



# ANNUAL REPORT

## 2003 - 2004



State Transit Authority of NSW



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# About State Transit: FAQ's



State Transit manages one of the largest bus operations of any city in the world.

**State Transit operates 3 businesses:** *Sydney Buses, Newcastle Bus and Western Sydney Buses (Liverpool-Parramatta Transitway services). Sydney Ferries was separated from State Transit on 1 July 2004 and now operates as the Sydney Ferries Corporation.*

## Bus Fleet

- At year end, State Transit's bus fleet totalled 1,926 buses:
  - 829 are air-conditioned (43% of fleet),
  - 661 are low floor design (34.3% of fleet),
  - 553 buses are fully wheelchair accessible (28.7% of fleet),
  - 402 buses are CNG powered (21% of the Sydney fleet),
  - 362 buses have Euro 2 diesel engines (18.8% of the fleet),
  - 51 buses have Euro 3 diesel engines (2.6% of the fleet), and
  - 453 buses comply with the Euro 3 emission standard (23.5% of the fleet).

## Patronage

- State Transit carried 198 million passengers in 2003/04.
- Every working day State Transit operates more than 15,000 services carrying more than 600,000 passengers to their destinations.

## Turnover

- \$455M in 2003/04.

## Employees

- Over 4,400 employees.

## Routes

- Sydney Buses operates more than 300 routes in the Sydney metropolitan area, extending to Parramatta in the west.
- Newcastle Buses operates 29 routes over a large part of the cities of Newcastle and Lake Macquarie. Newcastle Ferries operates a service across Newcastle Harbour to Stockton.
- Every year Sydney Buses travel around 80 million kilometres and Newcastle Services travel around 8 million kilometres.
- More than 102,000 route services are operated every week, 95,000 services by Sydney Buses and 7,000 services by Newcastle Services.

## Safety

- A high priority is placed on security and safety; all buses are in radio contact with a control room in the Sydney Traffic Management Centre, are fitted with CCTV, door safety systems and special school bus warning systems.

## Passenger Information

- Individual timetables for every bus service are available from the State Transit information kiosks at central points in the City, selected ticket agencies or off the web at [www.131500.com.au](http://www.131500.com.au) or by phoning the Transport Infoline on 131 500. Handy route information is also available at bus stops and ferry wharves.

- Check out our website:

[www.sta.nsw.gov.au](http://www.sta.nsw.gov.au)

which is linked to:

[www.sydneybuses.nsw.gov.au](http://www.sydneybuses.nsw.gov.au)

[www.newcastlebuses.info](http://www.newcastlebuses.info)

## Tourism Services

- State Transit operates the Explorer tourist buses.

## Legislation

- State Transit is established under the Transport Administration Act 1988 and operates, as do all NSW bus operators, within the regulatory framework of the Passenger Transport Act 1990.

## How we design our services

- At State Transit we design our bus routes and timetables so that they are simple to understand, frequent, direct, reliable and accessible to the majority of the community. Our experience shows that these characteristics provide the community with better bus services that match their travel demands.

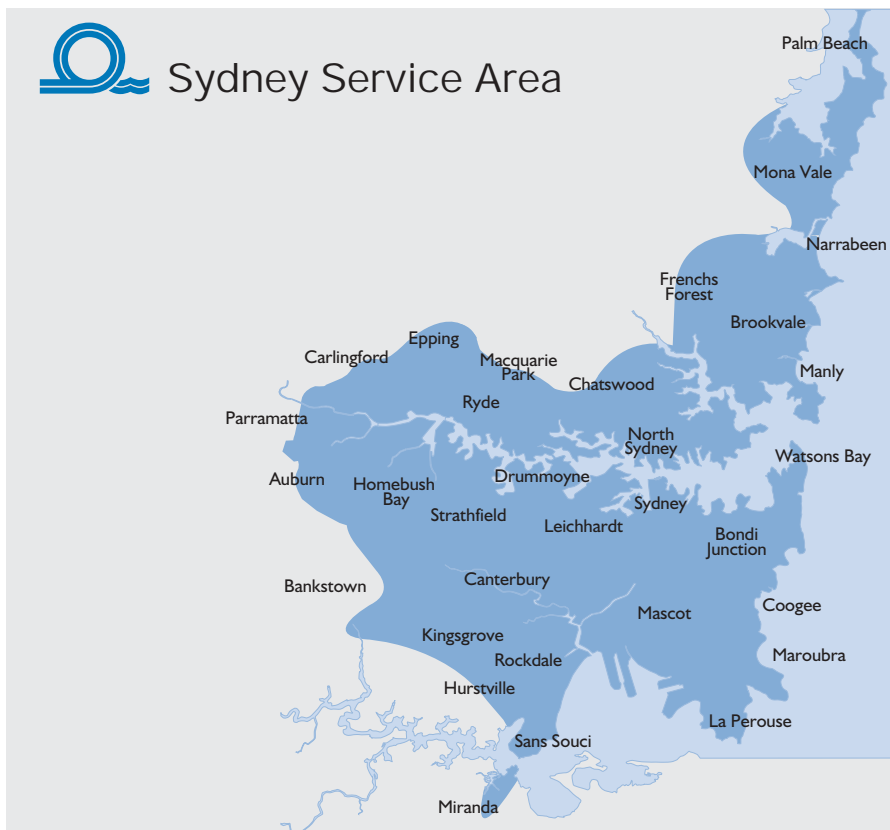
# About State Transit: FAQ's

- Bus services are designed to serve a number of purposes. Buses take people to work, school, university and TAFE, shopping, entertainment, hospitals and to visit friends. People use buses to connect with trains, ferries and other buses as part of the transport network. Bus services that perform two or more of these functions are generally well patronised.
- As a general rule, 95 percent of people in areas serviced by State Transit are within 400 metres of a bus service operating between 6.00am and 6.30pm Monday to Saturday and within 800 metres of a service at all other times.
- All routes are designed to provide local communities with connections to their regional centres and district centres. These principles were derived after conducting considerable research of travel demand, customer feedback and examining other successful bus services operated by State Transit.



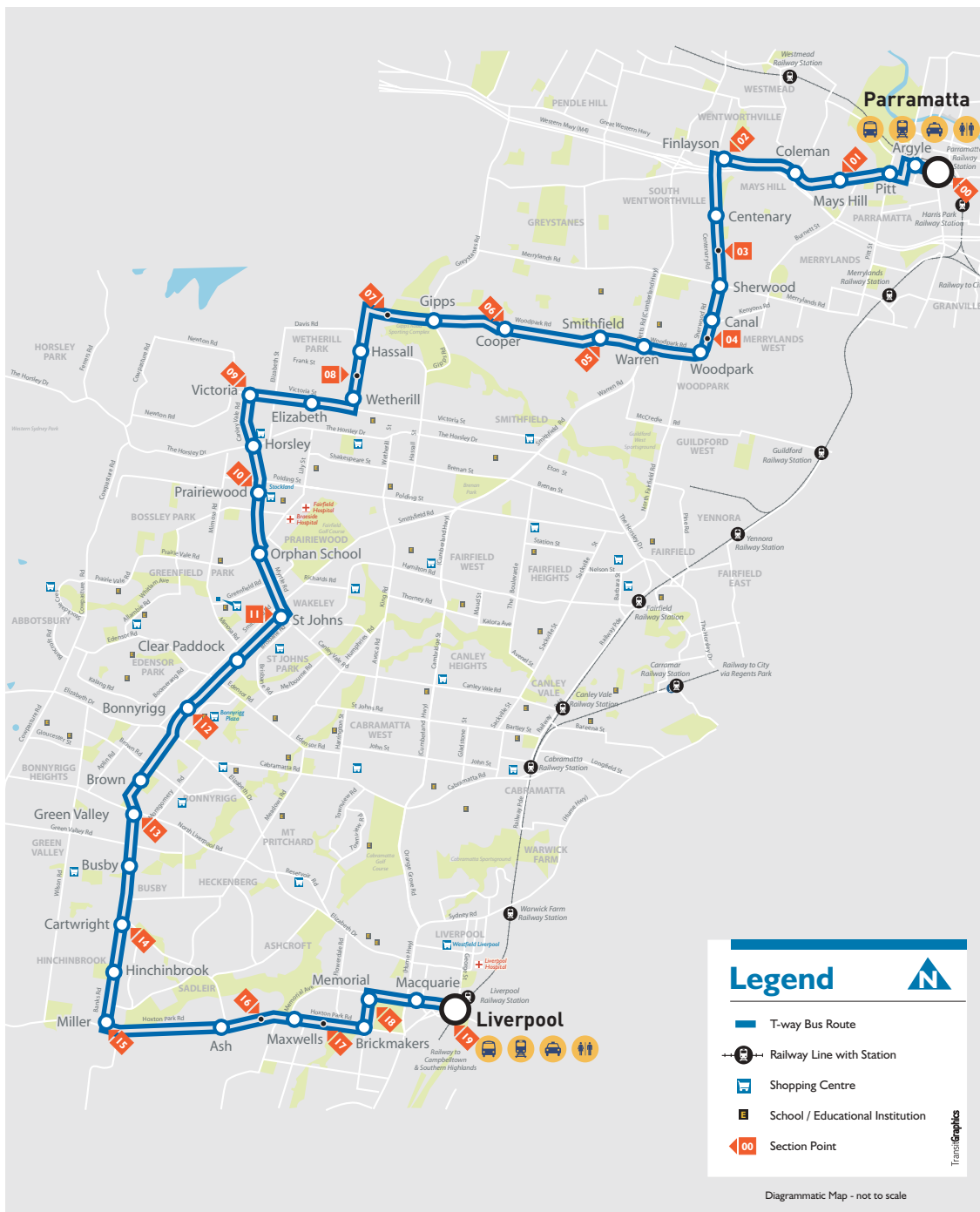


# Network Maps



# Network Maps

## Liverpool-Parramatta T-way Route Map



For timetable, trip planning and other information, contact 131 500 or [www.131500.com.au](http://www.131500.com.au)



# Performance Highlights

- 52 new Volvo ultra-low-floor, wheelchair accessible, Euro 3 diesel powered, air conditioned buses were delivered in 2003/04 bringing the State Transit bus fleet to 1,926 by June 2004.
- Drug and Alcohol random testing was introduced in State Transit to ensure safety standards. All staff were trained in Alcohol and Drug Awareness in accordance with the new transport safety worker provisions of the Passenger Transport Act.
- Sydney Ferries in its last year of operation in State Transit grew its patronage by 7.7% in 2003/04.
- Patronage in all businesses, Sydney Buses, Sydney Ferries, Newcastle Bus and Ferry Services and Western Sydney Buses showed growth in 2003/04 reversing the recent trend of declining patronage in recent years since the Olympics.
- The Sydney Ferries Corporation was established as a separate entity from State Transit to commence from 1 July 2004.
- 29% of the fleet, 553 buses, is now fully accessible for people in wheelchairs. Sydney Buses now operates 110 routes with timetabled wheelchair accessible services across Sydney with more coming on stream.
- State Transit maintained its ISO 9001:2000 certification.
- Newcastle Buses had an excellent for reliability achieving 97.9% on-time running and 99.92% service reliability.
- Christian Severino, an apprentice based at Waverley Depot, is one of five state finalists in NSW Apprentice of the Year Award. His other achievements include winner of the Motor Traders' Association Award, the Custom Coaches Statewide Prize for highest mark in the Vehicle Building Trader Course, and 1<sup>st</sup> place in the Vehicle Building Stage III at Wetherill Park TAFE.
- **STOP PRESS:** State Transit received a Commended Award in the 2004 NSW Premier's Public Sector Awards in the category of Business, Management & Financial Performance for 'Bus Passenger Safety and Comfort Technology'. State Transit and Queensland University of Technology partnered an R&D initiative with Vigil Systems to develop a sophisticated tool to measure and record driver performance during on-road training sessions. Based on global positioning and vehicle management sensors, the interactive computer-based training system allows analyse of adaptive learning, behaviour change and risk-taking profiles. The unique, innovative and effective methodology improves driver vehicle management skill; enhances bus safety and passenger comfort; and reduces operating cost.

# *Year in Review*

## 2003 - 2004

**Review of Operations**



# CEO'S & CHAIRMAN'S REPORT

2003/04 was a historic year for State Transit as this was the last year that State Transit operated as an Authority comprising Sydney Buses, Sydney Ferries and Newcastle Bus and Ferry Services.

Legislation was passed by the NSW Parliament in 2003 separating Sydney Ferries from State Transit and establishing the Sydney Ferries Corporation from 1 July 2004. The Board would like to thank all the Sydney Ferries team for a job well done and wishes them well for the future as a separate Corporation.

State Transit will now become principally a bus company providing services in Sydney and Newcastle, while retaining the Stockton Ferry service in Newcastle.

The end of year financial result was a deficit of \$4.55M on revenue of \$528M. The underlying result, when Sydney Ferries is excluded, was however a surplus of \$11.8M. Patronage on State Transit's services showed slight growth during the year reversing the declining trend of recent years.

In the report year, 30 new buses for the Newcastle bus fleet and the first 26 of the 60 new Volvo buses for Sydney were delivered. Tenders were let for the delivery of 100 new Euro 3 diesel buses and 80 new articulated buses to be delivered over the next 18 months. Further tenders will be issued to maintain a delivery rate of around 80 –100 buses per annum as part of the bus replacement strategy to lower the average age of the bus fleet. The new Euro 3 diesel buses are the most environmentally clean buses available. The stringent Euro3 exhaust emission standards match the environmental standards of the CNG buses.

State Transit through its Western Sydney Buses subsidiary began services on the Liverpool-Parramatta Transitway in February 2003. Patronage on the service has grown steadily since with over one million passengers being carried within 12 months of operation.

The Board continued to strive for improvements in Occupational Health and Safety performance resulting in a 25% reduction in the Lost Time Incidence Rate during the year. The implementation of the Alcohol and Drug Testing regimes has proven to be successful with staff and unions undertaking & supporting the principles behind this initiative.

State Transit receives around 50 comments a day from over 500,000 passengers who use our services – both compliments and complaints. The vast majority of passengers are satisfied with their travel experience.

State Transit believes these results can be improved and that's something all staff are striving towards at State Transit. Whatever the latest development in the delivery of any public transport service, it will not work without quality staff and State Transit has that.

Lastly, the Board would like to record its thanks for the leadership and achievements of Mr John Stott, State Transit's Chief Executive from 1996 to September 2004 who has moved on to new challenges as the Chairman of the Integrated Ticketing Authority. John successfully focused the organisation on delivering the Olympic Bus Transport challenge and establishing the Liverpool-Parramatta Transitway services.



**Barrie Unsworth** CHAIRMAN  
State Transit Authority



**John Lee** CHIEF EXECUTIVE  
State Transit Authority

A handwritten signature in black ink, appearing to read 'John Lee'.

**John Lee**  
Chief Executive

A handwritten signature in black ink, appearing to read 'Barrie Unsworth'.

**Barrie Unsworth**  
Chairman



We are in the business of taking people where they want to go. Our experience is that people will use public transport if it is:

- reliable
- convenient
- safe
- efficient
- courteous
- comfortable

These six requirements form our corporate objectives to ensure that services meet passengers needs.

We offer services that are easy to get to and easy to board, that run to time, that are mechanically reliable, that are comfortable and that are affordable.



# Reliability



**Sydney Buses  
recorded 95.9%  
on-time running.**

**Newcastle Buses  
recorded 97.9%  
on-time running.**

## OBJECTIVE

The reliability of services is a critical component in State Transit's programs to attract travellers on to public transport.

Traffic conditions in Sydney are a major challenge to reliability of bus services. State Transit aims to maintain and improve the reliability of its services under all operating conditions.

## TARGETS

- We set our timetables so that we run to time in normal traffic conditions.
- We aim to never leave the depot late.
- We aim never to start a trip early.
- We aim to refine our maintenance programs and practices so there will be no mechanical failures that can be prevented by regular maintenance.
- We work with the Roads and Traffic Authority on expanding bus priority measures in our operating area to support the reliability of our services in heavy or unpredictable traffic conditions.

## PERFORMANCE

### On time running

State Transit continued its good record for service reliability with Sydney Buses recording a 95.9% on-time service performance against its benchmark requirement of 95% of services running on-time.

Increasing traffic congestion on major corridors in Sydney continues to affect the on-time running performance of Sydney Buses' services. The impact of roadworks for the new Cross-city tunnel also affected the reliability of services.



Newcastle Services improved its on-time running performance in 2003/04 recording 97.9% of services running to time compared to 96.1% the previous year.

State Transit reports its on-time running performance on its website, [www.sta.nsw.gov.au](http://www.sta.nsw.gov.au).

### Patronage results

Total patronage in 2003/04 was 214 million trips showing slight growth in patronage over the last 12 months.

Sydney Buses' patronage was 187 million trips, Newcastle Bus and Ferry Services had 11.5 million trips and Sydney Ferries had more than 14.5 million trips.

Patronage on the new Liverpool-Parramatta Transitway continued to show steady growth since beginning services in February 2003.



## Bus Patronage Trends 2003/04

### Eastern Region

Patronage for 2003/04 for the Eastern Depots was static compared to last year.

### North Western Region

There was steady patronage growth for the Ryde and Willoughby Depot services. The underlying trend is growth in all time periods, with an overall average around 4%.

### South West Region

Patronage figures for the South West continue to show growth during 2003/04.

### Warringah Region

Warringah patronage for the 12 months remained static compared to the previous year.

### Newcastle

Newcastle Services' patronage showed slight growth in 2003/04 for the first time in a number of years.

## Bus priority measures

Sydney's traffic can affect the reliability of State Transit's services. State Transit continues to work with the Roads and Traffic Authority on expanding the bus priority measures in its operating area. These measures make buses a more attractive transport mode by reducing bus travel times, and improving the reliability and efficiency of bus services in heavy or unpredictable traffic conditions. Traffic management measures are also implemented to improve bus and passenger access throughout our operating area.

Some of the priority measures introduced in the past twelve months include:

### Bus lanes on Cross City Tunnel

Construction has continued throughout 2003/04 on the Cross City Tunnel. Surface road works on Druitt Street and Bathurst Street and in the Kings Cross Tunnel have caused minor temporary disruptions. The closure of some roads and the Bourke Street Eastern Distributor Ramp has caused a readjustment in city traffic patterns.

Construction on the Bus Crossover on the Western Distributor has commenced. This will allow two-way bus travel on Druitt Street. The closure of Bourke Street north of William Street has meant the diversion of Route 311 via Forbes Street northbound and Crown Street southbound.

### Lane Cove Tunnel

Construction work on the Lane Cove Tunnel started towards the end of the 2003/04 year. There will be no reduction in capacity of either road during peak periods. State Transit representatives are attending regular meetings on the project to seek optimal long-term solutions for services and manage the impact of construction activities.

### Public Transport Priority and Information System (PTIPS)

State Transit continued to work with the RTA to develop PTIPS which attempts to minimise delays at signalised intersections by giving the bus a green light if possible. Throughout the year PTIPS was trailed on 15 of State Transit's Route 400 buses. Work is progressing for the fit out of the remaining buses on Route 400.

An evaluation report on the PTIPS trial shows that results were mixed but generally positive across the different directions and time periods on Route 400. At certain times PTIPS produced an improvement in on-time running and reliability. At other times its impact was small.

## Maintenance programs

During 2003/04, State Transit through its AS 9001/2000 Quality Systems process, improved its maintenance system by:

- Refining the documentation workflow in its garages to improve standardization and better manage repairs.
- Introducing a new interface to its computerized maintenance management system.
- Maintaining the initiatives accepted by State Transit from the NSW Audit Office.

State Transit continued to refine its maintenance programs and practices so that there will be no mechanical failures that can be prevented by regular maintenance.

State Transit inspects each bus every six weeks and makes an assessment of all work that is either necessary or desirable. This is the most comprehensive inspection program in Australia. There are few operators worldwide who can match it.





# Convenience



## OBJECTIVE

We need to run our services when our passengers want to travel and we need to take them where they live, work and play.

## TARGETS

- \$ Better Buses reviews of routes in Sydney and Newcastle will ensure services are designed to meet the changing needs of the majority of passengers.
- \$ We connect with all major urban centres in our operating area.
- \$ Our services connect with trains, ferries and buses to ensure a workable transport network in Sydney and Newcastle.
- \$ We will continue to build capacity in the bus fleet to meet increases in demand.
- \$ Our fares are logical, affordable and tickets are easy to get.
- \$ We aim to fill off-peak seats through innovative service design and ticketing packages and tapping latent demand for off-peak services such as recreational and leisure markets.

## PERFORMANCE

Our services connect with trains, ferries and buses to ensure a workable transport network in Sydney and Newcastle. All routes are designed to provide local communities with connections to their regional and district centres.

95 percent of people in areas serviced by State Transit are within 400 metres of a bus service operating between 6.00am and 6.30pm Monday to Saturday and within 800 metres of a service at all other times.

## **Service Design**

State Transit designs its bus routes and timetables so that they are simple to understand, frequent, direct, reliable and accessible to the majority of the community.

Service changes proposals are based on regional research and analysis of internal and external data including transport data, demographic data, ticket data, market research, local and regional land use planning strategies and service performance data.

## **Community Consultation**

Consultation with a range of stakeholders and the community is a key element of the State Transit's service development strategy. Considerable care is taken to ensure that the final structure reflects the needs and wishes of the greatest number of passengers and residents.

## **Inner Sydney Transport Working Group**

State Transit continues on refining and adapting the strategy for bus services in the Sydney CBD for the period after the opening of the Cross City Tunnel. The anticipated removal of a substantial amount of through traffic from the surface streets provides the opportunity to capture this space for improved public transport services.

## **City of Sydney Gateway Projects**

There are four 'Gateway' projects involving urban design improvements on four key entries into the Sydney CBD. Construction on Darlinghurst Road started in April 2004 causing some disruption and diversion of services in the Kings Cross Area. Construction is expected to be complete in November or December 2004. Construction on William Street will commence once the Cross City Tunnel is open to traffic. Construction of the Oxford Street Gateway project has just started in October 2004. The Broadway Gateway project is currently being re-evaluated and commencement of construction has been deferred.

## **Westfield Redevelopment, Bondi Junction**

During the refurbishment and redevelopment of the Westfield Bondi Junction Shopping Centre, access to the bus roadway at the eastern end of the pedestrian mall (between Adelaide and Grosvenor Streets) was restricted and recently prevented while the road was rebuilt. Bus stops were turned into bus bays and the footpath was widened.

## **Eastgardens Shopping Centre Refurbishment**

The refurbishment of the Eastgardens Shopping center was completed in October 2002. Bus services were disrupted during the construction. Soon after completion of the roadworks in the bus roadway at the Bunnerong Road end of the shopping center, problems were discovered with the new bus roadway including the width of the lane between the two lines of parked buses. After meetings with the Westfield managers, the State Government representative and Council, it was agreed that the roadway would be widened, shelter for waiting passengers would be improved as well as some other minor works. In return State Transit agreed to relocate the Route 400 from Banks Avenue to create a transport hub at one end of the shopping center, as was originally agreed.

## **Darling Street East Balmain Bus Terminus**

A developer sought permission to gain driveway access from the bus turning area at the Darling Street East Balmain terminus. Due to safety considerations, this could only occur if a proper turning circle was built instead of the constrained three-point turn which currently occurs. Negotiations were entered into between the developer, Council, Ministry of Transport and State Transit and designs for the turning circle were drawn up. A deed of agreement was signed between State Transit and the developer should the development proceed. The estimated cost of the turning circle is \$1.2 million. Since this time Leichhardt Council has launched a bid to buy back the land from the developer to preserve it for its historic value. This has resulted in the development and turning circle being put on hold.

## **Prince Henry Hospital Site**

Redevelopment of the old Prince Henry Hospital site has begun to turn it into a residential development. This will mean some temporary relocation of bus stops and layover on Anzac Parade at Little Bay. New bus turning facilities have been built to replace those taken by the development.



### **Great North Road Urban Design, Five Dock**

Canada Bay Council commenced works on Great North Road through the Five Dock town center in September 2003. The urban design project included widening footpaths for increased outdoor eating and the replacement of street furniture. Delays were experienced during and after construction which was completed in approximately May 2004. Issues with bus services included insufficient space to complete turning manoeuvres, delays, cars turning in front of stopped buses, illegal parking and missing signage. State Transit worked with Council to improve the situation for buses.

### **Epping to Chatswood Rail Link**

State Transit has been working with the Transport Infrastructure Development Corporation and local councils on the arrangements for buses at the new interchanges along the Epping to Chatswood RailLink.

### **Bus Stop Displays**

New format bus stop displays which incorporate departure times, interchange maps and Sydney CBD service maps have been created, the first of which was installed in late March 2004. In total, 192 of the displays have been installed in JCDecaux shelters throughout the Sydney Central Business District. A key feature of the displays is improved night visibility, which was an issue with previous types of information installed in these shelters.

Following the improved layout of city displays, a further 56 displays in an identical format have been adopted for Sydney Explorer and Bondi Explorer stops. These are currently being installed at all stops along each of the two routes. Suburban timetable replacement was conducted on several corridors during the year as part of routine field inspections performed by the Passenger Information Group.



## **Region Guides**

Sydney Buses and Newcastle Buses Region Guides were updated to a uniform standard during the year. Northern Beaches, Eastern Suburbs and South Western Suburbs Guides were released in March, and the North Western Region Guide was released in April. All Guides now have a standard format, which is much easier for customers to use.

The Newcastle Region Guide was slightly revised, receiving a new cover illustration depicting a new Volvo accessible bus, as well minor layout alterations.

## **Public Timetable Booklets & Flyers**

The final public timetable in the old monochrome blue/grey format was replaced in June 2004, completing the rollout of all 141 public timetables into the revised style.

Passengers now benefit from the following features of all timetables:

- Improved layout and size of typeface
- Diagrammatic maps which show landmarks in the vicinity of each route
- Full colour is used in timetable booklets (two colour on smaller "flyer" timetables)
- The introduction of symbols on bus routes to assist passengers in identifying their closest timing point

Work continues to slightly revise earlier versions of these timetables introduced in 2000, which includes an improved full-colour route map style (as currently used on all Northern and Eastern timetables).

## **Electronic Destinations**

Work continues on the updating of electronic destinations for Sydney Buses. All buses fitted with electronic destination signage will be updated in the coming months. The revised signs feature consistent wording and appearance, improved identification of city-bound services, as well as ease-of-use for Bus Operators, ensuring that the correct information is shown at all times. The revisions are immediately noticeable, and have received positive feedback from staff.

A key benefit of the centralised update of these signs is that all Sydney Buses route information, railway replacement and charter signage will be available on each bus. It also reduces downtime of buses if transferred to another depot – the bus can immediately be put into service showing the correct destination information. 365 buses will be completed by mid October, with the remainder completed in due course.

## **Special Events**

State Transit, on behalf of the Ministry Of Transport does the scheduling for the regional route network for sporting events at Sydney Olympic Park. This includes the Royal Easter Show, Rugby Union, State Of Origin Rugby League, NRL Grand Final and Swans Fixtures. Last year we had additional events for The World Cup Rugby.

State Transit also provides the contracted services via route 4 Maroubra to Sydney Olympic Park and route 1a Warriewood to Sydney Olympic Park.

State Transit carried 70,000 passengers to the Easter Show and major sporting events during the report year.

# Safety & Security

## OBJECTIVE

Personal security is high on our passengers' priorities. Everyone should feel safe using public transport. Many more people would catch public transport if they felt that their personal security was ensured while waiting for the bus or ferry.

## TARGETS

- \$ To deter misbehaviour on-board all buses are equipped with CCTV and direct radio to base.
- \$ CCTV on all ferry wharves serviced by Sydney Ferries.
- \$ All buses are routinely patrolled by uniformed and plain clothes Police.
- \$ All entry and exit doors are built to avoid passenger entrapment.
- \$ All school buses have flashing warning lights and 40 km/hr speed limit signs.
- \$ All interiors of buses and ferries have non-slip floors and convenient hand grips
- \$ All drivers trained in personal protection.
- \$ All staff trained for appropriate roles in the Emergency Response Plan.
- \$ We will continue the significant improvement in workplace safety.

## PERFORMANCE

Travel on State Transit's bus and ferry services is very safe for our passengers.

During 2003/04 State Transit significantly increased its security measures in response to the threat of terrorism. State Transit expects to maintain these measures for the foreseeable future.

The rate of safety incidents on Sydney Buses is less than 1.8 incidents for every 1 million passenger trips. The rate of personal security incidents on Sydney Buses is even lower; less than 0.7 incidents for every 1 million passenger trips.

Unfortunately sometimes anti-social behaviour does occur and people can feel insecure when using public transport. To deter misbehaviour on-board all buses are equipped with CCTV and direct radio to base.

State Transit is committed to maintaining and improving our safety measures. A major concern during the year was the occasional case of rock throwing at our buses. This an essential law and order issue, not a transport issue and its unfortunate that our staff bear the brunt of these potentially serious attacks.

Vandalism is a problem that any bus operator may encounter. The introduction of CCTV cameras has acted as a deterrent to violent and anti-social behaviour on board as do security guards in some areas. State Transit is determined to protect both passengers and staff. We have been working with the RTBU, Police, Premier's Department, Department of Education and Training and local councils to minimise opportunities for misbehaviour and we will continue to do so.

## VigilVanguard Passenger Safety Meter

State Transit was awarded with a Commended Award in the 2004 NSW Premier's Public Sector Awards in the category of Business, Management & Financial Performance for 'Bus Passenger Safety and Comfort Technology'.

This initiative aims to improve driver training effectiveness and desirable behaviour. State Transit participated in a research and development initiative using sophisticated technology produced by an Australian company, Vigil Systems, which is a GPS and computer-based interactive training system to enhance bus driver training. State Transit and Queensland University of Technology acted as partners in the development and refinement of the VigilVanguard Passenger Safety Meter.

The VigilVanguard Passenger Safety Meter was developed to gather acceleration, braking and cornering forces, GPS mapped data, trailing distance monitoring and video camera views of the cabin and road environments. Drivers then review their practical driver training session back in their depot, without the surrounding traffic concerns or distractions. Using the computer model and data gathered in real-time during the driven road circuit, the instructor and trainee can then focus on the areas of improvement and learning issues.

State Transit is currently using the VigilVanguard Passenger Safety Meter at two depots. It has resulted in an improvement in driving skills, beneficial changes to inherent behaviour of drivers, increased passenger comfort as measured by feedback and complaint levels, passenger safety as measured by incident reports and CTP claim levels, and general safety records.

## **CCTV On Buses**

CCTV is installed on all State Transit 1,926 buses. All new buses acquired by State Transit are fitted with CCTV before entering service.

The STA Safety Office provides the Police Assistance Line with information on non-identifiable, malicious damage, graffiti and theft incidents for input onto the COPs database system. This information is then available to all Police Intelligence Officers for tasking Police operations.

Safety is a key priority for State Transit and these measures have not only enhanced the security of State Transit's passengers but also State Transit drivers and supervisory staff.

In each case there is now the benefit of the security video which can be passed to Police to assist in their investigations.

## **School student safety**

Flashing warning lights and 40km speed limit signage are installed on all STA buses as part of the Government's School Bus Safety program and these are employed on all school special services and on other services when school children board or alight. At such times, traffic is required to slow to 40km/hr.

## **Door safety**

All buses purchased after July 1999 are required to be fitted with a door safety system which automatically opens should an object be trapped by the closing door. RTA Specification 146 defines a standard test procedure for these door systems. Buses purchased prior to the above date do not have an automatic opening system, relying instead on wide, deformable rubber door seals to allow entrapped passengers to pull free of the doors and automatic brake application if the doors are not fully closed. This door system is compliant with the recommendations contained in the NSW Department of Transport report 'Bus Door Safety Inquiry - Final Report' January 1995. All State Transit buses are compliant with their relevant standards.

## **Pedestrian Safety**

State Transit is concerned about the incidence and severity of pedestrian injuries involving State Transit buses, even if the circumstances are such that State Transit Bus Operators are not found to be at fault.

In 2003/04 there were 58 pedestrian injuries involving State Transit buses, many of them in the crowded streets of the Sydney CBD. State Transit has implemented strategies for enhancing pedestrian safety including

- additional driver training for awareness of heightened pedestrian risk
- identification of pedestrian injury black spots
- control of pedestrians in bus zones
- a communication program to increase awareness among pedestrians
- yellow safety lines on pavements for passengers and pedestrians
- signs warning pedestrians of bus movements



## Occupational Health, Safety and Rehabilitation

As reported in the 2002/03 Annual Report State Transit accepted advice arising from the review of its safety systems by DuPont Safety Resources, and recruited a General Manager, Safeworking who commenced duty in January 2004.

The new General Manager (Mr Ken Kelman) commenced forthwith a program of improving State Transit's safety performance, including:

- the introduction of revised safety data collection;
- the introduction of a Safety Score to better measure depot safety performance;
- safety audits of depots;
- proposed organisational changes to better focus depot based staffing resources on the respective objectives of OH&S and rehabilitation and injury management, and
- proposed organisational change to strengthen systems and investigative and audit capability at the corporate level.

State Transit's lost time injury frequency rate (LTIFR), which had been a key motivation to securing DuPont's advice about safety improvements had already begun to reduce in the latter part of 2003 continued a further downward trend during the first half of 2004 under Mr Kelman's stewardship.

In lieu of the establishment of a Central Safety Committee as foreshadowed in last year's report it was decided that the existing Executive Committee Safety Committee operating under a revised format based on new data collection and KPIs would effectively serve the purpose envisaged for the Central Safety Committee.

At the time of reporting a revised version of the *OH&S Plan 2003/2004* was in preparation.



The Bus Rodeo held this year at Heffron Park, Maroubra, tests the driving skills of the best drivers in State Transit the the private bus industry in NSW.



# Efficiency

## OBJECTIVE

State Transit works to keep fares down and cost recovery up by ensuring that it operates as efficiently as possible.

## TARGETS

- \$ We aim to keep our costs within the limits set by the Independent Pricing and Regulatory Tribunal. We implement efficiency reforms providing they have the support of Government.
- \$ We aim to operate within the revenues that we get from fares paid by passengers and those fares paid for some by the NSW Government.
- \$ Our fleet and staffing is the optimum level for the services provided.
- \$ We always aim to buy our fleet, our fuel and our other consumables at the best prices; when better value is available, we take advantage of it.
- \$ Our IT systems have 100% integrity including fully tested disaster recovery plans.
- \$ Our Risk Control plans ensure that all emergency responses are regularly tested to ensure the safety of our passengers and staff.
- \$ We aim to achieve ISO 9001:2000 certification.

## PERFORMANCE

### Financial Review 2003/2004

This year the cost of operations was:

	2003/04	2002/03
<b>Sydney Buses</b>	\$2.06	\$2.11
<b>Sydney Ferries</b>	\$6.68	\$7.57
<b>Newcastle Services</b>	\$3.63	\$3.68

The cost recovered was:

	2003/04	2002/03
<b>Sydney Buses</b>	\$2.23	\$2.23
<b>Sydney Ferries</b>	\$4.92	\$5.11
<b>Newcastle Services</b>	\$2.73	\$2.81

Cost recovery is a combination of farebox revenue and fares paid by the Government in accordance with its social policy programs. The shortfall between the cost recovered and the cost of operation meant that we had to borrow to cover the costs of our capital works program.

State Transit's consolidated financial result for the year ended 30 June 2004 was a deficit of \$4.556m on revenue of \$528m. This result included as revenue, a capital grant of \$0.3m received under the NSW Government's Action for Transport 2010 program.

Passenger revenue for the year was 3.0% higher than last year.

Patronage of 214.5m was 0.9% higher than last year (Sydney Buses was half a percent higher than last year, Sydney Ferries 7.7% higher and Newcastle services the same as last year).

Total expenditure of \$533m was 1.3% lower than last year.

Labour costs increased by 7.5% on last year before year-end adjustments to superannuation and workers' compensation. Pay increases awarded during the year included 4.25% to bus operators, maintenance and salaried staff.

Security expenses of \$5.6m were \$1.3m lower than last year due to the partial replacement of security guards on gates with electronic and video surveillance.

Fuel costs increased (4.3%) compared with the previous year due mainly to higher fuel prices and increased kilometers traveled. Fuel rebates reduced the overall fuel cost by \$6.9m in 2003/04 and fuel hedging resulted in a gain of \$0.3m.

Maintenance expenditure compared to the previous year increased in Sydney Buses by 9.4%, in Newcastle Services by 8.6%.

Maintenance on the Sydney bus fleet increased by \$4.4m over the previous year due mainly to the higher proportion of air-conditioned CNG buses in the fleet and a number of maintenance projects to improve the fleet reliability and safety standards.

The level of debt decreased by \$18.1m to \$128.4m.

### **Capital Expenditure**

Capital expenditure in 2003/04 was \$28.8m compared with \$48.0m in 2002/03. \$21.9m was spent on the bus replacement program for the purchase of low floor, air-conditioned buses for Sydney and Newcastle. \$6.9m was spent on the renewal or replacement of assets required for bus servicing, ferry maintenance, depot facilities and computing resources.

### **Government Reimbursements, CSOs and Grants**

Total Government reimbursements in 2003/04 was \$241.4m of which \$155.0m was payment of fares by Government for pensioners, school children and other groups who qualify for support.

The balance of \$86m was for two general reimbursements. The Pricing Community Service Obligation (CSO) provides reimbursement for the gap between State Transit's fares and those generally prevailing in the private bus sector operations and the Service CSO which is a payment to cover losses on non-commercial services.

A capital grant of \$0.3m was received under the NSW Government's Action for Transport 2010 program.

### **Cost Efficiencies**

Sydney Bus kilometres travelled increased by 1.5% compared to last year at a cost of \$4.92 per vehicle kilometre, a 3.3% reduction on the previous year.

### **ISO 9001:2000 Certification**

State Transit successfully maintained its quality certification under ISO 9001:2000 in 2003/04 through a number of independent audits.

State Transit is continuing to develop its Business Management System as a means of standardising our work practices and developing a culture of "continuous improvement". This represents a significant step forward by State Transit in meeting the government's goals for quality services for all public transport users.

### **Risk Management and Insurance**

State Transit manages risk through a strategic framework of corporate governance, policies, procedures and work instructions and through an Integrated Insurance Program.

The Integrated Insurance Program provides catastrophe level financial protection for the organisation. The program spans: General property, personal injury, consequential loss, general and marine liability.

In line with the global insurance market that continues to suffer the largest losses ever, the Australian insurance market remains hard. There is additional pressure on insurers and reinsurers to underwrite all risks with rate increases and greater emphasis on appraising insured risks in order to return to better profitability.

### **Integrated Ticketing**

State Transit continued its major contribution to the NSW Government's Integrated Ticketing project. The purpose of the Integrated Ticketing Project is to introduce a smartcard ticketing system within the greater Sydney metropolitan area across rail, bus, ferry, light rail and monorail transport services. The system will provide a common fare media to enhance passenger convenience and use of public transport.

### **Bus Depot Strategy**

The Depot Strategy continued to be developed during the report year examining options for increasing depot capacity in Sydney.

There are long lead times involved in the establishment of a new depot, expansion, or redevelopment of an existing depot. A range of initiatives to increase capacity is being pursued in the short term to ensure operational needs are met in the medium term (2-5 years) and long term (5-10 years).

Assuming that patronage growth over the major peak periods is equivalent to fleet growth, a 1% growth in patronage over the next 5 to 10 years will require approximately an additional 200 buses, depending on the size and type. This quantity of buses would require approximately the same space as Port Botany Depot.

Any short to medium term strategies will not yield sufficient capacity to accommodate this level of growth, therefore additional depot capacity, or sites will be essential and is being assessed.

As the patronage growth is spread across the operating areas, albeit currently in the South West and the North West areas, this pattern is likely to shift and growth patterns need to be confirmed. However under current contractual arrangements, it is unlikely that any of State Transit's bus depots will become obsolete. Alternative larger, or additional smaller sites will be required.





## **Electronic Service Delivery**

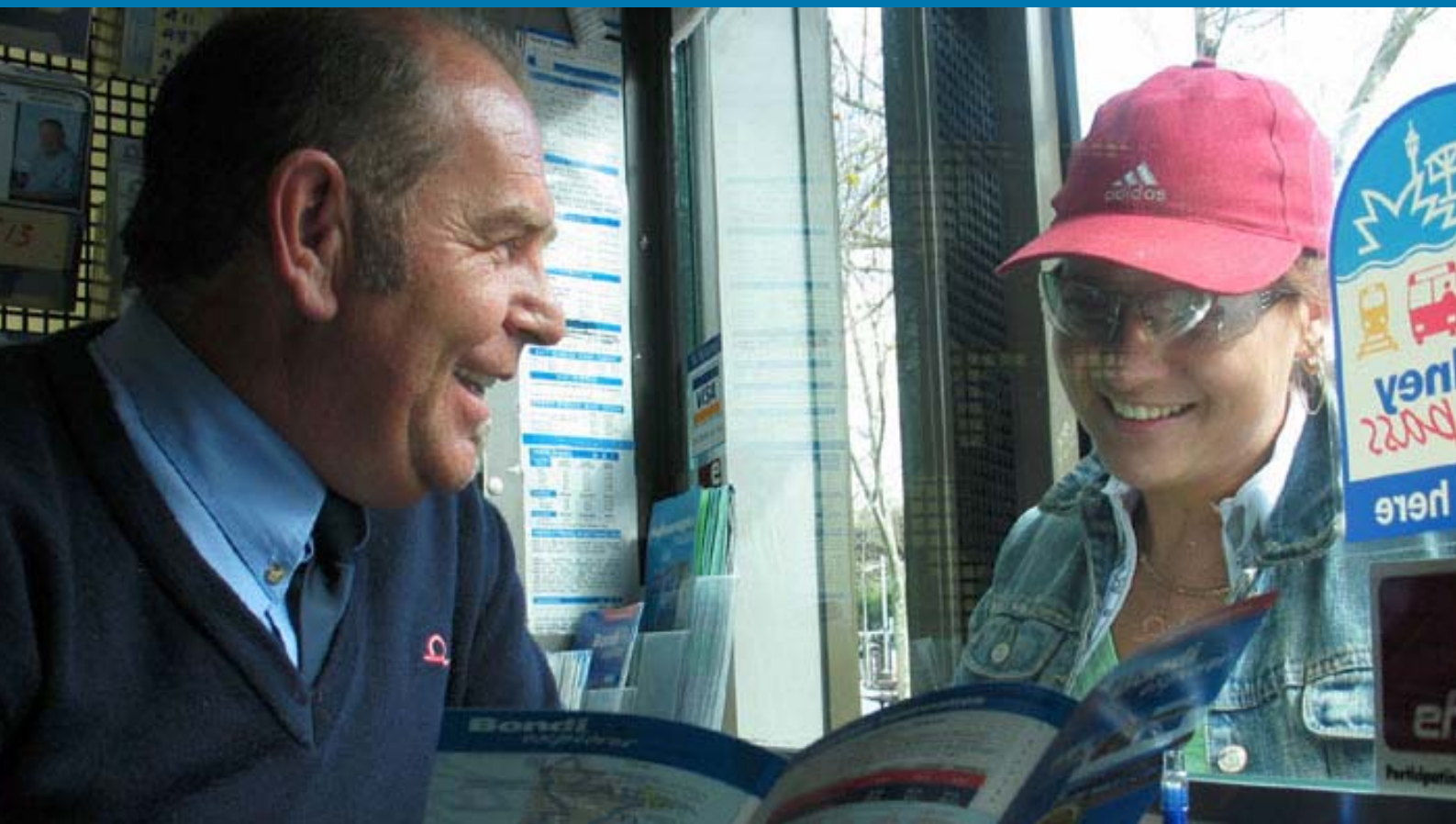
The current IM&T Strategic Plan has the following e-business related objectives:

- Active support and involvement with the 'Tcard' project, its benefits to customers and efficiencies to State Transit systems and processes
- Integration of diverse operational and system information to improve the transparency, accuracy and timeliness of information delivery, including automated web updates

In its continued pursuit of improved business processes, State Transit realizes the many opportunities that are available from electronic service delivery, including:

- Delivering information about routes, timetables, travel options and fares to the public in the best possible way through seamlessly integrating services available from State Transit's website and the passenger information services, delivered by the Integrated Transport Information Service (ITIS).
- State Transit's web site provides efficient publication and easy customer access to a wide range of information including Annual reports, corporate plans, information about contracts awarded to tenderers and other matters of interest to stakeholders.
- Over 90% of the value of all payments to suppliers are made by electronic means (Electronic Funds Transfer). This equates to over 80% of the number of invoices received by State Transit.
- Increasing the electronic delivery of information and reports to various Government Agencies and Statutory bodies, for example SSTS reports to the Ministry of Transport and timetable information to RTA.
- The network of information kiosks at depots provides staff with access to a wide range of information 24 x 7. Services available continue to expand from individual pay and leave details to now include leave and report forms, salary package information and even statutory declaration forms.

# Courtesy - Customer Service



## OBJECTIVE

State Transit values its staff as its most important resource.

State Transit aims to attract travellers on to public transport by developing the skills of its people, particularly the customer skills and courtesy standards of our employees.

## TARGETS

- \$ We always try to meet passengers' needs willingly and courteously.
- \$ We offer help to those who don't understand the transport system or who need physical assistance.
- \$ We are always willing to explain our decisions.
- \$ New customer service training introduced for bus drivers.
- \$ All bus stops in our operating areas carry regularly updated timetable information.
- \$ Improved criteria for new staff to ensure customer focus.
- \$ Improve women's participation rate in the workforce
- \$ Increase aboriginal participation in the workforce

## PERFORMANCE

Passengers rightly expect service with a smile on State Transit buses and ferries. State Transit recognizes that our frontline staff are the face of the organization and how they react to passengers can make the difference between them traveling with us again or not.

Whatever the latest development in the delivery of any public transport service, it will not work without quality staff and State Transit has that. In 2003/04 State Transit maintained its commitment to learning and development programs for its workforce.

## Passenger Information

Comprehensive pre-travel information and announcements in transit do a lot to ease the journey and to prevent irritation and conflict.

State Transit's passenger information service is delivered by the Integrated Transport Information Service (ITIS). Accessed mainly through the 131500 telephone number (and also through the internet) passengers can inquire about the most important aspects of bus and ferry services such as bus routes, timetables, special events and many others. Importantly, passengers are also encouraged to register their complaints through this service via the "Your Say Line". State Transit relies on this information to take corrective action to improve those aspects of its service quality that attract complaints.

A web site is also provided by State Transit to guide the public in the best way to use the services it operates. The site provides a link to the "trip finder" facility operated by ITIS; comprehensive information about routes and timetables for both standard services and tourist services; information on fares and ticketing; updates on the Better Buses program; route maps; fleet details and more that may be of use to passengers.

## Updating Passenger Timetables

All passenger timetables were updated and modernized in 2003/04. They have moved from monochrome to full colour, with text and language standardised and a new more user-friendly format.

## Performance Data on the Website

State Transit provides information on its new website for Sydney Buses, Newcastle Bus and Ferry Services and Western Sydney Buses. The information presented includes on-time running, patronage, service reliability, cleanliness, kilometers travelled and fleet profiles.

## Infoline

Of the total calls answered by the Infoline, 33.24% were related to Sydney Buses, Sydney Ferries, Newcastle Buses & Ferries or Western Sydney Buses matters. Of these, 94% of calls related to next service, timetable or trip planning requests. The remainder of calls concerned fares, ticketing and general information.

The average call duration is stable at 119.4 seconds, resulting in a variable call cost of \$2.14, or with overheads and line charges, about \$2.35 per call.

## Passenger Feedback

The top five issues for our customers were **late buses, buses not stopping, staff behaviour, cancelled buses and bad driving**.

## State Transit Websites

During 2003/04 the State Transit Websites underwent a major upgrade. At Year end, Monthly count number of visits to the State Transit web domains averaged 190,000 – 49.4% [www.sydneybuses.info](http://www.sydneybuses.info), 34.6% [www.sta.nsw.gov.au](http://www.sta.nsw.gov.au), 7.2% [www.sydneyferries.info](http://www.sydneyferries.info), 5.9% [www.sydneypass.info](http://www.sydneypass.info) and 3% [www.newcastlebuses.info](http://www.newcastlebuses.info).

## Customer Service Training

80% of State Transit's Bus Operators have completed the 'Customer Service Workshop' which begun in 2002. This workshop is aligned to a National Training Package, which has been designed for the transport industry.

We have received a good deal of favourable feedback from the Bus Operators and many of our long serving bus operators have said, "it was a good to have a refresher course and to know I have been doing the right things".

## Traineeships

State Transit continues to offer nationally accredited training under its scope of registration as a Registered Training Organisation (RTO). Traineeships provide valuable, comprehensive training by using standards, which are occupationally based, and industry-wide State Transit has found that by providing accredited training, Trainees are more motivated, dedicated & more likely to become long-term employees.



## Registered Training Organisation VETAB Audit

In May 2004, an audit of State Transit's RTO operations was conducted by VETAB. The audit declared that the RTO operations were of a First Class standard, with some aspects best practice. State Transit's RTO accreditation has been renewed for a further 5 years.

## Administration Review Pilot

A pilot program was conducted at Brookvale Depot, assessing administrative skills and identifying knowledge gaps, with a training program developed. This will also ensure consistency of administrative procedures between Depots and Head Office.

## Literacy & Learning Co-ordinator

An Adult Language and Learning Coordinator has been recruited to convert learning materials to 'Plain English' ensuring suitability for staff from a non-English speaking background. Training and strategies around literacy/language difficulties. Increasing computer literacy across the organisation.

## WELL (Workplace English Language & Literacy) Project

A WELL grant has been obtained for STA for approx 200 operational employees to attend computer literacy training at Strawberry Hills, conducted over 12 months.

## Websced

Websced is a training database, used as a management tool, to monitor the effectiveness of all training/materials. Developed in conjunction with an external organisation (DPM Consulting), Websced was operational as of June 2004. State Transit is the first employer based RTO to use this program.

## Apprentice Policy

A policy was drafted, sent to Maintenance Managers and relevant unions for review, with comments received and consolidated.

Two buses were donated to Shellharbour and Wetherill Park TAFE's, which are major learning centres for State Transit apprentices. Apprentices enrolled in Heavy Vehicle Maintenance and Heavy Vehicle Body Building courses will now receive hands on training on buses (as well as trucks), which will later be transferred to their workplaces.

The apprenticeship framework in the organisation is being strengthened, with a view to widen the recruitment catchment of suitable apprentices. This includes targeting vocational courses at TAFE's, with schools being considered FY04/05.

There are around 40 apprentices in State Transit at the moment.

Christian Severino, an apprentice based at Waverley Depot, is one of five state finalists in NSW Apprentice of the Year Award. The award will be announced in September 2004. His other achievements include winner of the Motor Traders' Association Award, the Custom Coaches Statewide Prize for highest mark in the Vehicle Building Trader Course, and 1<sup>st</sup> place in the Vehicle Building Stage III at Wetherill Park TAFE.



## Alcohol Awareness Training/Drug

4500 members of staff were trained in Alcohol Awareness by 1 April 2004 under the the new safety requirements of the Passenger Transport Act.

Drug awareness training was also begun and was completed by 1 September 2004.

## “Continuous Improvement”

L&D operate a ‘continuous improvement’ policy, where all training is continuously evaluated and reviewed, ensuring training requirements are met. An example of this was that trainees felt the volume of information was too large for the training period given, so the training days were shortened, but conducted over a longer period.

In 2003/04 more than 3500 people were trained over 252 days of training.

## Graduate Program

State Transit has a long-term objective of fostering high quality candidates for management in State Transit. The program is project based with participants gaining wide experience in different environments in State Transit.

The key objectives of our graduate program are:

- To develop leaders of the future who have a superior understanding of State Transit’s corporate objectives and business directions as well as a detailed knowledge of our core business.
- To build on each individual’s personal effectiveness to enable graduates to influence cultural change throughout State Transit.

## Enterprise bargaining

During 2004 the Bus Operations Enterprise Agreement was certified for 3 years. The Agreement provided for a 4% increase in each year of the Agreement. The increase comprised of 3% per year increase plus 1% per year for productivity improvements that will be achieved through the introduction of a Productivity Committee. There was another 1.5% paid in the first year as the result of a work value case. The Agreement also achieved a number of new initiatives introduced through the 2003 Enterprise Agreement Plan.

The Bus Engineering and Maintenance Enterprise Agreement was certified for 2 years. The Agreement provided for a 4% increase in each year of the Agreement. The increase comprised of 3% per year increase plus 1% per year for productivity improvements that will be achieved through the introduction of a Productivity Committee.

The Senior & Salaried Officers Enterprise Agreement and Operational Support Enterprise Agreement, are expected to be certified in late 2004. These agreements are on track to achieve 4% per year increases and will introduce a number of initiatives in line with the 2003 Enterprise Agreement Plan.

The Newcastle Ferries General Purpose Hands Enterprise Agreement was certified for 1 year and provided a 3% wage increase.

The Newcastle Ferries AMOU agreement is in a negotiation stage.

## Action Plan for Women Initiatives

The principles of equity, access, rights, and participation underpin the action plan to recognise that in some areas of life, women have different experiences and needs from men. Gender equity benefits both men and women and builds stronger families and communities through supporting everyone's capacity to develop, participate and contribute.

During 2003/04 State Transit continued to strengthen its contribution to the NSW Premier's Department Spokeswomen's program. Significant learning and development initiatives were developed and have been successfully implemented.

The Spokeswomen's group across State Transit is now at its highest level of participation since its inception, with 18 women across the organisation representing all functional areas of State Transit.

The Department for Women's 'Women on Wheels' program reported on in the previous report did not take place during the current reporting period. The Government abolished the Department for Women during the reporting period, transferring many of its functions to other government departments, but the 'Women on Wheels' program was not continued.



## Commitment to Equity and Diversity

This area was one of considerable activity during the year.

### Equity and Diversity Management Plan

In accordance with the relevant provisions of the Anti-Discrimination Act, 1977 State Transit developed and submitted a three year Equity and Diversity Plan.

#### The Plan:

- promotes the on-going development of a culture supportive of employment equity and diversity principles;
- requires the identification and removal of barriers to participation and progression in employment;
- ensures the appointment and advancement of staff is determined on the basis of merit;
- requires action be taken to redress inappropriate behaviour in the workplace and in the provision of transport services to the community;
- ensures that accountability for equity outcomes across State Transit rests with all levels of management.

### Devolution of Grievance Handling

A major focus was placed on developing and implementing efficient and effective grievance handling processes at the local management level. A comprehensive programme was designed and delivered to twenty operational managers. In addition to the training program a set of guidelines was established to ensure a best practice approach to the resolution of workplace grievances.

State Transit entered into a strategic partnership with the Council for Equal Opportunity in Employment Limited to assist in the provision of accurate expert advice to grievance handlers accountable for investigating and resolving workplace grievances.

Throughout the reporting period a significant number of internal grievances were resolved and all complaints in external jurisdictions were successfully conciliated.

### Policy Development

A major review of State Transit Equity and Diversity policies has been undertaken to ensure the policies are current, easily understood and workable in practice.

The next stage of policy development requires consultation with executive management and union representatives.

### Learning and Development

Various Equity and Diversity education and skills acquisition programs were delivered to:

- Senior and middle managers within the organisation
- All new employees;
- Grievance handlers;
- All participants involved in promotional training programs.

Plans for 2004 include the following initiatives:

- Negotiation and implementation of new Equity and Diversity policies;
- Further development, implementation and monitoring of workplace grievances;
- Integration of Diversity/EEO principles into State Transit strategic planning across all business units;
- Development and implementation of employment practices that provide flexible work options;
- Development of ongoing equity and diversity learning and development programs for all State Transit employees.



*The Bus Institutes provide recreation facilities for operations staff in bus operations.*

### **Incorporation of Institutes**

The process of consultation and planning for the incorporation of bus institutes continued during the reporting period. The process has been an inevitably lengthy one, both because of the need for intensive consultation and the amount of detail required for the effective operation of the planned new company.

By the end of the reporting period a proposed 2004/05 budget for the proposed new company, including a global operating grant contribution from State Transit (in lieu of value in kind currently provided to institutes through release of drivers to undertake institute activities) had been agreed in principle, and the documentation necessary for the incorporation of the new company developed to a final stage.

## OBJECTIVE

The expectations of passengers are clear - they want clean, well presented and comfortable buses.

## TARGETS

- \$ All of our buses are cleaned daily, and between trips when necessary.
- \$ Our buses are washed at least every three days.
- \$ We aim to have timetabled wheelchair accessible services on all routes by 2010.
- \$ All new buses are air-conditioned, accessible for people with disabilities and have quality seating.
- \$ We aim to buy only environmentally friendly buses and ferries in future.
- \$ For comfort and safety we limit the number of people standing on our buses.

## PERFORMANCE

### Bus Fleet

State Transit continues to lead the nation in terms of the quality and presentation of its bus fleet and the operation of dedicated wheelchair accessible bus services, now timetabled on 110 bus routes across Sydney. State Transit is more than 5 years ahead of the targets in the Commonwealth Disability Discrimination Act.

52 new buses were delivered in 2003/04.

At 30 June 2004, State Transit's bus fleet totalled 1,926 buses:

- \$ 829 are air-conditioned (43% of fleet),
- \$ 661 are low floor design (34.3% of fleet),
- \$ 553 buses are fully wheelchair accessible (28.7% of fleet) and
- \$ 455 buses are Euro 3 compliant (CNG or Euro 3 diesel) (23.6% of the fleet).

State Transit's operating contracts with the Department of Transport issued under the Passenger Transport Act 1990 require an average fleet age of not more than 12 years. State Transit's average fleet age at the end of the report year was 13 years.

State Transit's Board has approved a Fleet Replacement Strategy which requires the purchase of approximately 100 buses per year in order to comply with the 12 year fleet average age requirement.

That means 30 new buses delivered in Newcastle and 240 new buses to be delivered in Sydney over the next 18 months. This is at a total capital cost of \$119 million for the 240 Sydney buses.

State Transit's fleet replacement strategy will ensure that the average age of the fleet will fall under 12 years by June 2005 and continue to fall to 11 years by June 2007 as the new buses arrive and the older buses are retired.

### Current Bus Order

State Transit currently has 100 new standard buses and 80 new articulated buses on order to ensure that the fleet is compliant with its service contract requirement for an average fleet age of 12 years. This is in addition to the 60 standard buses ordered in 2003 which are currently being delivered.

The buses are required to be low floor, fully wheelchair accessible, air-conditioned and able to operate continuously for up to 18 hours or 400 km a day in State Transit's operating environment.

The 80 articulated buses will replace the 30 articulated buses in the Warringah area and provide additional capacity on high frequency routes in other areas.

30 new buses were delivered in Newcastle in the past year.





### **Next Bus Order**

More orders will be placed in the next few months by State Transit for the next tranche of buses to maintain the delivery of around 100 buses per annum.

### **Maintenance Expenditure**

State Transit's fleet cover a lot of kilometres and the buses are well maintained to keep the services going.

State Transit has 419 maintenance staff and spent more than \$30 million on the maintenance of its fleet in 2003/04.

### **Euro 3 Buses**

Over the last 10 years, State Transit has selected the engine type for its bus on a careful assessment of all benefits available at the time of purchase. In the last five years diesel technology has advanced rapidly and now diesel and gas emissions currently meet the same stringent Euro 3 emission standard.

In the latest tenders awarded by State Transit of 100 standard buses and 80 articulated buses, Volvo Australia was the successful tenderer and will deliver new B12BLE diesel buses during 2005 and the first half of 2006.

### **20 Year Minimum Life**

State Transit tenders require a 20 year minimum design life with a 15 year warranty. Manufacturers supply buses to State Transit on that basis. Manufacturers do not stipulate maximum kilometres for the vehicle.

State Transit then refurbishes the buses at 14-17 years of age which is well within the minimum design life and which gives the buses a further 10 years of life. State Transit therefore operates buses up to 25 years old.

Any buses older than 20 years are regularly assessed by professional engineers to see if they can continue in service. State Transit operates under an alternate compliance heavy vehicle inspection program approved by the RTA which requires regular safety inspection of buses.

As buses average about 40-60,000km per annum, these buses are designed as heavy duty vehicles. Many of the important components are replaced during the life of the bus such as the engine, gearboxes, suspension components, brakes. For example, a diesel engine will last for around 600,000 - 700,000km and then be rebuilt. Although the bus may be 20-25 years old, many of the components will have been replaced in recent years.

One component of the fleet replacement program, for the supply of 60 Euro 3 diesel buses was awarded to Volvo in August 2003.

The anticipated fleet growth for the next 5 years is 1% per annum. This estimated growth of 1% in the Sydney fleet was determined by considering a number of factors such as current growth experience, projected population increases, car traffic demand management initiatives, the success of the current bus priority activities and planned improvements to services.

## Accessibility

State Transit leads the bus industry in NSW in introducing wheelchair accessible buses and is ahead of target to meet the implementation timetable of the Draft Disability Standards for Accessible Public Transport.

State Transit currently has 110 routes scheduled accessible bus routes with more coming on-line as new buses are delivered.

All new buses acquired by State Transit feature kneeling suspension for level entry and a flat no-step floor to make it easier for the elderly and less mobile; an extending wheelchair ramp and accommodation for two wheelchairs; additional priority seating for less mobile passengers; high visibility handrails, increased interior lighting and improved destination signs; and, air conditioning.

State Transit has been liaising with community representatives and has developed priorities for introducing fully accessible timetabled bus services in the network. Local councils are being involved so that roadside infrastructure can be improved to assist with access.

Timetabled wheelchair bus services now operate on all main corridors, Parramatta Road, Victoria Road, Oxford Street, Anzac Parade, Epping Road, Pacific Highway, Milliatry Road and Pittwater Road and in the southern suburbs. Wheelchair scheduled services also operate on cross regional routes between Bondi Junction, the Airport and Burwood, Chatswood and Parramatta, and Manly and Chatswood. Many of these services provide links to accessible CityRail stations to increased opportunities for multi-modal travel. A full list of wheelchair accessible services can be found on [www.sydneybuses.info](http://www.sydneybuses.info).

## Environment

The International Energy Agency (IEA) is an autonomous body which was established in November 1974 - within the framework of the Organisation for Economic Co-operation and Development (OECD) - to implement an international energy program. Australia is a member of the agency.

One of the IEA's aims is to improve the world's energy supply and demand by developing alternative energy sources and increasing the efficiency of energy use. From its publication in 2000, *Bus Systems for the Future, Achieving Sustainable Transport Worldwide*, a number of its findings are relevant:

- \$ "As diesel technologies improve, any emission advantage currently held by new CNG buses will diminish."
- \$ "New York and Paris city transport authorities have conducted detailed comparisons of clean diesel and CNG buses – those comparisons found that clean diesel buses produce emission levels comparable to CNG buses."

- \$ "One area where CNG buses may not outperform even regular diesel buses is greenhouse gas emissions. CO2 emissions from CNG buses are typically equal to or lower than diesel. However, when upstream emissions of various greenhouse gases, particularly methane, are included, some studies estimate that CNG buses produce significantly more total greenhouse gas emissions than diesel buses."
- \$ "Some studies also indicate that natural gas vehicles may also emit a greater number of ultra-fine particles than clean diesel vehicles, and that these smaller particles may be the most significant threat to human health." This is still an area of intensive research.

Even since the last acquisition of 300 Mercedes O405NH gas buses – from 1997 to 2000 - 90 Volvo B12BLE diesel buses have been ordered. In the latest tenders for 100 standard buses and 80 articulated buses, Volvo Australia was again the successful tenderer and will deliver new B12BLE diesel buses during 2005 and the first half of 2006.

State Transit has, for more than a decade, driven the technical improvement of gas bus operations in Australia - achieving acceptable economic and environmental standards. This was recognised formally in 1999 with State Transit being awarded the 1999 Australasian Fleet Management Award and the NSW Premier's Gold Award for the Economy.

However, changes in the direction of engine development in Europe - most likely due to a local market focus on biodiesel (plant-based) fuel caused by farm tax incentives and hydrogen fuel cell development - has seen CNG engine development stall during the period in which State Transit required buses.

Moreover, the improvements in diesel technology have continued apace, with diesel engines now being compliant with Euro 3 standards. In short the advantage CNG buses had in emissions has eroded to the point where the emissions are now comparable.



# Western Sydney Bus Services

## OBJECTIVE

Transitway services in Western Sydney provide:

- High speed services between Liverpool and Parramatta, the fastest growing CBD in Australia
- Comfortable CNG powered, airconditioned, fully accessible Mercedes Benz Buses
- Real time information to passengers.

## TARGETS

- Compliance with all contract targets set by the Ministry of Transport's Transitway group.

## PERFORMANCE

State Transit expanded its services in Western Sydney after winning an international tender to deliver high frequency services along the Liverpool-Parramatta Transitway. Services commenced operation on 16 February 2003.



Services are provided from 5.00am to midnight on weekdays, operating at a 10 minute frequency during peak periods. On weekends and public holidays services are provided from 6.00am to midnight, operating at a 20 minute frequency. Services operate for an extra hour on Friday and Saturday evenings.

Transitway's initial patronage was 10,000 per week. This has risen over the last financial year to 30,000 passengers per week, which is in line with initial passenger targets set (50,000 per week).

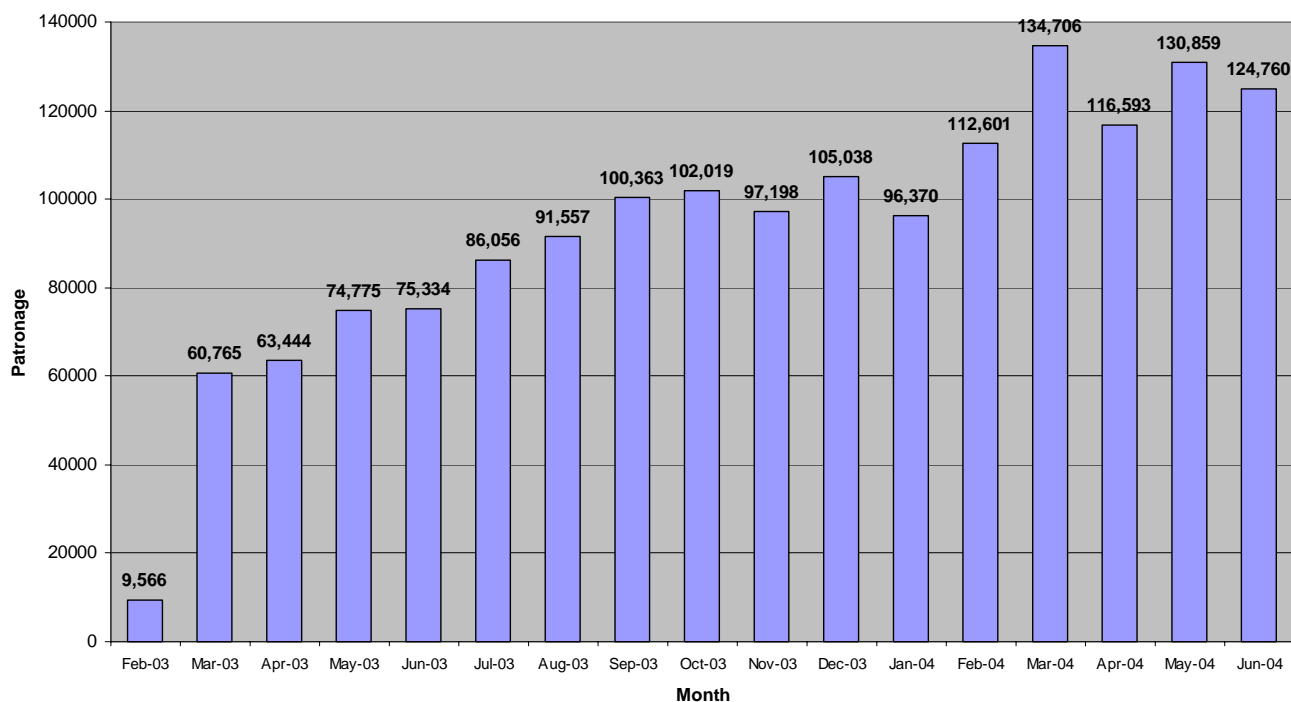
Services are operating within budget.

There has been a review of timetables, the aim being to reduce running times, making trips more attractive to potential passengers, and allowing the opportunity of providing additional services.

Media campaigns have been conducted over the past year, around events such as one millionth passenger, changes to timetables. A large campaign was also conducted with Blackwoods, a large employer on the Transitway route, whereby employees were encouraged to use the Transitway, with promotions like 2 free trips when travel ten's purchased. Community events have also been targeted, with information about the service, journey and ticket information provided to the public.

The safety and security of Transitway services has been a major issue since services commenced. Additional mobile and static guards have been provided at known trouble spots to reduce the incidence of rock throwing.

**Liverpool Parramatta Transitway Monthly Patronage  
From February 2003**





# Financial Statements

FOR THE YEAR ENDED 30 JUNE 2004



# Financial Statements

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# Statement of Financial Performance

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$000	2003 \$000
Revenue from ordinary activities	2(i)	528,419	525,971
Expenses from ordinary activities (excluding employee benefits)	2(ii)	468,437	458,359
Employee benefits	2(iii)	54,004	71,259
Borrowing costs	2(iv)	10,534	10,321
<b>Loss from ordinary activities before income tax</b>		(4,556)	(13,968)
Income tax relating to ordinary activities	3	-	-
<b>Net loss</b>		(4,556)	(13,968)
Net increase/(decrease) in asset revaluation reserve	13	3,018	129,896
Increase/(decrease) in retained profits on adoption of new/revised accounting standard:			
- AASB 1028 "Employee Benefits"	13	-	(497)
- AASB 1041 "Revaluation of Non-Current Assets"	13	-	7,313
<b>Total adjustments recognised directly in equity</b>		3,018	136,712
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		(1,538)	122,744

The accompanying notes form an integral part of the Statement of Financial Performance.

# Statement of Financial Position

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$000	2003 \$000
<b>CURRENT ASSETS</b>			
Cash		3,867	3,424
Receivables	4	13,969	13,151
Inventories	5	10,693	9,679
Other	6	3,724	4,073
<b>TOTAL CURRENT ASSETS</b>		<b>32,253</b>	<b>30,327</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	552,359	566,374
Intangibles	8	234	1,586
Other	6	576	257
<b>TOTAL NON-CURRENT ASSETS</b>		<b>553,169</b>	<b>568,217</b>
<b>TOTAL ASSETS</b>		<b>585,422</b>	<b>598,544</b>
<b>CURRENT LIABILITIES</b>			
Payables	9	46,127	37,341
Interest bearing liabilities	10	31,470	61,181
Provisions	11	43,647	39,213
Other	12	10,804	7,613
<b>TOTAL CURRENT LIABILITIES</b>		<b>132,048</b>	<b>145,348</b>
<b>NON-CURRENT LIABILITIES</b>			
Interest bearing liabilities	10	93,168	82,529
Provisions	11	118,512	127,542
Other	12	370	263
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>212,050</b>	<b>210,334</b>
<b>TOTAL LIABILITIES</b>		<b>344,098</b>	<b>355,682</b>
<b>NET ASSETS</b>		<b>241,324</b>	<b>242,862</b>
<b>EQUITY</b>			
Reserves	13	202,312	199,729
Retained profits	13	39,012	43,133
<b>TOTAL EQUITY</b>		<b>241,324</b>	<b>242,862</b>

The accompanying notes form an integral part of the Statement of Financial Position.

	Note	2004 Inflows (Outflows) \$000	2003 Inflows (Outflows) \$000
<b>Cash flows from operating activities</b>			
Passenger revenue:			
- Fares, charters and tourist services		275,294	251,043
- Reimbursement for:			
- Free travel by school students		40,880	38,395
- Concessional travel by pensioners		85,137	79,048
- Concessional travel by others		28,608	26,796
- Community service obligations		90,018	95,191
Total passenger revenue		519,937	490,473
Other income		38,100	42,067
Interest received		79	323
Government grants		330	3,629
Payments to suppliers		(177,129)	(196,614)
Payments to employees		(323,325)	(301,147)
Interest and other finance costs		(11,021)	(9,523)
<b>Net cash flows from operating activities</b>	(i)	46,971	29,208
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(28,891)	(44,399)
Proceeds from sale of property, plant and equipment		651	8,464
<b>Net cash flows used in investing activities</b>		(28,240)	(35,935)
<b>Cash flows from financing activities</b>			
Proceeds from/(repayments) of borrowings		(18,288)	24,076
Repayment of lease principal		-	(17,665)
<b>Net cash flows from financing activities</b>		(18,288)	6,411
Net increase/(decrease) in cash held		443	(316)
Cash at the beginning of the financial year		3,424	3,740
<b>Cash at the end of the financial year</b>	(ii)	3,867	3,424

The accompanying notes form an integral part of the Statement of Cash Flows.

	Note	2004 \$000	2003 \$000
<b>(i) Reconciliation of operating results after tax to net cash from operating activities</b>			
Net loss after income tax		(4,556)	(13,968)
Adjustments to reconcile net operating result to net cash from operating activities:			
Amortisation of service contract rights		1,352	1,374
Depreciation and amortisation of non-current assets		44,940	42,321
Net (profit)/loss on sale of non-current assets		315	(3,573)
Bad and doubtful debts		88	625
Equipment write-off		7	70
Provision for employee entitlements		2,041	22,760
Other provisions		(6,637)	(5,181)
Other non cash items		(1,241)	838
Changes in assets and liabilities:			
(increase)/decrease in receivables		(288)	(4,215)
(increase)/decrease in inventory		(1,014)	(1,206)
(increase)/decrease in prepayments		(314)	19
(increase)/decrease in other assets		13	2,736
increase/(decrease) in trade and other creditors		8,787	(12,221)
increase/(decrease) in goods and services tax		(530)	627
increase/(decrease) in revenue received in advance		4,008	(1,798)
<b>Net cash flows from operating activities</b>		<b>46,971</b>	<b>29,208</b>

**(ii) Reconciliation of cash**

For the purpose of the statement of cash flows, cash includes cash on hand and in the bank and short term deposits.

Cash at the end of the financial year, as shown in the statement of cash flows, is reconciled to the related items in the Statement of Financial Position as follows:

Cash on hand and in the bank	1(c)	3,867	3,424
<b>Total cash</b>		<b>3,867</b>	<b>3,424</b>

**(iii) Financing facility available**

Short-term standby credit facility	45,000	55,000
Drawn down at balance date	(8,200)	(26,600)
<b>Facility unused at balance date</b>	<b>36,800</b>	<b>28,400</b>

The short term standby credit facility is to meet daily cash flow requirements which may arise from time to time. This facility expires on 30 June 2005.



## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Accounting

The financial statements of the State Transit Authority of New South Wales ("Authority") have been prepared as a general purpose financial report in accordance with the requirements of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2000, Australian Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and applicable Treasurer's Directions and Treasury Circulars. Where there are inconsistencies between the requirements, the legislative provision prevailed.

The financial statements have been prepared on an accrual accounting basis using historical costs except for certain non-current assets, which are recorded at fair value. For some classes of non-current assets, fair value is historical cost, for other classes, market value or written down replacement cost.

The Authority's net loss for the year was \$4.556M (2003 loss \$13.968M). In addition current assets at 30 June 2004 of \$32.253M (2003 \$30.327M) were significantly less than current liabilities of \$132.048M (2003 \$145.348M).

The financial statements have been prepared on a going concern basis which assumes that repayment of debts will be met, as and when they fall due, without any intention or necessity to liquidate assets or otherwise wind up operations.

The board believes that the going concern basis is appropriate for the following reasons:

- The net cash flows from operating activities, after including government contributions were \$46.971M (2003 \$29.208M) and are expected to be positive in 2004/05
- The Authority's debt is fully guaranteed by Government
- The Authority is Government owned. The Government has a clear intention of ensuring the Authority's operating and financial obligations are met, as well as ensuring the financial viability of the Authority.

### (b) Revenue Recognition

Revenue is recognised when the Authority has control of the goods or right to receive, it is probable that the economic benefits will flow to the Authority and the amount of revenue can be measured reliably. The following specific measurement criteria also apply:

#### (i) Passenger Revenue

Passenger Revenue is recognised as revenue when it can be reliably measured, based on passengers travelled or services provided. Refer note 2(v) for the revenue recognition policy of Free & Concessional Travel and payments in respect of Community Service Obligations.

#### (ii) Government Grants

Grants are recognised as revenues when the Authority obtains control over the assets. Usually control is obtained upon the receipt of cash. Unspent grants are accounted for as liabilities if there is a contractual obligation to refund the unspent amounts.

#### (iii) Investment Income

Interest revenue is recognised as it accrues.

Rental income is derived from commercial properties and is recognised in accordance with AAS17 'Accounting for Leases'.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (c) Cash

Cash is carried at principal amount and is subject to an insignificant risk of changes in value. Cash includes cash on hand, at bank and investment in NSW Treasury Corporation's Hour Glass-Cash facility.

Investment in the Hour Glass-Cash facility is represented by a number of units of a managed investment pool, which are redeemable at short notice. The value of the investment can decrease as well as increase depending upon market conditions. The value that best represents the maximum credit risk exposure is the net fair value.

### (d) Receivables

Receivables are recognised and carried at cost, based on the original invoice amount less a provision for any uncollectible debts.

In relation to trade receivables, the Authority minimises concentrations of credit risk by undertaking transactions with a large number of customers. The majority of customers are concentrated in Australia in the newsagency business.

All prospective trade debtors are assessed for credit risks in granting appropriate credit limits. In general, the settlement term is set at no more than 21 days.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

### (e) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items of stock on the basis of weighted average.

### (f) Other Assets

Other assets including prepayments are recognised on a cost basis. Prepayments represent amounts paid in advance for services where the benefit will be realised in a subsequent period.

### (g) Property, Plant and Equipment

The following policies apply to property, plant and equipment:

#### (i) Basis of Valuation

The Authority has applied AASB 1041 "Revaluation of Non-Current Assets" in accordance with NSW Treasury Policy and Guidelines which require that all non current assets be measured at fair value.

Where available, fair value is determined having regard to the highest and best use of the asset on the basis of current market selling prices for the same or similar assets. Where market selling price is not available, the asset's fair value is measured at replacement cost. Replacement cost is determined by reference to the most appropriate modern, equivalent replacement asset that provided similar economic benefits.

Each class of physical non-current assets is revalued at least every five years and with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. Ferry vessels were revalued on 30 June 2004, all other assets were last revalued on 30 June 2003.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (g) Property, Plant and Equipment (cont'd)

#### (i) Basis of Valuation (cont'd)

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation is separately restated.

Otherwise, any balances of accumulated depreciation existing at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense and the increment is recognised immediately as revenue.

Revaluation decrements are recognised immediately as expenses, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

Revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to retained profits.

#### (ii) Leased Assets

A distinction is made between finance leases, where the ownership is likely to be obtained on expiration of the lease, and operating leases under which the lessor effectively retains the risks and benefits incidental to ownership of the lease assets.

Where property, plant and equipment is acquired by means of a finance lease, the asset is capitalised at the present value of the minimum lease payments and disclosed as leased property, plant and equipment. A corresponding liability is also established and each lease payment is allocated between the principal component and the interest expense.

Capitalised leased assets are amortised on a straight-line basis over the term of the lease except:

- Where at the inception of the lease there is a reasonable assurance that ownership is likely to be obtained on expiration of the lease asset. In such circumstances amortisation is calculated on the estimated useful life.
- For buses, consistent with the basis of valuation as stated in 1(g)(i), amortisation is calculated using a ratio of remaining service potential to total service potential.

Operating lease payments are charged as expenses in the period in which they are incurred.

In accordance with UIG Abstract 3, lease incentives are recognised as liabilities and amortised over the period of the lease.

# Notes to and Forming Part of the Financial Statements

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

FOR THE YEAR ENDED 30 JUNE 2004

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (g) Property, Plant and Equipment (cont'd)

#### (iii) Depreciation

Property, plant and equipment and capitalised leased assets, excluding freehold land and work in progress, are depreciated over their estimated useful lives as follows:

Asset Class	Life	Method
Freehold buildings and wharves	40 Yrs	Straight Line
Plant and equipment	3 to 20 Yrs	Straight Line
Buses	20 Yrs	In line with the pattern of consumption of economic benefits
Ferries	15 to 40 Yrs	Straight Line

#### (iv) Capitalisation Policy

Property, plant and equipment are recorded at the cost of acquisition. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition. Property, plant and equipment costing \$1,000 or more individually and having a minimum expected working life of three years is capitalised.

Major spares purchased specifically for particular assets or class of assets are, at the time of asset acquisition included in the cost of the equipment and depreciated accordingly.

#### (v) Work in Progress

Costs relating to property, plant and equipment that is under construction or is otherwise incomplete, are shown in the financial statements as capital works in progress and are not depreciated until the assets are brought into service.

#### (vi) Leasehold Improvements

The cost of leasehold improvements is amortised over the unexpired period of the lease or the estimated useful life of the improvement whichever is the shorter.

#### (vii) Maintenance & Repairs

The costs of routine maintenance and repairs are charged as expenses as incurred, except where they relate to the replacement of a component of an asset that increases the service potential of the asset, in which case the costs are capitalised and depreciated in accordance with note 1(g)(iii).

#### (h) Intangibles - Service Contract Rights

Service contract rights are licences issued by the Ministry of Transport to operate bus services in specific regions. Service contract rights, representing the consideration for service rights purchased are recognised at cost and are amortised on a straight-line method over the period during which benefits are expected to arise.

#### (i) Payables

Liabilities for trade creditors and other amounts are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received prior to end of financial year. The amounts are unsecured and are usually paid within 30 days of recognition.



## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (j) Interest Bearing Liabilities

#### (i) Borrowings

Borrowings are recognised at current capital value. Current capital value is the face value of the debt adjusted for unamortised discounts or premiums. The discounts or premiums are treated as interest expense or income, respectively, and amortised over the term of the borrowing on a straight-line basis. Interest is charged as it accrues.

The fair value of long-term borrowings has been derived utilising accepted financial market methodologies and using quoted market rates at balance date.

#### (ii) Finance Leases

Any increase or decrease in lease payments resulting from changes in the factors on which lease payments are based, which occur subsequent to the inception of the lease, are recognised as contingent rentals in the statement of financial performance.

### (k) Provisions

Provisions are recognised when the Authority has a present legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events and a reliable estimate of the amount of the obligation can be made.

### (l) Employee Benefits

#### (i) Salaries and Wages, Sick Leave and On-costs

Liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

Unused non-vesting sick leave does not give rise to a liability, as it is not considered probable that sick leave taken in the future will be greater than the entitlements accrued in the future.

The outstanding amounts of payroll tax, workers' compensation and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where employee entitlements to which they relate have been recognised.

#### (ii) Annual Leave and Long Service Leave

Provision has been made for benefits accruing to employees in relation to annual leave and long service leave estimated to be payable to employees on the basis of statutory and contractual requirements.

Annual leave liabilities, expected to be settled within twelve months of the reporting date, are measured at their nominal amounts based on remuneration rates, that are expected to be paid when the liability is settled. Long service leave and other leave benefits that are not expected to be settled within twelve months are assessed at present value by independent actuaries.

#### (iii) Superannuation

The employees' retirement benefits liability in respect of three defined benefit superannuation schemes administered by Pillar Administration on behalf of SAS Trustee Corporation is fully provided. The liability for employees' retirement benefits is based on an actuarial assessment (refer Note 11(iii)).

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (m) Reserves

The asset revaluation reserve comprises revaluation increments recognised upon the revaluation of non current assets. Upon disposal or retirement, any related revaluation increment/decrement remaining in the reserve in respect of the asset at the time of disposal is transferred to retained profits.

### (n) Insurance

Appropriate insurances are purchased to cover material liability, physical damage, business interruption, and other exposures arising out of normal business operations. The Authority is a licensed self-insurer for workers' compensation claims under the *New South Wales Workers Compensation Act*. Broker advice is maintained to ensure a proactive response to changes in the operating environment.

Provisions are made for future costs associated with liability claims occurring in the financial year. Provisions are also made for future insurance premium adjustments, payable under the terms of the insurance contracts. These provisions are assessed at present value by independent actuaries. Recoveries due under insurance arrangements are treated as receivables.

### (o) Derivatives

#### (i) Foreign Exchange - Specific Hedges

Hedge contracts are taken out for specific commitments at the time the foreign currency exposure arises. Each hedge contract endeavours to match the profile of the exposure in terms of the amount and timing of anticipated future cash flows. Where a purchase commitment is specifically hedged, realised and unrealised exchange gains and losses are treated as deferred costs and revenues until the terms of delivery or the physical purchase commitments have been satisfied. Exchange gains and losses are then brought to account in determining the capital cost of the asset purchased.

#### (ii) Swaps

Gasoil swap contracts are in United States dollars and are taken out to reduce the risk of unfavourable distillate price movements.

The face value of gasoil swaps is not recognised in the financial statements. Net receipts and payments are recognised as an adjustment to the distillate purchase price.

The fair value of gasoil swap contracts is determined as the net unrecognised gain and loss at balance date.

#### (iii) Options

Options in foreign currency and commodity prices are taken out to reduce the risk of unfavourable distillate price movements. These options provide the right, but not the obligation, to transact in fixed rate prices. Depending on the market rates, the holder has the choice of exercising the option or allowing it to lapse.

Premiums paid to purchase options are recognised together with any realised gains in the statement of financial performance at maturity date of each contract.

The fair value of the options is determined as the unrecognised gain or loss at balance date.

#### (iv) Forward Exchange Contracts

Forward exchange contracts are taken out to manage the foreign currency price risk relating to purchase of capital equipment.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (o) Derivatives (cont'd)

#### (iv) Forward Exchange Contracts (cont'd)

Forward exchange contracts in United States dollars are undertaken to reduce the risk of unfavourable distillate price movements.

The market value of the forward exchange contracts is determined as the unrecognised gains and losses at balance date.

### (p) Income Tax

The Authority is subjected to the National Tax Equivalent Regime under which it is required to pay taxation equivalent to the NSW Government.

Tax effect accounting is adopted whereby the income tax expense in the statement of financial performance is matched with the accounting profit after allowing for permanent differences. The future income tax benefit relating to tax losses is not carried forward as an asset unless the benefit is virtually certain of realisation. Income tax on cumulative timing differences is charged to the deferred income tax or the future income tax benefit accounts at the rates which are expected to apply when those timing differences reverse.

### (q) Accounting for Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- The amount of GST incurred that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- Receivables and payables are stated with the amount of GST included.

The net amount of GST receivable or payable from or to the Australian Taxation Office is included in the statement of financial position as an asset or liability.

### (r) Borrowing Costs

Borrowing costs are recognised as expenses in the period in which they are incurred and comprise:

- Interest on bank overdrafts and short term and long term borrowing;
- Amortisation of discounts or premiums relating to borrowings; and
- Finance lease charges

### (s) Comparatives

Comparative figures are, where appropriate, reclassified to give a meaningful comparison with the current year.

### (t) Rounding

All amounts shown in the financial reports are expressed by reference to the nearest thousand dollars unless otherwise specified.

### (u) The impacts of adopting Australian equivalents to International Financial Reporting Standards

For interim and annual reporting periods ending on or after 30 June 2004, AASB 1047 Disclosing the Impacts of Adopting Australian equivalents to International Financial Reporting Standards requires narrative disclosure of how the transition process is being managed and an explanation of the key differences in accounting policies that are expected to arise from the transition to AASB equivalents to IASB pronouncements. Refer to Note 18 for further details.

# Notes to and Forming Part of the Financial Statements

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$000	2003 \$000
<b>2. REVENUE AND EXPENDITURE</b>			
<b>(i) Revenue from ordinary activities</b>			
Passenger revenue:			
- Fares, charters and tourists services		250,587	234,172
- Reimbursement for:			
- free travel by school students	2(v)(a)	41,170	38,483
- concessional travel by:			
pensioners	2(v)(a)	85,137	79,048
other community groups	2(v)(a)	28,653	26,796
- community service obligations (CSO):			
pricing CSO	2(v)(b)	46,639	44,738
service level CSO	2(v)(b)	39,796	50,453
Total passenger revenue		491,982	473,690
Interest from third parties	2(vi)	733	937
Grants	2(vii)	330	3,629
Proceeds from sale of property, plant and equipment		651	10,014
Other		34,723	37,701
Total revenue from ordinary activities		528,419	525,971
<b>(ii) Expenses from ordinary activities (excluding employee benefits)</b>			
Wages and salaries		253,888	235,241
Workers' compensation		1,377	8,230
Payroll tax		17,474	16,911
Fleet running expenses		75,757	77,059
General operating expenses		66,027	61,909
Depreciation:			
- Plant and equipment		42,188	38,468
- Buildings		2,471	1,376
Amortisation of non-current assets:			
- Leased plant and equipment		-	2,229
- Leasehold improvements		281	248
- Service contract rights		1,352	1,374
Property, plant and equipment sold or written off		973	6,511
Operating leases		3,817	3,757
Consultancy/Professional services		2,523	4,204
Audit fee	2(viii)	221	217
Provision for doubtful debts		54	498
Bad debts written off		34	127
Total expenses from ordinary activities		468,437	458,359
<b>(iii) Employee benefits</b>			
Annual leave		23,072	23,484
Long service leave		7,836	10,685
Retirement benefits		23,096	37,090
Total employee benefits		54,004	71,259



# Notes to and Forming Part of the Financial Statements

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$000	2003 \$000
<b>2. REVENUE AND EXPENDITURE (cont'd)</b>			
<b>(iv) Borrowing costs</b>			
Interest		10,534	10,203
Finance lease interest charges		-	118
Total borrowing costs		<u>10,534</u>	<u>10,321</u>
<b>(v) New South Wales Government reimbursements</b>			
(a) Free & Concessional Travel			
Free and concessional travel is provided to a range of community groups. The extent to which these groups are entitled to free and concessional travel is determined by Government policy. Reimbursement is provided for free school travel on the basis of percentage of the number of passes on issue in the current year. Pensioners pay an all-day concession ticket (\$1.10, \$2.20 or \$3.30) and the Government pays the balance of the full fare for all estimated travel consumed. Other free and concessional travel is reimbursed on the basis of the Government paying the balance between the full fare applicable for each journey and the fare paid by the passenger.			
(b) Community Service Obligations (CSO)			
Reimbursements were received from the NSW Government in accordance with the Government's social policy programs designed to promote the accessibility and availability of public transport services. CSO payments comprise Pricing CSO and Service Level CSO.			
Pricing CSO – The Authority's fares are determined by the Independent Pricing and Regulatory Tribunal (IPART). In line with Government's social policy programs, the Authority's fares are below the equivalent commercial fares charged by the private sector bus operators. Consequently, the Authority is reimbursed the difference between the two sets of fares in the form of a Pricing CSO.			
Service Level CSO – Represents payment by the NSW Government to cover the operation of a number of services provided by Sydney Buses, Sydney Ferries and Newcastle Services which are not commercially justifiable by normal industry benchmarks.			
<b>(vi) Interest income</b>			
Interest received or due and receivable comprise:			
Interest from Hour Glass-Cash facility (unitised Investment)		33	1
Other Interest		700	936
Total Interest income		<u>733</u>	<u>937</u>

# Notes to and Forming Part of the Financial Statements

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$000	2003 \$000
<b>2. REVENUE AND EXPENDITURE (cont'd)</b>			
<b>(vii) Grants</b>			
Grants for:			
Capital works <sup>1</sup>		330	3,114
Alternative Fuel Program		-	515
Total grants		<u>330</u>	<u>3,629</u>
<sup>1</sup> This grant was received from the NSW Government Action for Transport 2010 program for the acquisition of new vessels, refurbishment of Manly ferries and the installation of CCTV cameras on wharves.			
<b>(viii) Audit fee</b>			
Audit fees payable to the Audit Office of NSW for the audit of financial reports		<u>221</u>	<u>217</u>
Total audit fees		<u>221</u>	<u>217</u>
<b>(ix) Board members' remuneration</b>			
The amount of remuneration, including superannuation contributions, received or due and receivable by the non executive members of the State Transit Authority Board for services in respect of all entities was \$165,011 (2003: \$169,112). There were no other benefits paid to the members of the Board.			
<b>3. INCOME TAX</b>			
<b>(i) Income tax expense</b>			
The prima facie tax on operating (loss) differs from the income tax provided in the accounts as follows:			
(Loss) from ordinary activities		<u>(4,556)</u>	<u>(13,968)</u>
Prima facie tax on operating (loss) at 30%		(1,367)	(4,190)
Tax effect of permanent differences		2,961	1,827
Transferred to operating (loss)		<u>(1,594)</u>	<u>2,363</u>
Income tax attributable to operating (loss)		<u>-</u>	<u>-</u>
<b>(ii) Benefit of tax losses and timing differences not brought to account</b>			
Future income tax benefit arising from tax losses and timing differences have not been recognised as an asset because realisation of the benefit is not regarded as virtually certain.			
Balance not brought to account being tax losses of \$50.654M (2003: \$48.825M) and net timing differences of \$20.056M (2003: \$24.018M)			
		<u>70,710</u>	<u>72,843</u>

# Notes to and Forming Part of the Financial Statements

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$000	2003 \$000
<b>3. INCOME TAX (cont'd)</b>			
<b>(iii) Future Income Tax Benefit (FITB)</b>			
These benefits will only be derived if:			
(a) the Authority derives sufficient future assessable income to enable the benefits to be realised;			
(b) the Authority continues to comply with the conditions for deductibility imposed by tax legislation;			
(c) there is no adverse change in tax legislation affecting the Authority in realising the benefit.			
<b>4. RECEIVABLES (CURRENT)</b>			
Trade Debtors		6,045	5,777
Provision for doubtful debts		(87)	(124)
		<u>5,958</u>	<u>5,653</u>
Sundry Debtors		9,822	9,749
Provision for doubtful debts		(2,467)	(2,377)
		<u>7,355</u>	<u>7,372</u>
Goods and Services Tax		656	126
Total receivables		<u>13,969</u>	<u>13,151</u>
<b>5. INVENTORIES (AT COST)</b>			
Mechanical and electrical spares		8,273	7,815
Distillate		1,376	1,012
Tyres and tubes		133	145
Other		911	707
Total inventories		<u>10,693</u>	<u>9,679</u>
<b>6. OTHER ASSETS</b>			
<b>Current</b>			
Prepayments		2,356	2,042
Foreign currency hedge receivable		406	1,223
Other		962	808
Total current other assets		<u>3,724</u>	<u>4,073</u>
<b>Non-current</b>			
Foreign currency hedge receivable		324	178
Other		252	79
Total non-current other assets		<u>576</u>	<u>257</u>

# Notes to and Forming Part of the Financial Statements

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

FOR THE YEAR ENDED 30 JUNE 2004

## 7. PROPERTY PLANT AND EQUIPMENT

Class of Property, plant and equipment	2004			2003		
	Capital Value	Accumulated Depreciation/ Amortisation	WDV	Capital Value	Accumulated Depreciation/ Amortisation	WDV
	\$000	\$000	\$000	\$000	\$000	\$000
Freehold operating land - at fair value	101,067	-	101,067	101,068	-	101,068
Freehold commercial land - at fair value	12,105	-	12,105	12,105	-	12,105
<b>Total land</b>	<b>113,172</b>	<b>-</b>	<b>113,172</b>	<b>113,173</b>	<b>-</b>	<b>113,173</b>
Buildings - at fair value	97,325	(48,802)	48,523	96,253	(46,332)	49,921
<b>Total buildings</b>	<b>97,325</b>	<b>(48,802)</b>	<b>48,523</b>	<b>96,253</b>	<b>(46,332)</b>	<b>49,921</b>
Wharves - at fair value	15,353	(9,088)	6,265	15,353	(8,716)	6,637
<b>Total wharves</b>	<b>15,353</b>	<b>(9,088)</b>	<b>6,265</b>	<b>15,353</b>	<b>(8,716)</b>	<b>6,637</b>
<b>Total land, buildings &amp; wharves</b>	<b>225,850</b>	<b>(57,890)</b>	<b>167,960</b>	<b>224,779</b>	<b>(55,048)</b>	<b>169,731</b>
<b>Plant and equipment at cost</b>	<b>84,844</b>	<b>(65,937)</b>	<b>18,907</b>	<b>83,754</b>	<b>(60,567)</b>	<b>23,187</b>
<b>Motor vehicles (other than buses)</b>	<b>819</b>	<b>(619)</b>	<b>200</b>	<b>646</b>	<b>(569)</b>	<b>77</b>
Buses - at fair value	588,918	(345,723)	243,195	573,277	(327,901)	245,376
<b>Total buses</b>	<b>588,918</b>	<b>(345,723)</b>	<b>243,195</b>	<b>573,277</b>	<b>(327,901)</b>	<b>245,376</b>
Ferries - at fair value	260,350	(146,899)	113,451	243,062	(123,503)	119,559
<b>Total ferries</b>	<b>260,350</b>	<b>(146,899)</b>	<b>113,451</b>	<b>243,062</b>	<b>(123,503)</b>	<b>119,559</b>
<b>Work in progress</b>	<b>8,646</b>	<b>-</b>	<b>8,646</b>	<b>8,444</b>	<b>-</b>	<b>8,444</b>
<b>Total property, plant and equipment</b>	<b>1,169,427</b>	<b>(617,068)</b>	<b>552,359</b>	<b>1,133,962</b>	<b>(567,588)</b>	<b>566,374</b>



# Notes to and Forming Part of the Financial Statements

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

FOR THE YEAR ENDED 30 JUNE 2004

## 7. PROPERTY PLANT AND EQUIPMENT (cont'd)

### (i) Valuations

- (a) Property, plant and equipment were revalued in accordance with the basis of valuation set out in note 1(g)(i)
- (b) The following non-current assets were independently valued by registered valuers:

Class of assets	Date of valuation	Registered valuers
Freehold commercial land and buildings	30 June 2003	International Valuation Consultants Pty Ltd
Operating land and buildings	30 June 2003	International Valuation Consultants Pty Ltd
Wharves	30 June 2003	International Valuation Consultants Pty Ltd
Ferries	30 June 2004	Rodney Hyman Asset Services Pty Ltd

- (c) Buses were previously revalued on 30 June 2003 by the Board. The Board believes there has not been any material movement in the value of the buses since 30 June 2003. The valuation is therefore considered a fair approximation of the current values at 30 June 2004.
- (d) The independent valuers have confirmed on 30 June 2004 that the fair value of land, buildings and wharves have not moved materially since the last valuation.
- (e) Sydney Ferries a business unit of the Authority will be corporatised on 1 July 2004 (refer Note 19 for further details). Ferry vessels constitute a significant portion of the total assets of Sydney Ferries. To ensure the values of all assets transferred to the new entity 'Sydney Ferries' are reasonable and represent fair value, ferry vessels were revalued on 30 June 2004. Ferry vessels are revalued on the basis of replacement cost consistent with the previous year's revaluation methodology.

All valuations are estimates of the amounts for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arms length transaction at the valuation date.

# Notes to and Forming Part of the Financial Statements

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

FOR THE YEAR ENDED 30 JUNE 2004

## 7. PROPERTY PLANT AND EQUIPMENT (cont'd)

- (ii) Reconciliation of carrying amounts of each class of property, plant and equipment at the beginning and at the end of the reporting period are set out below:

2004								
Class of Property, plant and equipment	Opening Balance	Revaluation Inc/(Dec)	Disposals	Additions	Trf to/from Leased	Other Adjustments	Depreciation/ Amortisation	Closing Balance
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Freehold operating land	101,068	-	(1)	-	-	-	-	101,067
Freehold commercial land	12,105	-	-	-	-	-	-	12,105
<b>Total Land</b>	<b>113,173</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113,172</b>
Buildings	49,921	-	-	1,073	-	-	(2,471)	48,523
Wharves	6,637	-	-	-	-	-	(372)	6,265
<b>Total land, buildings &amp; wharves</b>	<b>169,731</b>	<b>-</b>	<b>(1)</b>	<b>1,073</b>	<b>-</b>	<b>-</b>	<b>(2,843)</b>	<b>167,960</b>
Plant and equipment	23,187	-	(30)	3,020	-	-	(7,270)	18,907
Motor vehicles	77	-	-	173	-	-	(50)	200
Owned Buses	245,376	-	(951)	22,569	-	-	(23,799)	243,195
Owned ferries	119,559	3,018	-	1,852	-	-	(10,978)	113,451
Work in progress <sup>1</sup>	8,444	-	-	202	-	-	-	8,646
<b>Total</b>	<b>566,374</b>	<b>3,018</b>	<b>(982)</b>	<b>28,889</b>	<b>-</b>	<b>-</b>	<b>(44,940)</b>	<b>552,359</b>

2003								
Class of Property, plant and equipment	Opening Balance	Revaluation Inc/(Dec)	Disposals	Additions	Trf to/from Leased	Other Adjustments	Depreciation/ Amortisation	Closing Balance
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Freehold operating land	53,255	43,766	(340)	-	-	4,387	-	101,068
Freehold commercial land	12,529	8,763	(4,800)	-	-	(4,387)	-	12,105
<b>Total Land</b>	<b>65,784</b>	<b>52,529</b>	<b>(5,140)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113,173</b>
Buildings	30,075	20,223	(29)	1,028	-	-	(1,376)	49,921
Wharves	1,688	5,189	-	-	-	-	(240)	6,637
<b>Total land, buildings &amp; wharves</b>	<b>97,547</b>	<b>77,941</b>	<b>(5,169)</b>	<b>1,028</b>	<b>-</b>	<b>-</b>	<b>(1,616)</b>	<b>169,731</b>
Plant and equipment	23,984	-	(50)	6,887	-	2	(7,636)	23,187
Motor vehicles	122	-	-	-	-	(2)	(43)	77
Owned Buses	232,727	14,252	(1,292)	15,027	6,674	(353)	(21,659)	245,376
Leased Buses	8,100	-	-	-	(6,674)	-	(1,426)	-
Owned ferries	60,818	44,298	-	20,937	2,644	-	(9,138)	119,559
Leased Ferries	2,729	718	-	-	(2,644)	-	(803)	-
Work in progress	7,942	-	-	502	-	-	-	8,444
<b>Total</b>	<b>433,969</b>	<b>137,209</b>	<b>(6,511)</b>	<b>44,381</b>	<b>-</b>	<b>(353)</b>	<b>(42,321)</b>	<b>566,374</b>

<sup>1</sup> Major items of work in progress include Bus procurement contract \$4.891m, Manly Ferry Control System \$0.772m and Network Computing System \$0.899m.

# Notes to and Forming Part of the Financial Statements

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$000	2003 \$000
<b>8. INTANGIBLES</b>			
Service contract rights		9,355	9,355
Accumulated amortisation		(9,121)	(7,769)
Total intangibles		234	1,586
<b>9. PAYABLES</b>			
Trade creditors	9(i)	15,184	8,437
Other creditors and accruals		7,629	8,925
Accrued salaries, wages and on-costs		14,679	10,857
Accrued interest payable		3,535	4,022
Interest free loan		5,100	5,100
Total payables		46,127	37,341
(i) Trade creditors are non-interest bearing and are normally settled on 30 day terms.			
<b>10. INTEREST BEARING LIABILITIES</b>			
<b>Current</b>			
Borrowings secured by NSW Government guarantee		31,470	61,181
Total current interest bearing liabilities		31,470	61,181
<b>Non-current</b>			
Borrowings secured by NSW Government guarantee		93,168	82,529
Total non-current interest bearing liabilities		93,168	82,529
<b>(i) Payable:</b>			
Not later than 1 year		31,090	60,591
Later than 1 year and not later than 5 years		42,510	42,510
Later than 5 years		49,670	38,316
Total interest bearing borrowings (face value)		123,270	141,417
Unamortised discount		(585)	(315)
Unamortised premium		1,953	2,608
Total interest bearing borrowings (capital value)		124,638	143,710
Current liability		31,470	61,181
Non-current liability		93,168	82,529
		124,638	143,710

# Notes to and Forming Part of the Financial Statements

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$000	2003 \$000
<b>11. PROVISIONS</b>			
<b>Current</b>			
Employee benefits	11(i)	34,439	30,086
Workers' compensation	11(ii)	7,350	7,051
Others	11(ii)	1,858	2,076
Total current provisions		<u>43,647</u>	<u>39,213</u>
<b>Non-current</b>			
Employee benefits	11(i)	36,405	36,443
Retirement benefits	11(iii)	60,901	63,175
Workers' compensation	11(ii)	15,264	21,039
Compulsory third party (CTP)	11(ii)	4,300	6,202
Others	11(ii)	1,642	683
Total non-current provisions		<u>118,512</u>	<u>127,542</u>
<b>(i) Aggregate employee benefits and related on-costs</b>			
Provisions - current		34,439	30,086
Provisions - non-current		36,405	36,443
Accrued salaries, wages and on-costs		14,679	10,857
Total employee benefits and related on-costs		<u>85,523</u>	<u>77,386</u>
<b>(ii) Movements in each class of provisions during the financial year, other than employee benefits, are set out below:</b>			
	<b>Workers'</b>		
	<b>Comp</b>	<b>CTP</b>	<b>Others</b>
Carrying amount at the beginning of the financial year	28,090	6,202	2,759
Additions/(reduction) to provisions recognised, including increases/(decreases) to existing provisions	1,353	(1,902)	2,996
Amounts paid during the year	(6,829)	-	(2,255)
Carrying amount at the end of financial year	<u>22,614</u>	<u>4,300</u>	<u>3,500</u>
Current	7,350	-	1,858
Non-current	15,264	4,300	1,642
	<u>22,614</u>	<u>4,300</u>	<u>3,500</u>



# Notes to and Forming Part of the Financial Statements

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

FOR THE YEAR ENDED 30 JUNE 2004

## 11. PROVISIONS (cont'd)

### (iii) Retirement benefits

The defined benefits schemes relating to employees of the State Transit Authority are as follows:

- (a) SASS            State Authorities Superannuation Scheme
- (b) SANCS        State Authorities Non-Contributory Superannuation Scheme
- (c) SSS            State Superannuation Scheme

These schemes are part of the pooled fund, the trustee of which is SAS Trustee Corporation (Trustee). The funds actuary, Mercer Human Resource Consulting Pty Ltd, appointed by the Trustee, has calculated the financial liability.

The financial assumptions that have been used in the calculation are:

	2004-2005	2005-2006	Thereafter
	% pa	% pa	% pa
Rate of investment return	7.0	7.0	7.0
Rate of salary increase	4.0	4.0	4.0
Rate of increase in Consumer Price Index	2.5	2.5	2.5

The assessed liability as at 30 June 2004 and funds held in Reserve Account with the Trustee are as follows:

	SASS	SANCS	SSS	Total
	\$000	\$000	\$000	\$000
Gross liability	158,504	24,533	5,879	188,916
Reserve balance	(108,454)	(13,926)	(5,635)	(128,015)
Unfunded liability	50,050	10,607	244	60,901

	Note	2004 \$000	2003 \$000
<b>Non-current liability</b>			
Retirement benefits		60,901	63,175

## 12. OTHER LIABILITIES

### Current

Revenue received in advance	10,359	6,351
Foreign currency hedge payable	406	1,223
Other	39	39
Total current other liabilities	10,804	7,613

### Non-Current

Foreign currency hedge payable	324	178
Other	46	85
Total non-current other liabilities	370	263

# Notes to and Forming Part of the Financial Statements

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

FOR THE YEAR ENDED 30 JUNE 2004

## 13. EQUITY

\$000	Retained profits		Reserves		Total Equity	
	2004	2003	2004	2003	2004	2003
Balance at the beginning of the financial year	43,133	44,457	199,729	75,661	242,862	120,118
Increment / (decrement) on revaluation of property, plant and equipment	-	-	3,018	129,896	3,018	129,896
Asset revaluation reserve balance transferred to retained profits on disposal of assets	435	5,828	(435)	(5,828)	-	-
Net increase / (decrease) in retained profits on adoption of new/revised accounting standard:						
AASB 1028 "Employee Benefits"	-	(497)	-	-	-	(497)
AASB 1041 "Revaluation of Non-Current Assets"	-	7,313	-	-	-	7,313
Net Loss for the year	(4,556)	(13,968)	-	-	(4,556)	(13,968)
<b>Balance at the end of the financial year</b>	<b>39,012</b>	<b>43,133</b>	<b>202,312</b>	<b>199,729</b>	<b>241,324</b>	<b>242,862</b>

2004      2003  
Note      \$000      \$000

## 14. COMMITMENTS

### (i) Other Expenditure Commitments

Aggregate other expenditure for the acquisition of goods and services at balance date and not provided for:

Not later than 1 year	3,456	2,574
Total other expenditure commitments (including GST)	<u>3,456</u>	<u>2,574</u>

### (ii) Operating lease commitments

Payable:

Not later than 1 year	3,791	3,106
Later than 1 year and not later than 5 years	5,272	6,652
Later than 5 years	40,106	42,655
Total operating lease commitments (including GST)	<u>49,169</u>	<u>52,413</u>

Operating leases exist in respect of office accommodation, motor vehicles, office equipment and wharves

### (iii) Capital expenditure commitments\*

Payable:

Not later than 1 year	11,985	11,811
Total capital expenditure commitments (including GST)	<u>11,985</u>	<u>11,811</u>

\* These capital expenditure commitments relate primarily to bus procurement contracts.

The other expenditure, operating lease expenditure, and capital expenditure commitment totals as shown above include Goods and Services Tax (GST) of \$5.874M, which is recoverable from the Australian Taxation Office.

# Notes to and Forming Part of the Financial Statements

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

FOR THE YEAR ENDED 30 JUNE 2004

## 15. WESTERN SYDNEY BUSES

Western Sydney Buses ("WSB") was incorporated on 12 July 2002 under the Transport Administration Act 1988 as a public subsidiary corporation of the State Transit Authority. WSB commenced operation from February 2003.

WSB operates bus services along the corridor known as the Liverpool-Parramatta Transitway. Its operations have been incorporated into the Authority's financial result. However, a separate account for WSB is maintained by the Authority, which recognised loans were advanced from and repayments received by the Authority.

The Authority also levies management fees.

**WSB Revenue & Expenses for the period 30 June 2004 are summarised as follows:**

	<b>2004</b>	<b>2003<sup>1</sup></b>
	<b>\$000</b>	<b>\$000</b>
<b>Revenue</b>		
Passenger revenue	2,675	645
Reimbursement for concessional travel	267	46
Other	27	-
<b>Total Revenue</b>	<b>2,969</b>	<b>691</b>
<b>Expenses</b>		
Wages, salaries and on-costs	2,781	1,176
Fleet running expenses	794	343
Other	2,631	1,337
<b>Total expenses</b>	<b>6,206</b>	<b>2,856</b>
<b>Net Loss</b>	<b>(3,237)</b>	<b>(2,165)</b>

**WSB Assets & Liabilities at 30 June 2004 are summarised as follows:**

<b>CURRENT ASSETS</b>		
Cash	21	17
Receivables	239	234
Other	29	49
<b>TOTAL CURRENT ASSETS</b>	<b>289</b>	<b>300</b>
<b>NON-CURRENT ASSETS</b>		
Other	20	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>20</b>	<b>-</b>
<b>TOTAL ASSETS<sup>2</sup></b>	<b>309</b>	<b>300</b>
<b>CURRENT LIABILITIES</b>		
Payables	616	350
Borrowings from parent entity	4,782	1,930
Provisions	254	152
<b>TOTAL CURRENT LIABILITIES</b>	<b>5,652</b>	<b>2,432</b>
<b>NON-CURRENT LIABILITIES</b>		
Provisions	59	33
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>59</b>	<b>33</b>
<b>TOTAL LIABILITIES</b>	<b>5,711</b>	<b>2,465</b>
<b>NET LIABILITIES</b>	<b>(5,402)</b>	<b>(2,165)</b>

<sup>1</sup> 2003 comparatives are for the period Feb-2003 to Jun-2003

<sup>2</sup> All Property, plant and equipment are leased from the Authority, under an operating lease.

# Notes to and Forming Part of the Financial Statements

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

FOR THE YEAR ENDED 30 JUNE 2004

## 16. FINANCIAL INSTRUMENTS

### (i) Interest rate risk

Exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at balance date, are as follows:

	Floating interest rate	Fixed interest rate maturing in			Non- Interest bearing	Total	Weighted average effective interest rate	
		1 year or less	Over 1 to 5 years	More than 5 years			Floating %	Fixed %
	\$000	\$000	\$000	\$000	\$000	\$000		
<b>2004</b>								
<b>Financial Assets</b>								
Cash	1,603	-	-	-	2,264	3,867	5.25	N/A
Receivables	-	-	-	-	13,969	13,969	N/A	N/A
Currency options <sup>1</sup>	-	-	-	-	569	569	N/A	N/A
Commodity swaps <sup>1</sup>	-	-	-	-	4	4	N/A	N/A
Total financial assets	1,603	-	-	-	16,806	18,409		
<b>Financial Liabilities</b>								
Trade creditors & accruals	-	-	-	-	41,027	41,027	N/A	N/A
Borrowings	8,200	23,270	43,251	49,917	5,100	129,738	7.05	7.46
Forward exchange contracts	-	15,256	-	-	-	15,256	N/A	N/A
Total financial liabilities	8,200	38,526	43,251	49,917	46,127	186,021		
<b>2003</b>								
<b>Financial Assets</b>								
Cash	1,195	-	-	-	2,229	3,424	3.25	N/A
Receivables	-	-	-	-	14,374	14,374	N/A	N/A
Currency options <sup>1</sup>	-	-	-	-	167	167	N/A	N/A
Commodity swaps <sup>1</sup>	-	-	-	-	3	3	N/A	N/A
Total financial assets	1,195	-	-	-	16,773	17,968		
<b>Financial Liabilities</b>								
Trade creditors & accruals	-	-	-	-	33,464	33,464	N/A	N/A
Borrowings	32,483	28,698	43,569	38,960	5,100	148,810	6.90	8.09
Forward exchange contracts	-	6,163	1,034	-	-	7,197	N/A	N/A
Total financial liabilities	32,483	34,861	44,603	38,960	38,564	189,471		

<sup>1</sup>amounts included within Other Assets in the Statement of Financial Position



# Notes to and Forming Part of the Financial Statements

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

FOR THE YEAR ENDED 30 JUNE 2004

## 16. FINANCIAL INSTRUMENTS (cont'd)

### (ii) Net fair values

All financial assets and liabilities have been recognised at the balance date at their net fair values except for the following:

	Total carrying amount		Aggregate net fair value	
	2004	2003	2004	2003
	\$000	\$000	\$000	\$000
<b>Financial Assets</b>				
Options: <sup>2</sup>				
Currency	569	167	658	33
Swaps: <sup>2</sup>				
Commodity	4	3	2,976	985
Total financial assets	573	170	3,634	1,018
<b>Financial liabilities</b>				
Borrowings	129,738	148,810	131,303	154,877
Total financial liabilities	129,738	148,810	131,303	154,877

<sup>2</sup> the carrying amount of options & swaps represents the prepaid premiums and fees, and the net fair value of options & swaps represents the unrealised gains at reporting date calculated in accordance with market practices, which is based on the applicable market rates at reporting date.

### (iii) Credit risk exposures

The Authority's maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets, other than derivatives, is the carrying amount of those assets as indicated in the statement of financial position

In relation to derivative financial instruments, whether recognised or unrecognised, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. It is not expected that any counterparties will fail to meet their obligations given the Authority's credit policy.

The following table summarises the credit risk exposure on derivative financial instruments held at balance date:

	2004		2003	
	Face Value	Market Value	Face Value	Market Value
	\$000	\$000	\$000	\$000
<b>Forward exchange contracts:</b>				
Not later than 1 year	15,328	15,256	7,386	6,163
Later than 1 year but not later than 2 years	-	-	1,180	1,034
	15,328	15,256	8,566	7,197

# Notes to and Forming Part of the Financial Statements

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

FOR THE YEAR ENDED 30 JUNE 2004

## 16. FINANCIAL INSTRUMENTS (cont'd)

### (iii) Credit risk exposures (cont'd)

	2004 Net Fair Value \$000	2003 Net Fair Value \$000
<b>Currency options:</b>		
Not later than 1 year	334	-
Later than 1 year but not later than 2 years	324	33
	<u>658</u>	<u>33</u>
<b>Commodity swaps:</b>		
Not later than 1 year	2,385	925
Later than 1 year but not later than 2 years	591	60
	<u>2,976</u>	<u>985</u>

## 17. CONTINGENT LIABILITIES

No significant contingent liabilities are anticipated, except for potential property and personal injury claims formerly managed by HIH Casualty & General Insurance Ltd.

## 18. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Authority has commenced transitioning its accounting policies and financial reporting from current Australian Standards to Australian equivalents of International Financial Reporting Standards (AIFRS). The Authority has allocated internal resources to perform diagnostics and conduct impact assessments to isolate key areas that will be impacted by the transition to AIFRS. As a result of these procedures, the Authority has graded impact areas as either high, medium or low and has established a project team to address each of the areas in order of priority as represented by the gradings.

The Authority plans to take the following steps in managing the transition to AIFRS:

1. **Diagnosis** - established a project team for the oversight of the transition to and implementation of the AIFRS;
2. **Training** - commenced an education process for all stakeholders to raise awareness of the changes in reporting requirements;
3. **Impact Assessment** - identify key issues and the likely impacts resulting from the adoption;
4. **Design and Planning** - reconfiguration and testing of user systems and processes to meet new requirements; and
5. **Implementation**

Preliminary review and diagnosis have been completed. In addition the project team has attended training sessions by CPA Australia and NSW Treasury.

## 18. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (cont'd)

As the Authority has a 30 June year-end, priority has been given to considering the preparation of an opening balance sheet in accordance with AIFRS as at 1 July 2004 which will form the basis of accounting for AIFRS in the future, and is required when the Authority will prepare its first fully AIFRS compliant financial report for the year ended 30 June 2006. Any adjustments arising from changes in the recognition or measurement of assets and liabilities at the transition date arising from the adoption of AIFRS will be made against accumulated funds at the transition date.

The Authority has identified a number of significant differences in accounting policies that will arise from adopting AIFRS. Some differences arise because AIFRS requirements are different from existing AASB requirements. Other differences could arise from options in AIFRS. To ensure consistency at the whole of government level, NSW Treasury has advised the options it is likely to mandate, and will confirm these during 2004-05. This disclosure reflects these likely mandates.

The Authority's accounting policies may also be affected by a proposed standard designed to harmonise accounting standards with Government Finance Statistics (GFS). This standard is likely to change the impact of AIFRS and significantly affect the presentation of the income statement. However, the impact is uncertain because it depends on the date this standard is finalised and whether it can be adopted in 2005-06.

Set out below are the key areas where accounting policies will change and may have an impact on the financial report. At this stage the Authority has not quantified the impact on the financial report.

- (i) **AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards** requires retrospective application of the new AIFRS from 1 July 2004, with limited exemptions. Similarly, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors requires voluntary changes in accounting policy and correction of errors to be accounted for retrospectively by restating comparatives and adjusting the opening balance of accumulated funds. This differs from current Australian requirements because such changes must be recognised in the current period through profit or loss, unless a new standard mandates otherwise.
- (ii) **AASB 139 Financial Instrument Recognition and Measurement** results in the recognition of financial instruments that were previously off balance sheet, including derivatives. The standard adopts a mixed measurement model and requires financial instruments held for trading and available for sale to be measured at fair value and valuation changes to be recognised in profit or loss or equity, respectively. Previously they were recognised at cost. This may increase the volatility of the operating result and balance sheet.

The standard also includes stricter rules for the adoption of hedge accounting and where these are not satisfied, movements in fair value will impact the income statement.

To achieve full harmonisation with GFS, entities will be required to designate all financial instruments at fair value through profit or loss. However, at this stage it is unclear whether this option will be available under the standard and, if available, whether Treasury will mandate this option for all agencies.

## 18. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (cont'd)

(iii) **AASB 136 Impairment of Assets** requires an entity to assess at each reporting date whether there is any indication that an asset (or cash generating unit) is impaired and if such indication exists, the entity must estimate the recoverable amount. However, the effect of this Standard should be minimal as all the substantive principles in AASB 136 are already incorporated in Treasury's policy Valuation of Physical Non-Current Assets at Fair Value.

(iv) **AASB 112 Income Taxes** requires a balance sheet approach where the entity must identify differences between the accounting and tax value of assets and liabilities. The previous approach was to account for tax by adjusting accounting profit for temporary and permanent differences to derive taxable income. The AASB 112 approach may alter the quantum of tax assets and liabilities recognised.

In addition, the income tax expense and deferred tax assets and liabilities may be affected by other AIFRS to the extent that they impact on the balance sheet and profit or loss.

(v) **AASB 119 Employee Benefits** The Authority recognises a liability for the present value of the unfunded superannuation liability arising from the service of employees who are members of defined benefit superannuation schemes. This present value liability is currently calculated using the expected long-term earnings rate of investments held by the superannuation funds. Under the new standard, the present value of the net defined benefit liability must be calculated using a long-term bond rate. These two rates may be different, leading to a difference in the calculation of the present liability.

It is expected that the long-term bond rate may be revised more frequently than the expected long-term earnings rate, leading to greater volatility. In addition, the measurement of assets held by the defined benefit superannuation fund will also change. Under the existing accounting standard, plan assets are measured at net market value, taking into account the cost of realisation.

The new standard requires the amounts of the superannuation plan assets to be measured at fair value. This may result in an adjustment to the Authority's unfunded superannuation liability at transition date.

(vi) **AASB 140 Investment Property** requires investment property to be measured at cost or fair value. NSW Treasury is likely to mandate the adoption of fair value. In contrast to current treatment as an asset classified within property, plant and equipment, investment property recognised at fair value is not depreciated and changes in fair value are recognised in the income statement.



# Notes to and Forming Part of the Financial Statements

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

FOR THE YEAR ENDED 30 JUNE 2004

## 19. SUBSEQUENT EVENTS - CORPORATISATION OF SYDNEY FERRIES

On 29 October 2003 the Minister for Transport Services announced the decision to corporatise Sydney Ferries effective from 1 July 2004. Accordingly a Transport Administration Amendment (Sydney Ferries) Act 2003 was passed in the NSW Parliament on 10 December 2003.

Vesting orders were signed by the Minister for Transport Services on 30 June 2004 authorising the transfer of assets and liabilities.

The assets and liabilities transferred on 1 July 2004 were as follows:

	<u>\$000</u>
<b>Assets:</b>	
Cash	3,678
Property, plant and equipment	138,346
Inventory	3,908
Other	438
<b>Total assets</b>	<b>146,370</b>
<b>Liabilities:</b>	
Borrowings	49,726
Employee benefits	9,907
Other	3,583
<b>Total liabilities</b>	<b>63,216</b>
<b>Net Assets</b>	<b>83,154</b>

END OF AUDITED FINANCIAL STATEMENTS



Paul Dunn BComm MBA ACA  
GENERAL MANAGER, FINANCE & BUSINESS SERVICES

SYDNEY

## Statement by Members of the Board

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

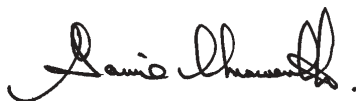
FOR THE YEAR ENDED 30 JUNE 2004

Pursuant to section 41(C)(1B) of the Public Finance and Audit Act 1983 and, in accordance with a resolution of the members of the Board of the State Transit Authority of New South Wales, we declare on behalf of State Transit Authority that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position and transactions of the State Transit Authority of New South Wales as at 30 June 2004; and
2. The financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2000 and the Treasurer's Directions.

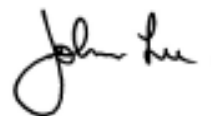
Further, we are not aware of any circumstances, which would render particulars included in the financial statements to be misleading or inaccurate.

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



**Barrie Unsworth**  
**CHAIRMAN**

SYDNEY OCTOBER 2004



**John Lee**  
**CHIEF EXECUTIVE**



GPO BOX 12  
SYDNEY NSW 2001

## INDEPENDENT AUDIT REPORT

### State Transit Authority of New South Wales

To Members of the New South Wales Parliament

#### Audit Opinion

In my opinion, the financial report of the State Transit Authority of New South Wales:

- (a) presents fairly the Authority's financial position as at 30 June 2004 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with section 41B of the *Public Finance and Audit Act 1983* (the Act).

My opinion should be read in conjunction with the rest of this report.

#### The Board's Role

The financial report is the responsibility of the members of the Board of the Authority. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows and the accompanying notes.

#### The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Board in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that Board had not fulfilled their reporting obligations.

My opinion does *not* provide assurance:

- about the future viability of the Authority,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

# Independent Audit Report

## Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



P Carr FCPA  
Director of Audit

SYDNEY  
20 October 2004

# Appendices

FOR THE YEAR ENDED 30 JUNE 2004





# Appendices

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# Statutory Information

## 1. Summary of Land

In accordance with Section 41B(1)(d) of the Public Finance and Audit Act, 1983, stated below is a summary of the Authority's land holding as at 30 June 2004 according to actual use of the land.

Land Use Classification	\$000
Bus Depots	90,977
Shipyards	6,100
Minor Operational assets	3,989
Commercial properties	12,106
<b>Total</b>	<b>113,172</b>

### Disposal of property

During the year State Transit did not dispose of any properties.

Any access to documents relating to the disposals can be obtained under the Freedom of Information Act.

## 2. Capital Works Expenditure

Major Works	Completion Date	\$000
<b>Bus Replacement Program</b>		
60 Diesel Buses	November 2004	15,662
30 Newcastle Buses	April 2004	6,270

### 3. Consolidated Income and Expenditure Statement

#### Income:

Passenger revenue	234,172	250,587	243,294	7,293	3.0%	210,606
Social program funding	239,518	241,395	241,707	(312)	(0.1%)	237,576
Capital and other government grants	3,629	330	330	0	0.0%	0
Interest	937	733	25	708	2,832.0%	27
Other revenue	47,715	35,374	49,751	(14,377)	(28.9%)	39,062
<b>Total Income</b>	<b>525,971</b>	<b>528,419</b>	<b>535,107</b>	<b>(6,688)</b>	<b>(1.2%)</b>	<b>487,271</b>

#### Expenditure:

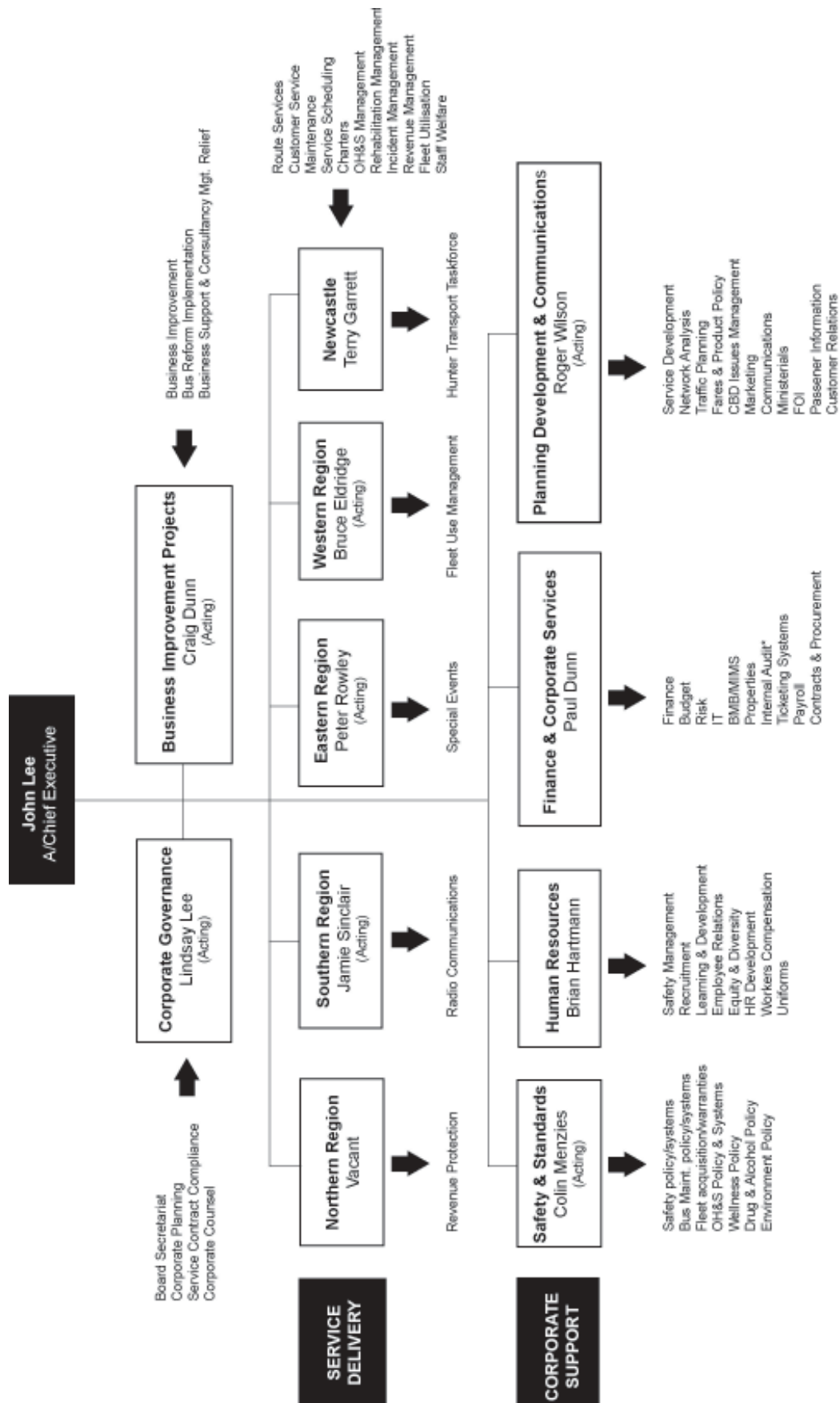
Payroll and related costs	331,641	326,743	338,217	11,474	3.4%	308,303
Depreciation and amortization	43,695	46,292	48,000	1,708	3.6%	33,768
Fleet running expenses	77,059	75,757	81,728	5,971	7.3%	61,830
Borrowing costs	10,321	10,534	11,763	1,229	10.4%	6,491
Other operating costs	77,223	73,649	93,000	19,351	20.8%	80,122
<b>Total Expenditure</b>	<b>539,939</b>	<b>532,975</b>	<b>572,708</b>	<b>39,733</b>	<b>6.9%</b>	<b>490,514</b>

<b>Profit/(loss) before tax</b>	<b>(13,968)</b>	<b>(4,556)</b>	<b>(37,601)</b>	<b>33,045</b>	<b>87.9%</b>	<b>(3,243)</b>
---------------------------------	-----------------	----------------	-----------------	---------------	--------------	----------------

1. Passenger revenue for the year of \$ 250.6m was \$7.3m (3.0%) above budget, the upturn being reflected across all core ticket sales with the exception of the Travelpass and the Pensioner Excursion Ticket. Patronage in 2003-04 remained virtually static in comparison to the previous year.
2. Other revenue was \$14.4m (28.9%) lower than budget due to delayed property sales.
3. Payroll and related costs were \$11.5m (3.4%) below budget. The favourable variance was mainly due to a lower than anticipated workers' compensation and superannuation expense.
4. Fleet running expenses were \$6.0m (7.3%) below budget.
5. Borrowing costs were \$1.2m (10.4%) below budget. due to lower borrowings from a better than expected financial result.
6. Other operating costs were \$19.4m (20.8%) below budget. Delayed property sales resulted in cost of assets sold being under budget.

# Organisational Items

## 4. Structure



\* Reports to the CEO

## 5. Board of Directors

### **The Hon. Barrie Unsworth – Chairman from March 2004**

Mr Unsworth is the former Premier of NSW, Transport Minister in the Wran Government, Secretary of the Labor Council and Nominated Commissioner of the Public Transport Commission. He is currently also Chairman of the Ambulance Service of NSW and until recently a Director of TAB Limited. He is a Director of Delta Electricity, Tempo Services Pty Ltd, Entherm Pty Ltd, Youth of the Streets Pty Ltd and Chairman of Labor Campaign Pty Ltd.

Mr Unsworth recently carried out a major review of bus services in NSW at the request of the Minister for Transport Services.

Mr Unsworth also sits as a member of the Audit Committee of the State Transit Board.

### **David Herlihy – Chairman July 2003 – February 2004**

Mr Herlihy has a wide-ranging background in banking and finance. He held senior positions with Capel Court Corporation over a ten year period. For five years until 1997, Mr Herlihy was principal finance advisor for the Paul Ramsay Group.

Currently, Mr Herlihy is Chairman of Lafarge Aluminates Australia, a subsidiary of Lafarge France, and Executive Chairman of Fraser Range Holdings Ltd. He is also a life member of the Australian Institute of Political Science.

Mr Herlihy was first appointed to the Board of State Transit in January 1996, became Chairman in January 1997 and resigned in February 2004.

### **Geoff Ashton**

He is currently the Chairman of Leighton Holdings Limited and Chairman of the Superannuation Trust of Australia. He is a member of the ASX Corporate Governance Council's Implementation Review Committee. He is National President of the Australian Industry Group. Mr Ashton was formerly Managing Director of Monier Limited and later Clyde Industries Limited.

Mr Ashton was first appointed to the Board in January 1997. Mr Ashton was the Chairman of the Ferries Committee of the Board until its ceased operation in September 2003. Mr Ashton is currently Chairman of the Safety Committee of the State Transit Board.

### **Jim Bosnjak**

Mr Bosnjak was appointed to the Board in March 2004. He is the former President of the Bus and Coach Association of NSW and the former owner of Westbus Pty Ltd. He is also Chairman of the Australian Bus Manufacturing Company Pty Ltd, the Greater Western Sydney Economic Development Board, the South West Institute of TAFE, the GROW Employment Council Inc. (formerly ACC), The Greater West Sports Foundation Limited, Ultimate Outdoor Pty Ltd, and Deputy Chairman of Western Sydney Basketball Management (Razorbacks) Pty Ltd. He is also President and Founder of the Tourism Industry Council of NSW. Mr Bosnjak controls Bosnjak Investment

Mr Bosnjak is a member of the Audit Committee of the State Transit Board.

### **Mark Lennon**

Mr Lennon is the Assistant Secretary of the Labor Council of NSW and is responsible for the Council's activities in superannuation, electricity distribution and generation, industry development and the environment. He has experience in industrial relations and policy formulation in the public transport industry. Other Board memberships include Asset Ltd, the Trades and Industrial Hall and Literary Institute of Sydney Ltd, the Industrial Supplies Office, and Chifley Financial Services.

Mr Lennon was first appointed to the Board in October 1992. Mr Lennon is a member of Safety Committee of the State Transit Board



## 5. Board of Directors (cont...)

### **Susan Gray**

Ms Gray is an Associate Director, Project and Structured Finance for Macquarie Bank Limited. She is a lawyer and economist. Ms Gray was responsible for the establishment of Macquarie Bank's Project and Structured Finance business in Indonesia. Since returning to Sydney she has focused on infrastructure financing in the transport and telecommunications sector.

Ms Gray was first appointed to the Board in January 2000.

### **Margy Osmond**

Mrs Osmond was appointed to the Board in September 2003. Mrs Osmond is the Chief Executive of the State Chamber of Commerce (NSW). She is a member of the NSW Industry Skills Forum and the NSW Major Events Board. Mrs Osmond's background is in politics, corporate affairs and government relations.

### **Keith Todd**

Mr Todd was appointed to the Board in March 2004. He is the former Chairman of the Bus Industry Confederation and President of the Bus and Coach Association of NSW. He is also the former owner of Glenorie Bus Company. He currently chairs the Transport Management Committee of the Parramatta Rail Link. He is a Director of Parkview Leasing Pty Ltd and Chairman of the Transport Management Committee of the Transport Infrastructure Development Corporation.

Mr Todd has extensive experience in managing and operating bus companies. Mr Todd is the Chairman of the Audit Committee of the State Transit Board.

### **Julie Walton**

Ms Walton is a lawyer and urban planner and has wide experience in public policy and government. Ms Walton was a Sydney City Councillor until September 1999 and chaired the Sydney City Traffic Committee. She is a former Chairman of the Fair Trading Advisory Council and the property Services Council. Ms Walton is currently Harbour Projects Manager at the Sydney Harbour Foreshores Authority and a trustee of the Australian Museum.

Ms Walton was first appointed to the Board in January 1996 and resigned in February 2004.

### **Paul Zammit**

Paul Zammit has over 30 years experience in the private and public sectors being a State Member of Parliament for 12 years and subsequently a Federal Member of Parliament for 2 1/2 years. He is a Fellow of the Institute of Directors of Australia and Foundation Fellow of the Australian Institute of Company Directors. He is currently Managing Director of Zammit Sales Marketing and Management Pty Ltd. He is also a director of the Board of the Home Purchase Assistance Authority.

Mr Zammit was appointed to the Board of State Transit in December 2001 and resigned in February 2004.

### **John Stott - Chief Executive**

Mr Stott has a wide-ranging background in the transport industry, both in the public and private sectors and in all modes - land, marine and aviation. He has been closely involved in many aspects of transport reforms over the past 20 years and has extensive experience in the management of Government Trading Enterprises. Since his appointment as Chief Executive in May 1996, Mr Stott has committed the organisation to continued growth, improved service quality and commercial practices. Mr Stott left the organisation in September 2004. Mr John Lee joined the Board as the new Chief Executive.

## 5. Board of Directors (cont...)

### ATTENDANCE AT BOARD MEETINGS

In 2003/04 the Board met on 10 occasions and attendance was as follows:

Name	Meetings attended
Mr DJ Herlihy (resigned February 2004)	7
Mr JD Stott	10
Mr GJ Ashton	10
Ms S Gray	6
Mr MRR Lennon	8
Mrs M Osmond (appointed September 2003)	7
Ms J Walton (resigned February 2004)	7
Mr P Zammit (resigned February 2004)	7
The Hon BJ Unsworth (appointed March 2004)	3
Mr K Todd (appointed March 2004)	3
Mr SJJ Bosnjak (appointed March 2004)	1

### Audit Committee

The Board has an Audit Committee to support it in fulfilling its responsibilities under the Transport Administration Act 1988.

The Audit Committee's role set out in its Charter is to assure the independence of the audit function, monitor corporate risk assessment and internal controls, review financial and other practices, review the quality and integrity of financial reports and oversee the responsibilities of the Internal Audit Manager.

The Audit Committee met on 5 occasions in 2003/04.

### Committee members during 2003/04 until February 2004 were:

Mr DJ Herlihy (Chairman) until February 2004  
Mr P Zammit  
Mr JD Stott

### From March 2004 members were:

Mr K Todd (Chairman)  
The Hon BJ Unsworth  
Mr SJJ Bosnjak

### Ferries Committee

All members of the Board were members of the Ferries Committee. The Ferries Committee was abolished in October 2003 by the Board following the passage of legislation to establish Sydney Ferries as a Statutory Owned Corporation separated from the State Transit Authority from 1 July 2004.

In 2003/04 the Ferries Committee met on 3 occasions prior to being abolished.

## 6. Legislation

The State Transit Authority is constituted as an operating body without policy or regulatory functions and is not charged with the administration of legislation. However, set out under is an overview of the legislation directly relevant to State Transit during the year under review:

### Transport Administration Act

The State Transit Authority is created as a corporation by the Transport Administration Act 1988 and operates pursuant to that Act and the regulations made under the Act.

### Regulations

The following regulations made under the Transport Administration Act 1988 had direct application to the State Transit Authority and were in force during the year under review;

- Transport Administration (Staff) Regulation 2000
- Transport Administration (General) Regulation 2000

### Orders

Section 85 of the Transport Administration Act 1988 provides that the charges to be demanded by the State Transit Authority in respect of its bus or ferry services and/or any other purpose shall be as from time to time determined by order made by the State Transit Authority.

During the year under review, the Transport Administration (State Transit Authority - Fares) Order 1991 was amended on one (1) occasion, as follows:

- Gazette No. 132 of 29.8.03

### Passenger Transport Act 1990

State Transit, in common with other operators of public passenger services in New South Wales, is directly bound by the provisions of the Passenger Transport Act 1990 and relevant regulations made under the Act.

# Commercial Items

## 7. Government Funding and Social Program

Total government funding for 2003/04 at \$241.4m was \$1.9m higher than 2002/03.

Government funding consists of the following:

### **Concessional and Free Travel**

Concession reimbursements are payments from Government which make up the balance of fares where a concession has been allowed as a result of Government's social policies. For example, in the case of pensioners, the traveller pays \$1.10 and the Government pays the difference between the fare paid and the equivalent full private bus fare.

Concessions are paid both to State Transit and private operators. State Transit's reimbursement is based on projected patronage levels for the year, while private operators claim the loss for providing half fares, based on the actual sales each quarter.

The relevant categories included under State Transit's concession program are:

- blind civilians
- school students
- tertiary students
- unemployed
- other welfare recipients
- pensioner and retired senior citizens

In 2003/04 the reimbursement under this program amounted to \$155.0m compared to \$144.3m in 2002/03.

### **Service Level Community Service Obligation**

The social program payment for non commercial services is a payment made by Government to reimburse State Transit for operating a number of services that are not commercially justifiable by normal industry benchmarks. As part of this payment, State Transit's Parramatta River service and the Stockton ferry in Newcastle are deficit funded to a level of \$8.7m. Funding for non commercial services amounted to \$39.8m in 2004/05 compared to \$50.5m in 2002/03.

### **Pricing Community Service Obligation**

The social program payment for non commercial fares is a payment made by Government in recognition of the fact that State Transit's fares (which are regulated by the Independent Pricing and Regulatory Tribunal) are held below commercial fare levels charged by most private sector operators. Funding for this area amounted to \$46.6m in 2003/04 compared to \$44.7m in 2002/03.

## 8. Implementation of 2003/2004 Fares Determination

Under section 18(4) of the Independent Pricing and Regulatory Tribunal Act, State Transit is required, where there has been a determination by the Independent Pricing and Regulatory Tribunal, to include in its Annual Report particulars of how any such determination has been implemented.

A change in State Transit's fare scale, in accordance with the determination of the Independent Pricing & Regulatory Tribunal made on 15 August 2003, was made by order published in Government Gazette No 132 of 29 August 2003 effective 31 August 2003.

The following table summarises the determination made by the Independent Pricing and Regulatory Tribunal in relation to Sydney bus and Newcastle bus and ferry fares and the fare changes implemented by State Transit.

<b>TICKET</b>	<b>IPART Determination</b>	<b>Implementation</b>
<b>Sydney single ride bus fares</b>	Adult single journey bus fares will increase by 10 cents per ticket.	All adult single journey bus fares increased by 10 cents.
<b>Sydney TravelTens</b>	The price of the adult TravelTen tickets will increase by between \$0.50 and \$2.00.	All changes to TravelTen fares were within the Tribunal's guidelines.
<b>TravelPasses</b>	The price of all adult TravelPasses will increase by \$2 per ticket.	All adult Travelpasses were increased by \$2.00.
<b>BusTripper</b>	The price of the adult BusTripper ticket will increase to \$10.90.	The price of the adult BusTripper ticket increased to \$10.90.
<b>DayTripper</b>	The price of the adult DayTripper will increase to \$15.00.	The price of the DayTripper increased to \$15.00.
<b>Newcastle bus and ferry fares</b>	The price of the adult one hour ticket will increase by 10 cents. The prices of the adult four hour and Daily tickets will increase by 20 cents. The price of the adult TimeTen ticket will increase by 50 cents. The price of the Stockton ferry single ride tickets will increase by 10 cents.	All changes to bus and ferry fares in Newcastle were within the Tribunal's guidelines.
<b>School Term Pass</b>	The price of the School Term Pass will increase by \$2 to \$40	The price of the School Term Pass increased to \$40



## 9. Taxes and Other Payments to Government

State Transit, as a Government Trading Enterprise, is subject to a full range of state and federal taxes and other government charges that apply to private sector businesses. Some of these charges are levied under the New South Wales Government's Tax Equivalent Regime.

The following taxes and charges were applied during 2003/2004:

### (a) New South Wales State Taxes and Charges

Classification	\$000
Payroll Tax	
Land Tax	
Registration charges and stamp duty for the bus fleet and commercial vehicles	1,712
<b>Total</b>	<b>19,877</b>

### (b) Federal Taxes and Charges

Classification	\$000
Excise Duty on Distillate	16,118
Fringe Benefits tax	411
<b>Total</b>	<b>16,529</b>

## 10. Funds Granted to Non-Government Community Organisations

The following payments were made by State Transit to Non Government community organizations.

Organisation	\$000
Bus Museum	8
Guide Dogs	2

## 11. Liability Management Performance

In the year ended 30 June 2004, State Transit out performed benchmark by 0.08% or \$91,113. The “generalised cost of funds” of State Transit’s long-term debt portfolio, which includes actual interest costs, accrued interest costs and change in the market value of the portfolio, was 2.37% compared to the “generalised cost of funds” of the benchmark of 2.45%.

## 12. Investment Management Performance

State Transit invests its surplus short-term funds in NSW Treasury Corporation Hour Glass Investment - Cash Facility. In the year ended 30 June 2004, State Transit’s rate of return on the investment was 5.28% compared to the benchmark, NSW Treasury Corporation Hour Glass Cash Facility Return of 5.25%.

## 13. Performance in Paying Accounts

State Transit’s performance in paying trade creditor accounts during the year is set out below, in accordance with the requirements of the Annual Reports (Statutory Bodies) Regulation 2000:

Quarter	Total Accounts Paid on Time			Total Amount Paid
	Target %	Actual %	\$000	\$000
September 2003	85	84	91,723	99,892
December 2003	85	77	95,693	105,540
March 2004	85	79	81,099	92,993
June 2004	85	83	97,345	103,664

Of the number of accounts processed during the year, 81% were paid within the trading terms. There were no penalty interest payments made under clause 18 of the Public Finance and Audit Regulation 2000.

Quarter	Aged Transactions by Quarter			Total Amount
	Current	30-60	60-90+	\$000
September 2003	12,626	266	104	12,996
December 2003	12,532	886	176	13,594
March 2004	13,056	1246	824	15,126
June 2004	20,995	1,133	305	22,433

The above is buses only

## 14. Risk Management and Insurance

Strategic risk Matters are managed within a framework of corporate governance, operating policies, procedures and work instructions and mitigated through a structured Insurance Program. Continuous improvement under the ISO 9000:2000 Quality Management System has enhanced compliance and therefore the control of risk exposures.

An enhanced insurance program provided financial protection for the organisation during the year. The program spans: General property, personal injury, consequential loss, general and marine liability. State Transits' enhanced risk profile has yielded lower premium escalation than experienced over recent years by the insured community. There has been added benefit from changed legislation for Civil Liability and Compulsory Third Party Insurance risks that have not been pursued under current arrangements.

Competitive insurance coverage for Western Sydney Buses has now been separately maintained to comply under The Liverpool to Parramatta Transitway Operating Contract with the Director General of Transport.

The Bus Safe Project initiated by Risk Management in 2001, provided further improvements over the past year. This has been achieved with a focus on continuous improvement and integrating best practice fleet safety including:

- Driver Training focus on low risk driving techniques and behaviour change to reduce the frequency and severity if injury and damage.
- Improved management of accident claim and public notification through the 131500 Transport Line.
- Established collaborative research with The University of Western Sydney and Queensland University of Technology focussed on low risk behaviour management.

A specialist Safeworking Unit was established during the year. Project risk studies have been undertaken and the maturing of risk based OH&S regulations has focussed staff on workplace hazards and appropriate risk treatments rather than a reliance on risk financing.

Continuous refinement of Emergency Response Plans for Bus and Ferry Operations has resulted from the perception of increased terrorist threat exposure. Simulation exercises and training exercises have maintained staff preparedness. Operational plans were developed to regain business service continuity should an emergency scenario occur. Simulations tested, both the context and robustness of operational recovery plans compliant with ISO and ISM Standards.

## 15. Response to matters raised by Auditor General in outgoing reports

There were no significant issues in the 2003/04 Outgoing Audit Report that required the Authority's attention.

## 16. Overseas Travel

The Chief Executive, Mr John Stott, visited Hong Kong and Canada on behalf of UITP, the International Public Transport Association. All costs were met by UITP.

## 17. Freedom of Information

During the financial year 2003/2004, State Transit received fourteen (15) applications for information under the Freedom of Information Act 1989, (Fourteen [14] in 2002/2003).

### Section A - FOI Applications

	Personal	Other	Total
New (including transferred in)	4	11	15
Brought forward (incomplete requests from previous year)	1	0	1
<b>Total to process</b>	5	11	16
Complete	5	7	12
Transferred out	0	2	2
Withdrawn	0	0	0
<b>Total processed</b>	5	9	14
Unfinished (carried forward)	0	2	2

### Section B - Result of FOI Applications

	Personal	Other	Total
Granted in full	3	4	7
Granted in part	2	2	4
Refused	0	0	0
Deferred	0	2	2
Completed	5	8	13

### Section C - Reason for not providing access

	Personal	Other
S25(1)(a) - exempt	0	0
S28(1)(b) - documents not held	0	1
Total	0	1

## 17. Freedom of Information (cont...)

**Section D - Ministerial Certificates** Nil

**Section E - Formal Consultations** Nil

**Section F - Amendment of Personal Records** Nil

**Section G - Notation of Personal Records** Nil

### **Section H - Costs**

Assessed Costs	Fees Received
\$3,551.85	\$435.00

### **Section I - Discount allowed on Fee Charged**

	Personal	Other
Financial Hardship - pensioner/child	0	0
Financial Hardship - non profit organisation	0	0
Other - Personnel records etc	1	0
Total	1	0

### **Section J - Days to process**

Elapsed Time	Personal	Other
0-21 days	4	3

### **Section K - Hours to process**

Processing hours	Personal	Other
0-10 hours	12hrs	88hrs

### **Section L - Reviews and Appeals**

Personal	Other
0	0



## 18. Consultancy and Professional Fees

The following table is a summary of consultants and professional services fees incurred during the year. Expenditure of the nature of providing a high level specialist or professional advice to assist decision-making by management is classified as Consultancy Fee. Generally it is the advisory nature of the work that differentiates a consultancy fee from other professional services.

1.	Consultancy Fees	\$'000
(a)	<b>Where Consultancy fees exceeded \$30,000</b>	
	Doll Martin Associates	57
	Ernst and Young - Ticket Review	78
	Watson Wyatt - Depot Administration Review	41
(b)	<b>Where consultancy fees paid were less than \$30,000</b>	
	Fees paid to 1 consulting agency	25
2.	<b>Professional Services</b>	2,322

## 19. Committees (Internal and External)

### INTERNAL COMMITTEES

#### Audit Committee

The Audit Committee established by the Board operates to support it in fulfilling its responsibilities under the Transport Administration Act 1988.

#### Ferries Committee

The Ferries Committee, established by the Board in August 2001, oversees the reform program in Sydney Ferries.

## 20. Annual Environment and WRAPP Report 2003/2004

### **Environmental Policy and Environmental Management System**

State Transit's Environment Policy, commits State Transit to the objectives of legislative compliance, continuous improvement, environmental best practice, and Ecological Sustainable Development. The Environmental Management System aligned with ISO 14001 standards, provides the framework for State Transit to achieve its Policy objectives.

### **Environmental Performance Targets**

Targets for Environmental Performance have been set in the areas of fuel, electricity and water consumption, for environmental monitoring and for the reduction and minimisation of waste. Reporting of performance against these targets is required every quarter, and will be used to drive continuous improvement in our performance.

### **Due Diligence Records Management System**

A system of auditable due diligence files has been implemented to maintain consistent and accurate Environmental Records across all of the State Transit Depots.

### **Executive Management Review**

The Environmental Executive Committee met on three occasions during 2003/04 to review Environmental Management and address significant Environmental issues related to State Transit operations.

### **Environmental Notices**

During 2003/04 State Transit received a single Environmental Penalty Notice from the Department of Environment and Conservation for motor vehicle emitting excessive air impurities. All vehicles subject to such notices are referred to the responsible depot for investigation and servicing.

### **Environmental Incidents**

38 environmental incidents for in-service operation of the Bus Fleet were reported to the Environment Office, using internal management reporting systems. These incidents were investigated and the incident reports reviewed to ensure their appropriate management by the responsible Depot.

### **Environmental Complaints Handling**

In the 2003/04 financial year 82 public environmental complaints were referred to the 131 500 number for Sydney Buses operations, while 8 were received for Newcastle Bus services. Complaints are recorded in categories of noise, smoke, spillage or littering from Bus and Depot Noise Pollution. Public environmental complaints recorded on the 131 500 number are referred to the responsible depot for investigation and response.

### **Contracts for Major Works**

State Transit Contracts for works, and goods and services above the value of \$100k requires bidders to submit a detailed Environmental Management Plan as part of the tender evaluation process. Detailed contractor Environmental Management Plans were received from RTA for work on Leichhardt Bus Depot Access Road from Balmain Road, and from Integrated Transit Solutions for work on the Sydney Integrated Ticketing Project. Smaller value contracts also require bidders to supply statements of environmental effect for proposed services.

## 20. Annual Environment and WRAPP Report 2003/2004 (cont...)

### Environmental Licenses

All State Transit Bus Depots, with the exception of Belmont Depot are licensed with the EPA for the storage & handling of class A, industrial or hazardous wastes. A number of these licenses are subject to periodic EPA review. A copy of each license, and their particular conditions, is available on the EPA public register, accessible on <http://www.epa.nsw.gov.au>

### Trade Waste Licenses

A program of Trade Waste System upgrades have commenced at North Sydney, Brookvale, and Randwick Depots, designed to achieve improved Trade Waste discharges to sewer to meet and exceed Sydney Water Trade Waste acceptance standards.

### Backflow Prevention

All Depot Mains Water Supplies were fitted with RPZ Backflow prevention valves as required by Sydney Water to protect its water supply from contamination by internal industrial processes. The valves will be subject to annual inspection.

### Media Based Reporting – Air, Water, Land, Waste and Energy

#### Air

Approximately 21% of State Transit's Bus Fleet is comprised of Compressed Natural Gas (CNG) Buses. CNG refuelling facilities are available at Leichhart, Kingsgrove, Ryde, Port Botany and Waverley Depots. The CNG Bus Fleet saves some 6,000 tonnes of greenhouse gas emissions per annum. New Euro3 diesel buses are now being purchased which match the environment performance of CNG buses in terms of greenhouse gas emissions.

#### Water

State Transit conserves potable water by the use of up to 80% recycled waters in its Bus Washes, with a 20% freshwater makeup to maintain clean bus wash waters.

To comply with water restrictions State Transit's cleaners utilise buckets and squeegee mops to clean internal and window bus surfaces, when buses are parked on the hardstand outside of the Bus or Chassis wash wastewater containment and treatment system.

#### Stormwater

All stormwater drains within Depot environments are clearly marked with dolphin symbols to highlight their connection to downstream environments. A number of Depots are fitted with electromechanical stormwater isolation or Penstock Valves to contain stormwater in the event of a spill or Depot fire. Yard scrubbers are utilised daily within Depot yards to prevent buildup of oils and grease on the hardstands on which buses park.

#### Noise

Seven Depot noise related complaints were recorded via the 131 500 public information access number. Depot based noise from bus start ups, public announcement systems and garage radios are monitored and controlled via operational measures including noise surveys, standard operating procedures, restricted hours of operation for noisy equipment, and staff education and awareness of the importance of minimising noise and potential nuisance to nearby neighbours.

## 20. Annual Environment and WRAPP Report 2003/2004 (cont..)

### Lands

Following from a determination of a Significant Risk of Harm under s60 of the Contaminated Lands Management Act, 1997 for subsoil contamination at Burwood Depot, extensive changes have been made to the refuel bay and refueling procedures to eliminate diesel fuel as a contaminant source. Further contaminated site investigations are proceeding to meet the Voluntary Remediation Agreement with the EPA.

### Energy

As part of the Government Energy Management Program State Transit reports annually on its Energy Consumption for both its Bus and Ferry Fleet, passenger vehicles and office buildings to the Ministry of Energy, Utilities and Sustainability, as part of the Government's Energy Management Program. In 2001/2002 Energy consumption for office buildings – tenant services were reported as 9,656 MJ/person/annum or 731 MJ/m<sup>2</sup>/annum, and for our bus fleet of CNG and diesel buses, equated to 19.98 MJ/km. A more detailed description and data can be found within the Government Energy Management Program Report 2001/2002.

### Waste

State Transit actively recycles or reuses materials such as oil, batteries, steel drums, used filters, metals, paper and toner cartridges, as reported in its Waste Reduction and Purchasing Plan (WRAPP) report.

### WRAPP Report

State Transit Authority continues to implement its Waste Reduction and Purchasing Plan via adoption of WRAPP principles in its purchasing policies and contract specifications for goods and services and via the recycling of significant quantities of waste oil, paper, aluminium, batteries, steel drums and loose steel.

The approximate quantities of wastes collected for recycling each year are:

Waste Oil	≥ 60,000 litres
Paper	≥ 250 cubic metres
Aluminium	≥ 2.5 tonnes
Bus Batteries	≥ 550 items
Phone Batteries	≥ 50 items
Steel Drums	≥ 180 items
Steel	≥ 60 tonnes

A detailed State Transit WRAPP Progress Report to the Department of Environment and Conservation is due in 2005.

## 21. Government Energy Management Policy

In the 2003/2004 State Transit's Total Energy Consumption at 1.9 million gigajoules has decreased some 11% on the previous financial year.

These total energy savings were achieved with:

- a 5% decrease in electricity consumption for the Strawberry Hills Corporate Office compared with 2002/03,
- a 4% decrease for Depot electricity consumption from the previous financial year, and
- a 17% decrease in automotive diesel fuelled Bus energy consumption.
- In terms of its public transport function the energy expended per kilometer of distance travelled by the Bus Fleet has decreased by approximately 10% to 21.1 MJ/km.

State Transit is planning to achieve further reductions in office and depot related energy consumption via energy audits and enhanced energy efficiencies.

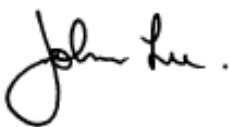
## 22. Mobile Phones

Procedures for issuing mobile telephones to staff are outlined in State Transit's Telephone and Mobile Telephones Manual. The Chief Executive, General Managers and Depot Managers are responsible for the issuing of mobile telephones as and when a business need is demonstrated. In 2003/04 there were 240 mobile telephones in use.

## 23. Credit Card Certification

This is to certify that Corporate Credit Cards are issued to State Transit's Staff for business purposes and are used in accordance with the Premier's Memoranda and Treasurer's Directions.

Certify by:

A handwritten signature in black ink, appearing to read 'John Lee'.

John Lee, Chief Executive.

# Operational Items

## 24. Service Changes in Response to Community Consultation

### Improvements to current services

- A route 430 service was introduced from the newly developed Walsh Bay precinct to the QVB.
- A free shuttle bus service was introduced to the Sydney Opera House from Circular Quay for Opera House patrons for selected performances.
- Timetabled wheelchair accessible services were added to another 8 routes throughout Sydney in 2003/04 bringing the total to 110 routes with these services.
- Route 545 had frequencies increased in all periods in response to strong growth in demand for the service. Some route 550 services were converted to operate as 545 services.
- A number of morning peak services on Route 290 from Epping were extended from North Sydney to the City to meet increased demand.
- Additional late night services were introduced on Route 442 services from Balmain to the City.
- Routes 202-208 were reviewed to more closely match loading patterns along the lower North Shore - Miller Street corridor. Running times were revised to ensure improved service reliability for passengers.
- Route 443 to Pyrmont was adjusted and frequencies increased to improve reliability of services.

### Adjustment of services

- One morning trip on the Route 407 between Burwood and Strathfield Station was withdrawn due to very low patronage.
- Route 208 evening and Sunday services were changed to operate along Sailors Bay Road Northbridge to Clive Park.
- Route 444, the Parramatta Explorer was withdrawn due to very low patronage.
- Minor timetable adjustments were made to Routes 508, 542, 543 and 549.
- Route 512 between Ryde and Gladesville Wharf was withdrawn due to very low patronage.
- Route 888 City loop was withdrawn due to very low patronage. Additional services on Route 443 were provided as an alternative service.



## 25. Customer Response

Count of symptom			
Agency	Complaint	Compliment	Suggestion
Sydney Buses	21189	1078	381
Sydney Ferries	994	68	58
Newcastle Buses	755	39	22
Newcastle Ferries	4	1	
T-way	210	11	7
<b>Grand Total</b>	<b>23152</b>	<b>1197</b>	<b>468</b>

Main features of complaints were:

- service complaints, including timetable changes, unscheduled cancellations, late running and lack of accommodation.
- staff complaints, including poor driving, not stopping when signalled and rudeness.
- ticket and fare evasion disputes.

## 26. Guarantee of Service

State Transit has renewed its commitment to raise performance standards on buses and ferries in Sydney and Newcastle.

The commitment to customer service is supported by six main aims:

- To ensure that the service delivered reflects the travel needs of customers.
- To operate buses and ferries with excellent safety standards for the benefit of passengers, staff, the general public and their property.
- To provide bus and ferry services that meet high standards of frequency, timeliness, reliability and cleanliness.
- To provide customers with complete, easily understood and up-to-date service information.
- To develop a reputation for customer service through polite, courteous and helpful staff.
- To make services more accessible for all passengers.

State Transit's Guarantee of Service is published on its internet home page, including details of what to expect from bus and ferry services, how to use the services, contact details and how to make suggestions, commendations or complaints.

## 27. Disability Plan

State Transit has a Disability Strategic Plan under Section 9 of the Disability Services Act 1993 to ensure accessible public transport. It is also committed to implementing the requirements of the Draft Disability Standards for Accessible Public Transport under the Commonwealth Disability Discrimination Act. Progress in this area for 2003/04 includes:

- Wheelchair accessible services have been timetabled on more than 110 routes across Sydney;
- Purchase of 52 new wheelchair accessible buses;
- Increase in the number of low floor buses in the fleet to 661 (34% of the fleet) of which 553 are fitted with a ramp for wheelchair access (28.7%);
- Provision of disability awareness training to Bus Operators and other front-line staff.

# Human Resource Items

## 28. Human Resource Statistics

Owing in part to the introduction of the Government's Workforce Profile, the formatting and categories of Human Resources data has changed. Comparison of permanent staff by classification (full time equivalent) over the five-year period from July 2000 to June 2005 is outlined below, which also now includes casual staff:

	1999/00	2000/01	2001/02	2002/03	2003/04
Engineering	375	404	442	458	485
Operations	3844	3867	3784	3814	3879
SES	13	13	15	13	13
Salaries	572	612	648	665	675
<b>TOTAL</b>	<b>4804</b>	<b>4895</b>	<b>4888</b>	<b>4951</b>	<b>5052</b>
Full Time Equiv.	4727	4828	4818	4880	4978
Casuals	119	110	115	122	117

Figures are converted to FTEs for part time staff, and represents the average staffing levels for the year.

## 29. Equal Employment Opportunity

Details of staff numbers (actual numbers, not FTEs) by equity category and income, as at June 2004, are below:

LEVEL	TOTAL STAFF	Respondents	Men	Women	Aboriginal People & Torres Strait Islanders	People from Racial, Ethnic, Ethno-Religious Minority Groups	People Whose Language First Spoken as a Child was not English	People with a Disability
< \$30,146	105	82	68	37	0	27	22	7
\$30,146 - \$39,593	3,512	2,379	3,204	308	22	577	691	85
\$39,594 - \$44,264	433	222	392	41	2	48	51	10
\$44,265 - \$56,012	335	169	258	77	2	41	44	10
\$56,013 - \$72,434	384	156	327	57	4	20	20	7
\$72,435 - \$90,543	206	104	189	17	0	20	12	8
> \$90,543 (non SES)	39	27	38	1	0	4	2	1
> \$90,543 (SES)		0	0	0	0	0	0	0
<b>TOTAL</b>	<b>5,014</b>	<b>3,139</b>	<b>4,476</b>	<b>538</b>	<b>30</b>	<b>737</b>	<b>842</b>	<b>128</b>

## 29. Equal Employment Opportunity (cont...)

This data, shown in terms of percentages, is:

LEVEL	TOTAL STAFF (Number)	Respondents	Men	Women	Aboriginal People & Torres Strait Islanders	People from Racial, Ethnic, Ethno- Religious Minority Groups	People Whose Language First Spoken as a Child was not English	People with a Disability
< \$30,146	105	78%	65%	35%		33%	27%	9%
\$30,146 - \$39,593	3,512	68%	91%	9%	0.9%	24%	29%	4%
\$39,594 - \$44,264	433	51%	91%	9%	0.9%	22%	23%	5%
\$44,265 - \$56,012	335	50%	77%	23%	1.2%	24%	26%	6%
\$56,013 - \$72,434	384	41%	85%	15%	2.6%	13%	13%	4%
\$72,435 - \$90,543	206	50%	92%	8%		19%	12%	8%
> \$90,543 (non SES)	39	69%	97%	3%		15%	7%	4%
> \$90,543 (SES)								
<b>TOTAL</b>	5,014	63%	89%	11%	1.0%	23%	26%	4%
Estimate Range (95% confidence level)					0.8% to 1.2%	22.1% to 24.0%	25.2% to 27.1%	3.7% to 4.6%

## 30. Action Plan for Women Initiatives

### ***Women on Wheels***

As reported elsewhere in this report the 'Women on Wheels' program did not proceed during the reporting period.

## 31. Ethnic Affairs Statement and Agreements

### **Planning and Evaluation**

1. The General Manager Human Resources has been nominated by the Chief Executive to take on the responsibilities of redeveloping, implementing and monitoring the State Transit Ethnic Affairs Priority Statement strategies. In order to facilitate the process and ensure that it is completed expeditiously, the General Manager allocated additional staff to analyse, enhance and improve its EAPS strategies and processes. (*Leadership*)
2. The Chief Executive has nominated the position of Corporate Policy Manager to ensure that the State Transit EAPS achievements and strategies are integrated in the corporate plan as well as being reported in the Annual Report. (*Leadership*)

### **Program and Service Delivery**

3. State Transit engages in consultation with ethnic communities regarding the introduction of new or changed bus services. This occurred throughout the implementation of the Better Buses program in the North Western region as well as in the Eastern Region. The consultation has consisted of community consultation with the use of interpreters as required. (*Access and Equity*)

## 31. Ethnic Affairs Statement and Agreements (cont...)

4. This was also the modus operandi with the introduction of the Liverpool Parramatta Transitway service during 2002/2003. Brochures were also produced in the local ethnic languages of the areas through which the Transitway runs. The brochures were distributed through letter box drops and some of the languages included Chinese, Italian, Assyrian and Armenian. (*Access and Equity*)
5. State Transit, with Rail Corporation, has recently subsidised a video which targets foreign students regarding the availability and ease of use of all transport services in Sydney. State Transit is also providing service advice and other information as required. This video is being produced in various foreign languages. The company producing the video is a company called Multi Cultural Marketing Management. (*Economic and Cultural Opportunities*)

### Staffing

6. State Transit is a Registered Training Organisation. Since the implementation of the Traineeship program in 2002, all new Bus Operators have been trained up to Competency Certificate Level III in Transport and Distribution (Road Transport). There are a couple of modules in this program which incorporate dealing with customers from a culturally diverse background. These modules include the following:
  - Working effectively with others – forms of communication
  - Working in a socially diverse environmentAll Bus Operators appointed under the traineeship have been trained in these modules. Of the remaining Bus Operators (3,200) who were appointed before the implementation of the traineeship, approximately 500 have been trained in these modules. (*Harmony*)
7. Approximately 39% of employees in State Transit come from a Non English Speaking Background. The Learning and Development Unit has introduced two programs for Workplace English Language and Literacy with funding from DEST (Commonwealth) and employed a Learning and Language co-ordinator to support learning in a diverse workplace. Staff with identified language and literacy deficiencies are assessed and then being sent to Petersham TAFE for training in these areas. (*Access and Equity*)
8. Because of the culturally and linguistically diverse background of the staff, the Learning and Development Unit has had all training documents and guides reviewed to ensure they are written in "Plain English". This service is provided by Petersham TAFE and paid for by State Transit. (*Access and Equity*)

### Communications

9. The Transport Infoline website, [www.131500.com.au](http://www.131500.com.au), funded by State Transit, RailCorp and the MOT, has an introductory section which has been translated into 6 major languages. These are Arabic, Chinese, Korean, Spanish and Vietnamese. The TripPlanner on this website gives an explanation of the facility in different languages but provides the trip planner in English only. (*Access and Equity*)
10. State Transit provided funding for the printing of a poster on Aboriginal Reconciliation and also provided advertising space for the posters on all of its 1,930 buses. The Aboriginal artists who provided the artwork have been paid royalties for the posters displayed. (*Harmony*)

### Funded Services

11. The company which runs the "Your Say Line" which is contracted out by State Transit, has as part of its contractual obligations the obligation to provide an interpreter to customers who are unable to discuss their issue/s or concerns in English. (*Access and Equity*)

## 32. EEO Target Groups

The number of employees falling within Equal Employment Opportunity reporting categories are:

	June 2002 (No.)	June 2002 (% staff)	June 2003 (No.)	June 2003 (% staff)	June 2004 (No.)	June 2004 (% staff)
Women	508	10.2	524	11	538	11
Aboriginal People	30	0.6	28	0.8	30	1.0
People from Non-English Speaking Background	809	16.3	833	27	842	26
People with a Physical Disability	123	2.4	124	4	128	4

## 33. Occupational Health, Safety and Rehabilitation

As reported elsewhere in this report, Lost Time Injury Frequency Rates reduced significantly as a consequence of a range of initiatives taken to improve safety performance.

The Chief Executive accompanied by the General Manager, Human Resources and, following his appointment, the General Manager Safeworking, continued a program of attending OH&S committees.

The Workers Compensation Rehabilitation and Injury Management function continued to perform effectively delivering savings in workers compensation costs during the reporting period.

## 34. Code of Conduct and Discipline Policy

The Code of Conduct is printed in the Employee Folder which is a controlled document issued to all State Transit employees. The Handbook is an authoritative source document relied on by both management and employees alike.

The Code of Conduct sets the standard of behaviour expected from employees.

The review of the discipline policy referred to in the previous report proved more labor intensive than originally expected, and continued during the reporting period. Exposure of the revised policy to unions and staff for consultation is expected during the latter part of 2004.

### Protected Disclosures

The subject matter of any allegation made as a protected disclosure is reported to the Audit Committee.

The Protected Disclosure Reporting system is working effectively and training of senior staff has been completed.

The Protected Disclosure Reporting System procedures are included in the Employee Handbook. This is designed to ensure all staff are aware of the standards required in order to maintain a fraud and corruption free work environment and how they will be protected when reporting known or suspected corrupt behaviour.

### Ethics

The focus of ensuring high ethical standards continued during the reporting period supported in particular by training on protected disclosures and publication of items in Transit Times focusing on ethical behavior.

## 35. Privacy Management

In accordance with the Privacy and Personal Information Protection Act 1998, State Transit developed a Privacy Management Plan which was implemented during 2000 and 2001.

A copy of the Privacy Management Plan has been lodged with the Privacy Commissioner.

The Plan requires employees to keep personal information secure and ensures that the information is only used for the purposes for which it is collected.

In accordance with the plan State Transit informs all individuals at the time of collecting personal information what the information is to be used for and to whom the personal information will pass.

State Transit will continue to maintain and improve its current collection and storage of personal information to ensure it continues to satisfy the guidelines provided in the Act.

## 36. CES/SES Bands

Band 2004	Number June 2004
Level 6	1
Level 5	1
Level 4	2
Level 3	3
Level 2	6
Total	13

## 37. Senior Executives' Qualifications

NAME	POSITION	QUALIFICATION
John Stott	Chief Executive	BSc (Technology)
Geoff Baldwin	General Manager, Human Resources	BSc, LLB
Wayne Butler	General Manager, South West Services	MecC, CTM
Paul Dunn	General Manager, Finance & Business Services	BComm, MBA, ACA
Bruce Eldridge	General Manager, Eastern Services	MTM, Dip TM, CTM
Terry Garrett	General Manager, Newcastle Services	CTM
Lylla Kennedy	General Manager, Business Development	BEc, MTec, CTM
Colin Menzies	General Manager, Bus Operations	BE, MBA, CTM
Peter Rowley	Acting General Manager, Warringah Services	MTM
Roger Wilson	General Manager, North West Services	BE, MEngSc, CTM MIEAust



## 38. SES Performance Review and Remuneration

### **John Stott, Chief Executive, SES Level 6** **Period in position 1 July 2003 – 30 June 2004**

#### **Responsibilities**

The Chief Executive is responsible for delivering State Transit's objectives: efficient, safe and reliable bus and ferry services; sound financial performance; social responsibility; contributions to ecologically sustainable development and regional development. The Chief Executive is responsible for developing and implementing State Transit's strategies as detailed in its Corporate Plan to meet these objectives.

#### **Achievements**

Mr Stott managed State Transit effectively in 2003/04 and has maintained Sydney and Newcastle Buses' reputation as a reliable public transport provider:

- On-time running has consistently been 95% or better and reliability, well over 99%.
- Workplace safety has improved throughout the review period with a reduction of 25% in Lost Time Incidence Rate and the trend continues.
- Full year passenger revenues were above budget by 3% and costs were held 6.9% below budget.

#### **Key achievements for 2003/04 include:**

- Award-winning training programs.
- Best-practice contracts and procurement systems.
- The completion of a depot development strategy.
- The stepping up of security in the post-9/11 environment.
- 110 bus routes now have timetabled wheelchair-accessible services and State Transit is well ahead of the timetable set for introduction of low floor buses.
- Mr Stott made a strong contribution to the bus reform program and has worked closely with the Ministry of Transport to develop a practical public transport plan for inner Sydney.
- ISO 9001:2000 Quality certification maintained for State Transit's bus services,
- Western Sydney Buses established and the commencement of services on the Liverpool Parramatta Transitway.
- Significant increases in patronage in State Transit's North West and South West area of operations despite the overall environment of declining or static patronage in all public transport.
- Introduced 52 low floor fully wheelchair accessible diesel Euro 3 powered buses.

The Board of State Transit and the Minister of Transport Services have indicated that they are satisfied that the performance targets specified in Mr Stott's performance contract have been achieved and exceeded.

## 38. SES Performance Review and Remuneration (cont...)

### SES Remuneration

State Transit has two executives whose remuneration equals or exceeds the minimum for a Level 5 Senior Executive Service:

#### I. Chief Executive

Total Remuneration Package  
2003/2004

#### John Stott

\$243,984

State Transit policy specifies that no performance payments are made.

#### II. General Manager, Finance & Business Services

Total Remuneration Package  
2003/2004

#### Paul Dunn

\$191,212

State Transit policy specifies that no performance payments are made.

## 39. List of Publications

In 2003/2004 State Transit produced and distributed:

- 2002/2003 Annual Report
- 2003/2004 Corporate Plan
- Bus and Ferry Timetables (various)
- Various brochures and flyers, including for a number of tourist products, new and special tickets, service changes, safety material and guides to Sydney Harbour, Newcastle and ferries
- Transit Times (24 editions)

## 40. Annual Report publication details

The State Transit Annual Report was designed and produced in house. The Annual Report is designed as a website document (PDFs) able to be printed if required by individual users. 500 black & white copies were also produced at a cost of \$6.70 each.

## 41. Electronic Service Delivery

The State Government made a commitment via the ESD program to ensure that NSW Government agencies have the systems to do business and provide customer-focused services electronically (eGovernment) by December 2001.

State Transit completed its objective of implementing the ESD program by December 2001.

The key customer-focused services provided electronically via the Internet include:

- 1) Extensive information on our services and products, including the facility to print personalised timetables
- 2) Sophisticated travel planning system
- 3) Employment opportunities
- 4) Information of the School Student Transport Scheme
- 5) Performance Reports
- 6) Annual reports and corporate plan

The above services are well utilised by our customers and on average, 190,000 customers visits per month are handled via the Internet.

State Transit does business electronically wherever appropriate:

- 1) Tenders are advertised on our website together with full documentation, and disclosure of contracts awarded are posted on our website
- 2) Electronic procurement processes with major suppliers are in place and being extended wherever suppliers have the capability to do business electronically
- 3) Information Kiosks provide staff with payroll, leave and FAQ electronic self service facilities

## 42. Letter of submission



The Hon Michael Costa MLC  
Minister for Transport Services  
Level 31  
Governor Macquarie Tower  
1 Farrer Place  
Sydney NSW 2000

**29 October 2004**

Dear Mr Costa

On behalf of the State Transit Authority of New South Wales, it is our pleasure to present to you the Annual Report for the year ended 30 June 2004. This report has been prepared in accordance with the Annual Reports (Statutory Bodies) Act 1984 and the Public Finance and Audit Act 1983. The financial statements have been audited by the NSW Audit Office and the Auditor-General's report is included.

We wish to thank you for your support and guidance during the past year and we look forward to continuing to grow the business and improve our services to offer an attractive and efficient public transport service to the people of NSW.

Yours sincerely

**John Lee**  
Chief Executive

**Barrie Unsworth**  
Chairman

## 43. State Transit Key Performance Indicators

In 2003/04 Dollars

	2000/01	2001/02	2002/03	2003/04
<b>Consolidated State Transit</b>				
Total revenue ('000)	\$506,198	\$491,285	\$523,345	\$527,115
Total expenses ('000)	\$522,544	\$535,905	\$551,419	\$532,001
Patronage ('000)	222,565	212,632	212,511	214,515
Kilometres ('000)	88,650	89,371	87,714	90,116
Staff	4,754	4,851	4,901	5,015
Total revenue per passenger	\$2.27	\$2.31	\$2.46	\$2.46
Total revenue per Km	\$5.71	\$5.50	\$5.97	\$5.85
Passengers per vehicle Km	2.5	2.4	2.4	2.4
Cost per passenger	\$2.35	\$2.52	\$2.59	\$2.48
Cost per vehicle Km	\$5.89	\$6.00	\$6.29	\$5.90
Passengers per employee	46,816	43,833	43,361	42,775
Vehicle Km per employee	18,647	18,423	17,897	17,969
Fleet size - buses	1,926	1,935	1,904	1,926
Fleet size - ferries	34	34	34	34
<b>Sydney Bus Services</b>				
Total revenue ('000)	\$379,481	\$386,557	\$416,806	\$417,221
Total expenses ('000)	\$382,223	\$397,043	\$394,360	\$386,310
Patronage ('000)	195,380	187,307	187,288	187,223
Kilometres ('000)	77,444	78,852	77,426	78,593
Staff	3,638	3,682	3,621	3,734
Total revenue per passenger	\$1.94	\$2.06	\$2.23	\$2.23
Total revenue per Km	\$4.90	\$4.90	\$5.38	\$5.31
Passengers per vehicle Km	2.5	2.4	2.4	2.4
Cost per passenger	\$1.96	\$2.12	\$2.11	\$2.06
Cost per vehicle Km	\$4.94	\$5.04	\$5.09	\$4.92
Passengers per employee	53,705	50,871	51,723	50,140
Vehicle Km per employee	21,288	21,416	21,382	21,048
Changeovers per 100,000 Kms				
- mechanical	20.37	17.60	16.15	16.13
- traffic	5.54	4.64	4.41	4.53
Average bus vehicle age	11.7	11.7	12.2	13.0
Bus service reliability (on time)	96.1%	96.2%	95.9%	95.9%
Fleet size - buses	1,755	1,756	1,704	1,729
<b>Newcastle Bus &amp; Ferry Services</b>				
Total revenue ('000)	\$29,547	\$32,099	\$32,263	\$31,342
Total expenses ('000)	\$37,796	\$39,193	\$42,239	\$41,662
Patronage ('000)	12,273	11,712	11,465	11,480
Kilometres ('000)	9,868	9,141	8,381	8,367
Staff	376	382	388	389
Total revenue per passenger	\$2.41	\$2.74	\$2.81	\$2.73
Total revenue per Km	\$2.99	\$3.51	\$3.85	\$3.75
Passengers per vehicle Km	1.2	1.3	1.4	1.4
Cost per passenger	\$3.08	\$3.35	\$3.68	\$3.63
Cost per vehicle Km	\$3.83	\$4.29	\$5.04	\$4.98
Passengers per employee	32,641	30,660	29,549	29,512
Vehicle Km per employee	26,245	23,929	21,601	21,509
Changeovers per 100,000 Kms				
- mechanical	15.21	11.79	10.33	10.95
- traffic	2.88	2.26	2.27	2.28
Average bus vehicle age	13.2	14.1	14.9	12.6
Bus service reliability (on time)	95.5%	96.6%	96.1%	97.9%
Fleet size - buses	171	179	183	180
Fleet size - ferries	2	2	2	2

## 43. State Transit Key Performance Indicators

In 2003/04 Dollars

	2000/01	2001/02	2002/03	2003/04
<b>Western Sydney Buses</b>				
Total revenue ('000)			\$706	\$2,970
Total expenses ('000)			\$2,916	\$6,207
Patronage ('000)			284	1,299
Kilometres ('000)			613	1,955
Staff			47	47
Total revenue per passenger			\$2.48	\$2.29
Total revenue per Km			\$1.15	\$1.52
Passengers per vehicle Km			0.5	0.7
Cost per passenger			\$10.27	\$4.78
Cost per vehicle Km			\$4.76	\$3.17
Passengers per employee			6,043	27,638
Vehicle Km per employee			13,043	41,596
Average bus vehicle age			0.0	1.0
Fleet size - buses			17	17
<b>Sydney Ferry Services</b>				
Total revenue ('000)	\$73,556	\$70,375	\$68,876	\$71,366
Total expenses ('000)	\$79,228	\$92,433	\$101,975	\$96,972
Patronage ('000)	14,912	13,613	13,474	14,513
Kilometres ('000)	1,338	1,378	1,294	1,201
Staff	489	515	566	545
Total revenue per passenger	\$4.93	\$5.17	\$5.11	\$4.92
Total revenue per Km	\$54.97	\$51.07	\$53.23	\$59.42
Passengers per vehicle Km	11.1	9.9	10.4	12.1
Cost per passenger	\$5.31	\$6.79	\$7.57	\$6.68
Cost per vehicle Km	\$59.21	\$67.08	\$78.81	\$80.74
Passengers per employee	30,495	26,433	23,806	26,629
Vessel Km per employee	2,736	2,676	2,286	2,204
Ferry service reliability (on time)	99.4%	99.4%	99.1%	99.5%
Fleet size - ferries	32	32	32	32



## 44. Contact Details

### Hours of service

8.30am to 5.00pm, Monday to Friday

### Sydney Bus & Ferry and Newcastle Bus & Ferry information

131 500, 6.00am to 10.00pm daily.

### Head Office

Level 1, 219-241 Cleveland Street, Strawberry Hills NSW 2010.

Telephone: (02) 9245 5777

### Sydney Bus depots

Brookvale	(02) 9941 5816
Burwood	(02) 9582 4444
Kingsgrove	(02) 9582 3015
Leichhardt	(02) 9582 5915
Mona Vale	(02) 9997 1258
North Sydney	(02) 9245 5260
Port Botany	(02) 9582 7614
Randwick	(02) 9298 6714
Ryde	(02) 9941 6814
Waverley	(02) 9298 6623
Willoughby	(02) 9941 9214

### Newcastle Bus Depots

Belmont	(02) 4945 0333
Hamilton	(02) 4974 1600

### Newcastle Ferry services

(02) 4974 1160

### Sydney Ferry services

(02) 9207 3166

### Balmain Shipyard

(02) 9246 9661

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# Contributions



*Courtesy of Mark O'Connor  
Port Botany Depot*



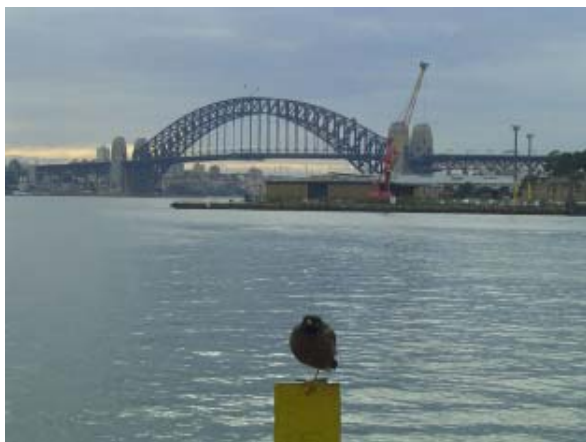
*Courtesy of Glen Strathford  
Brookvale Depot*



*Courtesy of Anthony Christie  
Brookvale Depot*



*Courtesy of Mark O'Connor  
Port Botany Depot*



*Courtesy of Santiago Santos Santiago  
Kingsgrove Depot*

# Notes

# Notes

# Notes