMENT BOARD	171,991,345	13.41
ONTARIO TEACHERS' PENSION PLAN BOARD	156,771,153	12.22

There were 6,283 holders holding less than a marketable parcel of stapled securities.

Total stapled securities: 1,282,682,606.

(b) Twenty largest holders of stapled securities

Name	Number of stapled securities held	% of issued stapled securities
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	520,957,946	40.61
NATIONAL NOMINEES LIMITED	267,493,413	20.85
J P MORGAN NOMINEES AUSTRALIA LIMITED	81,201,635	6.33
CITICORP NOMINEES PTY LIMITED	25,142,681	1.96
RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED	12,996,425	1.01
AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED	9,556,216	0.75
QUEENSLAND INVESTMENT CORPORATION	9,203,147	0.72
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	9,064,468	0.71
ANZ NOMINEES LIMITED	8,324,301	0.65
AMP LIFE LIMITED	7,246,053	0.56
CITICORP NOMINEES PTY LIMITED	6,709,247	0.52
COGENT NOMINEES PTY LIMITED	6,326,607	0.49
CITICORP NOMINEES PTY LIMITED	4,720,494	0.37
RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED	4,301,530	0.34
CREDIT SUISSE SECURITIES (EUROPE) LTD	4,160,000	0.32
ANZ NOMINEES LIMITED	3,445,578	0.27
CITICORP NOMINEES PTY LIMITED	3,256,214	0.25
RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED	3,244,595	0.25
CS THIRD NOMINEES PTY LTD	2,984,976	0.23
DJERRIWARRH INVESTMENTS LIMITED	2,842,450	0.22
Total	**993,177,976**	**77.43**

ABOUT THIS REPORT

REPORTING PERIOD

As Transurban is listed on the Australian Securities Exchange, our report reflects the standard Financial Year in Australia. This report covers the period from 1 July 2008 to 30 June 2009.

AUDITOR

The financial statements are audited by PricewaterhouseCoopers.

REPORT PRODUCTION

The report was printed by the BlueStar Print Group. All BlueStar facilities have Forest Stewardship Council (FSC) Chain of Custody certification, document quality management systems and Environmental Management Systems (EMS).

The cover and editorial pages are printed on Monza Recycled which contains 55% recycled fibre (25% post consumer and 30% pre consumer) and FSC Certified pulp. This ensures that all virgin pulp is derived from well-managed forests and controlled sources. It is manufactured by an ISO 14001 certified mill.

The financial pages are printed on Sappi Royal Web Recycled Silk. It features 50% post consumer recycled pulp. Sappi Fine Paper Europe is certified under ISO 9001, ISO 14001 and EMAS (Eco Management and Audit system). All virgin fibre used in Sappi Fine Paper Europe products originates from well managed forests and controlled sources.

YOUR FEEDBACK

Your comments and queries will help us improve the materials we prepare for investors, so please contact us if you have feedback or want more information:

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