



State Transit Authority of NSW - Annual Report 2004/2005



State Transit Authority of NSW

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Letter to the Minister	4
CEO's and Chairman's Foreword	5
About State Transit	6
Performance Highlights	12
Year in Review	14
Service Quality	15
Safety and Security	19
People	22
Finance	27
Western Sydney Bus Services	30
Financial Statements	32
Appendices	66
Index	96

The Hon John Watkins MP
Deputy Premier
Minister for Transport
Level 30
Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

31 October 2005

Dear Mr Watkins

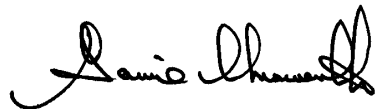
On behalf of the State Transit Authority of New South Wales, it is our pleasure to present to you the Annual Report for the year ended 30 June 2005. This report has been prepared in accordance with the Annual Reports (Statutory Bodies) Act 1984 and the Public Finance and Audit Act 1983. The financial 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



Roger Wilson
A/Chief Executive



Barrie Unsworth
Chairman

2004/05 saw many changes in State Transit with a major restructure of the organisation and the separation of Sydney Ferries.

State Transit is facing its greatest challenge – the largest ever change in the delivery of bus services in NSW under the new service contract regime. State Transit signed its Metropolitan Bus System Contracts by the end of the report year.

A program of managed change for State Transit was implemented to meet the challenges of the new service contracts.

Costs in State Transit are being reduced to make us viable against our private sector colleagues in the bus industry. State Transit is working smarter and more effectively in all areas of the organisation.

A change management program has begun and great progress made to refocus the organisation. Key principles guiding the change program are:

- Develop a business approach for the organisation
- Reduce management layers to provide more responsive services
- Reduce corporate overheads by consolidating support services and reducing duplication and overlap
- Provide efficiencies that maximise resources to front line service delivery
- Ensure no negative impact on front line staff
- Ensuring that staff are trained to meet the new challenges.

The management of both operational and head office divisions has been restructured with a lot of new blood introduced.

State Transit is a bus company and it is all about delivering services out on the road. State Transit has refocussed to make sure that the operational areas in State Transit have the powers, responsibilities and resources to do what we must do – deliver the best product at a reasonable price for our passengers.

The end of year financial result was a surplus of \$5.77M on revenue of \$487M.

Patronage on State Transit's services overall remained steady but showed strong growth in State Transit's Western region. Patronage overall grew in both the morning and evening peaks but declined slightly in off peak periods (early morning, middle of the day and weekends).

The first 73 new buses under the new fleet replacement strategy were delivered as the first down-payment on a revival of the fleet. Tenders were called for the delivery of 505 buses to be delivered over the next 5 years.

State Transit through its Western Sydney Buses subsidiary grew patronage on the Liverpool-Parramatta Transitway by an extraordinary 30%. Three and half million passengers have now used the service.

The Board continued to strive for improvements in safety performance during the year. The implementation of the Alcohol and Drug Testing regimes was handled very carefully and has proven to be very successful.

In a recent survey, 77% of passengers were satisfied with State Transit's services and only 6% were dissatisfied – an exceptional result.

State Transit believes these results can always be improved and that's something we all strive towards at State Transit.

Lastly, the Board would like to record its thanks for the leadership and achievements of Mr John Lee, State Transit's Chief Executive who has reinvigorated the organisation to the benefit of all those using its excellent services.

CEO'S & CHAIRMAN'S REPORT



Barrie Unsworth
CHAIRMAN
State Transit Authority



Roger Wilson
A/CHIEF EXECUTIVE
State Transit Authority



State Transit operates 3 businesses: Sydney Buses, Newcastle Bus & Ferry Services 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.

ABOUT STATE TRANSIT

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 Ferry Services and Western Sydney Buses (the Liverpool Parramatta Transitway).

BUS FLEET

- At 30 June 2005, State Transit's bus fleet totalled 1,943 buses:
 - 924 buses are air-conditioned (47% of fleet),
 - 761 buses are low floor design (39% of fleet),
 - 662 buses are fully wheelchair accessible (34% of fleet),
 - 404 buses are CNG powered (21% of the fleet),
 - 162 buses have Euro 3 diesel engines (8.3% of the fleet), and
 - 566 buses comply with the Euro 3 emission standard (29% of the fleet).

PATRONAGE

- State Transit carried 199.36 million passengers in 2004/05.
- Every working day State Transit operates more than 15,000 services carrying more than 600,000 passengers to their destinations.

TURNOVER

- \$487M in 2004/05.

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 78 million kilometres, Newcastle Buses travel around 8 million kilometres and Newcastle Ferries travel 24 thousand kilometres.
- More than 102,000 timetabled services are operated every week, 95,000 services by Sydney Buses and 7,000 services by Newcastle Services.

SAFETY

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

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 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 which is linked to:
www.sydneybuses.nsw.gov.au
www.newcastlebuses.info

TOURISM SERVICES

- State Transit operates the Explorer tourist buses, in the Sydney CBD and in the Eastern Beaches.

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.

Bus services are well patronised when they 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.

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.

CORPORATE GOVERNANCE

CORPORATE PLAN 04/05

In September 2004 State Transit reviewed and adopted a new Corporate Plan for the year in preparation of the most significant change in its operating environment – operation under the new Metropolitan Bus System Contracts implemented in response to the Unsworth Review of Bus Services in NSW.

The major points of the Plan are:

OUR VISION

To make our bus services the most viable and reliable public transport option for people in our operating areas.

OUR MISSION

Responding to the needs of our customers by moving them in the safest, most convenient and comfortable way.

OUR KEY GOALS AND TARGETS

Safety

- Providing safe and secure operations.
- Providing responsible management of environmental issues.

Service Quality

- Optimising our patronage and revenue.
- Aligning our services to meet demand.

People

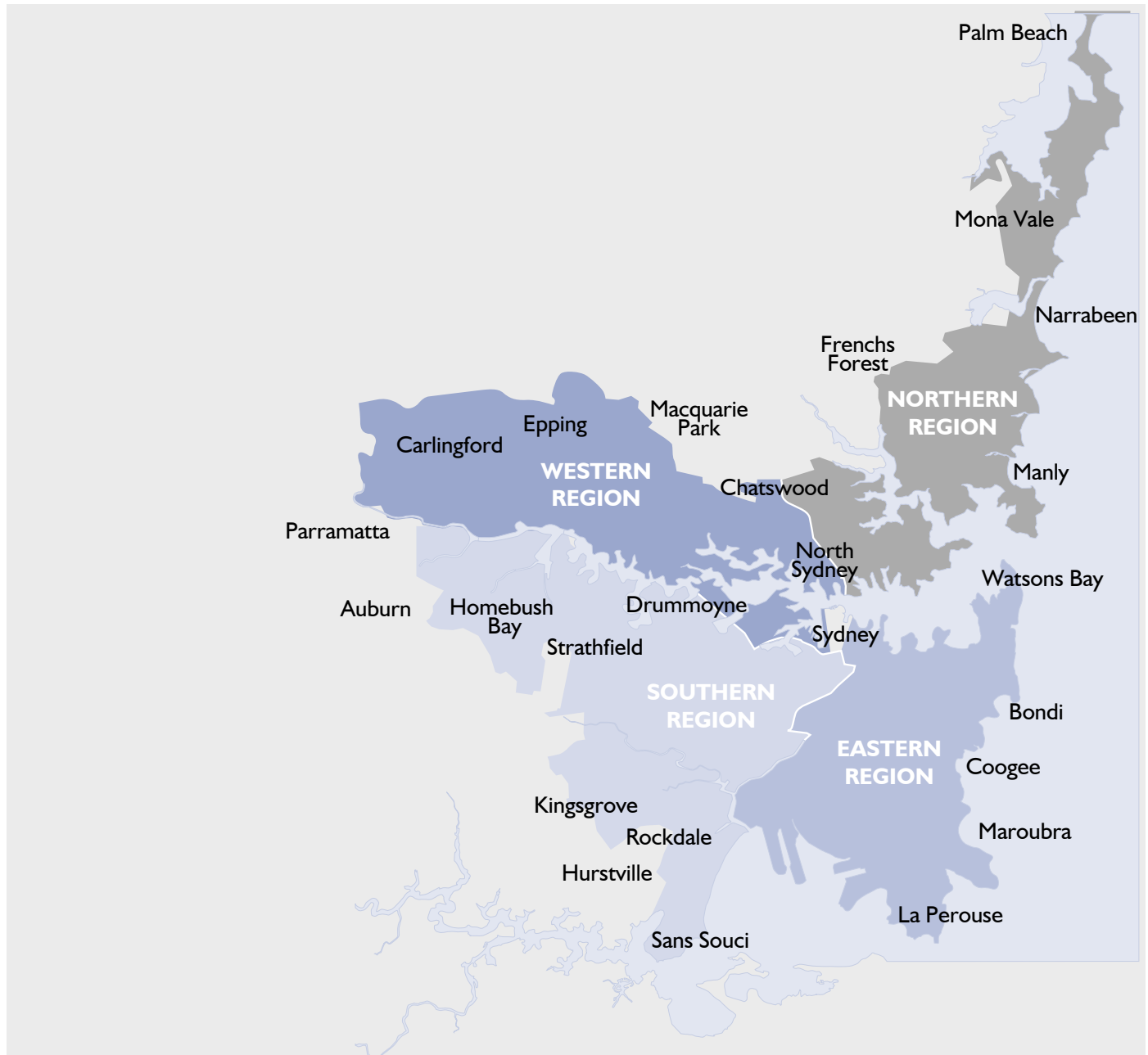
- Ensuring our people can meet the challenges of the new Metropolitan Bus System Contracts.
- Shaping the organisation to meet the new challenges of the new contract system.
- Developing management skills through new internal training programs.

Finance

- Managing our costs and systems to meet the new funding model of the new Metropolitan Bus System Contracts.

Details of State Transit's performance against these goals and targets appear in the Year in Review section of this report.

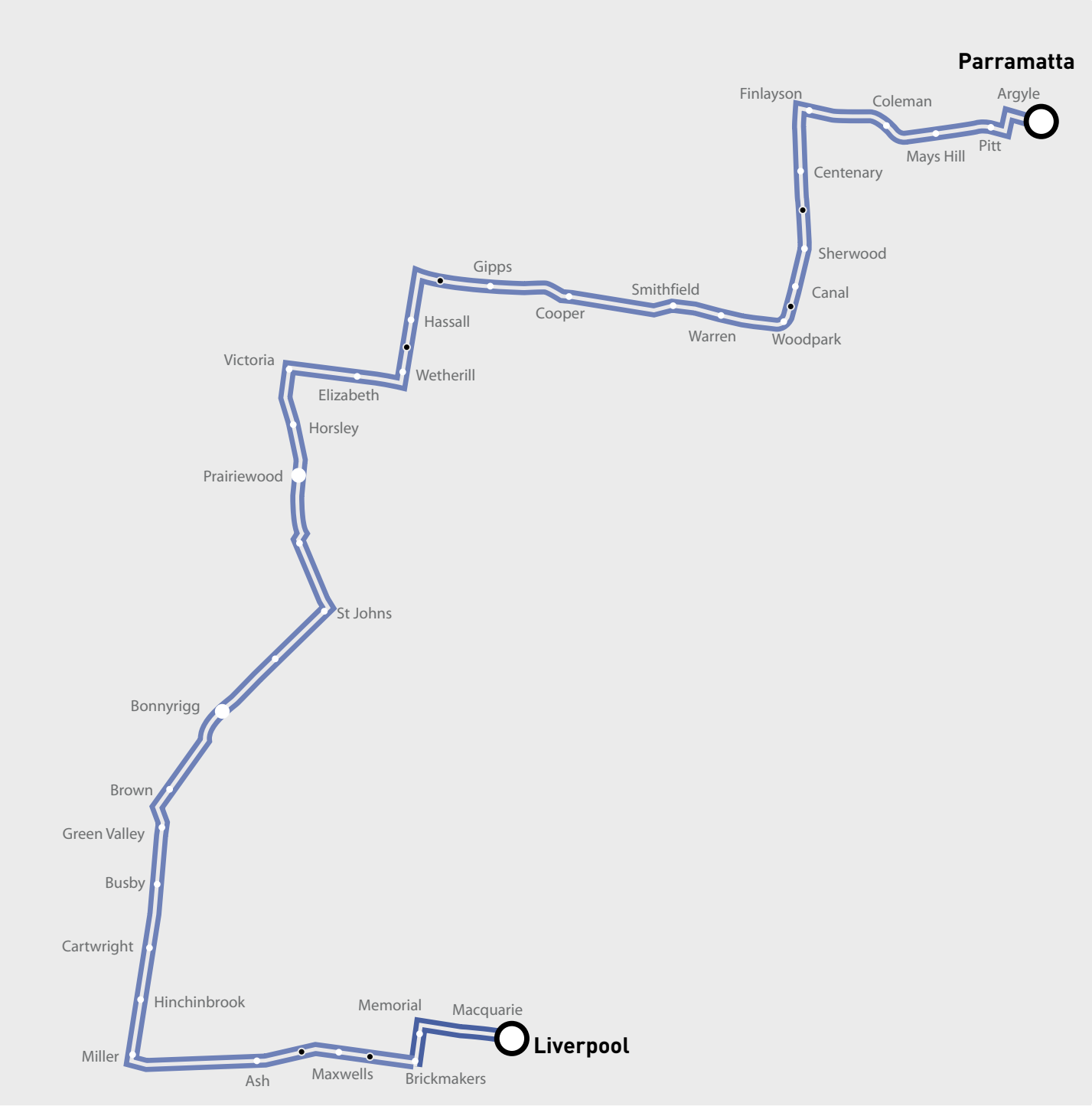
SYDNEY SERVICE AREA



NEWCASTLE SERVICE AREA



LIVERPOOL - PARRAMATTA T-WAY ROUTE MAP



Watson Street Cashless Buses Trial

The three-month trial of cashless bus stop during morning peak hours (7.00am – 9.00am) at Watson Street, Neutral Bay, demonstrated the speed of loading peak hour buses with pre-purchased dip tickets.

Cashless bus stops provide the potential for large timesavings. Cash transactions average 11 seconds to complete compared to 3 seconds for passengers to dip a ticket in a green machine. The current rate of cash fare boardings is 23% across the system.

The Watson Street bus stop was ideally situated for the trial. It has a ticket seller at the head of the stand and has a separate bus stop to handle express freeway buses to the City. Prior to the trial in November 2004, a marketing campaign strongly encouraged passengers to use pre-purchased tickets. A new range of single ride tickets has been developed for sale at the bus stop. All other tickets will continue to be available including TravelTen, TravelPass, DayTripper and Pensioner tickets.

In the trial at Watson Street Neutral Bay, **average loading times were reduced from 50 seconds to 36 seconds** making a faster, more reliable trip for all passengers.

In the coming year cashless bus stops will be trialled at other high demand locations in State Transit's operating area.

Harris Park Transport Rescue

State Transit was able to step in and run services when Harris Park Transport exercised its right to surrender its contract to provide bus services in Western Sydney from 21 December 2004, including services between Parramatta and the Hills District and M2 services to the city.

On 25 January 2005, State Transit was directed to mobilise buses and staff to provide services for up to 6 months while a long-term provider was secured.

A State Transit team then worked 24 hours a day for the next 2 days to prepare all the necessary staff, buses schedules and rosters to ensure that commuters could get to work and school children in the area could get to school for the beginning of the school year. State Transit commenced operation of all school and regular services on 28 January 2005.

Services operated to the same route and timetables used by Harris Park Transport. Some problems were experienced with the accuracy of information supplied to State Transit, which lead to some disruptions to service delivery. However, these problems were quickly eliminated. The services operated out of Ryde depot, using 39 peak buses and 51 shifts on weekdays.

Service Reliability Improvements

Buses requiring to be changed over due to mechanical problems fell to 12.2 mechanical changeovers per 100,000kms and 3.8 traffic changeovers – the lowest rate on record.

Fleet Efficiency

The Spare Bus Ratio fell from 14 to 11.2 reflecting greater efficiencies in managing the fleet.

Lost Time Injuries Down

There was a reduction of 2.3% in days lost from workplace injuries for 2004/05. There has been a significantly improved performance since October 2004, with only May 2005 exceeding the 12-month rolling average.

New Buses

73 new Volvo wheelchair accessible, Euro 3 diesel powered, air conditioned buses were delivered in 2004/05 bringing the State Transit bus fleet to 1,943 by June 2005.

PERFORMANCE HIGHLIGHTS



Random Drug Testing

Random drug testing was introduced in State Transit in September 2004 to ensure safety standards following the introduction of random alcohol testing the previous year. All staff were trained in Alcohol and Drug Awareness in accordance with the new transport safety worker provisions of the Passenger Transport Act.

Patronage Growth

Patronage in the Western region (Ryde and Willoughby Depots) of Sydney Buses showed strong growth in 2004/05.

Patronage on the Liverpool-Parramatta Transitway grew by a staggering 30% in 2004/05. Currently, more than 38,000 passengers travel on the T-way each week with a record 38,898 passengers in the first week of August 2005. To accommodate growing demand, on 14 February 2005, a new timetable added extra bus services in the morning and afternoon peak offering commuters greater convenience, flexibility and reliability when they travel.

Wheelchair Accessible Services

34% of the fleet, 662 buses, is now fully accessible for people in wheelchairs. Sydney Buses now operates 111 routes with timetabled wheelchair accessible services across Sydney with more coming on stream.

Quality Certification

State Transit maintained its ISO 9001:2000 certification following the major triennial audit.

Newcastle Reliability

Newcastle Buses had an excellent year for reliability achieving 98% on-time running and 99.95% service reliability.

Customer Survey

A customer survey conducted by AC Nielsen in 2004/05 on attitudes towards light rail in the CBD found bus passengers rated State Transit's services very highly. (*AC Nielsen survey conducted for the Ministry of Transport, commissioned in July 2004*).

State Transit achieved an overall satisfaction rating of 77% which is high in anyone's terms. 17 % of passengers were neutral and only 6% were dissatisfied.

- 81% of passengers were satisfied with the cleanliness of the service
- 73% were satisfied with the frequency of the service
- 68% were satisfied with the reliability of the service
- 63% were satisfied with the cost of the service

State Transit Authority of New South Wales

YEAR IN REVIEW

Review of Operations

2004 - 2005

KEY OBJECTIVE

State Transit aims to operate convenient, comfortable and reliable services.

KEY TARGETS

SERVICE DELIVERY

- We set our timetables so that we run to time in normal traffic conditions.
- We aim to never leave the depot late and never to start a trip early.
- We aim to refine the maintenance of our fleet 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.

BUS FLEET

- We aim to reduce the average age of the fleet through our long term bus replacement program.
- All new buses are air-conditioned, accessible for people with disabilities, have quality seating and comply with the latest highest environmental standards.
- We aim to build capacity in the bus fleet to meet increases in demand.
- All buses are cleaned daily, and between trips when necessary.

SERVICE NETWORK

- We continually monitor and review our routes to adapt our service 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 are implementing timetabled wheelchair accessible services on as many services as possible beginning with those for with the highest demand.
- Our fares are logical, affordable and tickets are easy to get.

PERFORMANCE

SERVICE DELIVERY

SERVICE RELIABILITY

Traffic conditions are a major challenge to the reliability of bus services. State Transit actively pursues a number of strategies to maintain and improve the reliability of its services under all operating conditions.

State Transit continued its good record for service reliability with Sydney Buses recording a 95% on-time service performance and excellent service reliability with 99.4% of timetabled services operating over the year.

Newcastle Services once again improved its on-time running performance in 2004/05 recording 98% of services running to time compared to 97.9% the previous year. In Newcastle 99.95% of services were operated over the year.

Traffic congestion continues to adversely affect the on-time running performance of Sydney Buses' services.

NEW PLAN TO SPEED UP TRAVEL IN SYDNEY CBD

In 2004/05 the Government announced that buses would be given new priority in the Sydney CBD as part of a new inner city bus plan.

The key elements of the bus plan, introduced in the lead up to and following the opening of the Cross City Tunnel include:

- New bus lanes on Drummoyne, Liverpool, Park, Elizabeth and Chalmers streets;
- Drummoyne St to serve as primary inbound and outbound bus corridor between the CBD and the Anzac Bridge, requiring:

SERVICE QUALITY

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



- Bus crossover on the Western Distributor to Druitt St ramp
 - Bus lanes on Druitt St and the Western Distributor
 - Bus-only link on Druitt St between Kent and Clarence streets
 - Bus-only right turn from George St southbound into Druitt St.
- Extending CBD bus lanes operating hours from 6am to 8pm on weekdays (excluding those already operating 24-hours-a-day);
 - Installing new bus lane enforcement cameras across the CBD;
 - A trial of off-bus-only ticket sales at some locations to speed up boarding times, further reducing bus travel times; and
 - Programs to improve passenger movements at busy locations including universities, hospitals, Moore Park and Fox Studios.

PATRONAGE RESULTS

Total patronage in 2004/05 was 199.36 million trips, slightly down on patronage for the previous year.

Sydney Buses' patronage was 186.48 million trips and Newcastle Buses and Ferry Services had 11.2 million trips.

Patronage on the new Liverpool-Parramatta Transitway continued to show strong growth since beginning services in February 2003. Patronage on the T-way reached 1.6 million trips, up by 30% compared to the previous year.

Passenger boardings on the Sydney Explorer increased 1.6% to 250,000 with the Bondi Explorer experiencing a decline in boardings of 10.1% to 123,000 for 2004/05. The Explorer services face strong competition from CitySightSeeing (private) and further marketing effort is planned to increase market share.

PUBLIC TRANSPORT PRIORITY AND INFORMATION SYSTEM (PTIPS)

The PTIPS project is a trial for new traffic signal control software to give priority to late-running buses by adjusting the phasing of the traffic signals. PTIPS uses a GPS receiver on the bus to determine its location. It draws information from the buses ticket machine and then sends it along with the GPS data to the RTA's Transport Management Centre. The PTIPS system accesses State Transit's electronic timetable and determines if the bus is late. If the bus is late, it will send a request for priority to the traffic signals at the next intersection.

The current trial of PTIPS was undertaken on 15 buses used on State Transit's Route 400. This bus service operates between Bondi Junction and Burwood via Sydney's International Airport along a path that is approximately 38 km in length. The service is a popular cross-regional route which passes through over 80 sets of traffic lights.

Initial trial results indicated that PTIPS had reduced late running on the 15 trial buses. It also improved the reliability of the buses by reducing the variation in their travel time.

Due to the positive initial results of the trial, the RTA is currently expanding the trial to all buses on Route 400 and 410. This will make the benefits of the system available to all trips.

The RTA aims to roll out PTIPS across the Sydney Bus network as one priority treatment for buses using the Strategic Corridors identified in the Unsworth Review.

MAINTENANCE PROGRAMS

State Transit began a new Maintenance Reform Program in 2004/05 to significantly improve the reliability of its services through better and more productive maintenance practices and staffing structures.

It is expected that the results from the implementation of the proposed changes to Maintenance will be significant and should yield the following outcomes: -

- Improvements in fleet reliability, availability, safety and bus presentation, to meet the needs of the traveling public and Regional Contract requirements.
- Standardisation and conformity of maintenance procedures and processes across all State Transit Depots.
- A maintenance management structure that promotes and enforces improvements in productivity, cost efficiency and staff utilisation.
- A reorganisation of responsibilities and duties that makes accountabilities within Contract Regions very clear to all concerned.
- Improvements in training, engineering, maintenance standards and technical support.
- A Quality Audit process that is independent to State Transit and Government, thus ensuring that the bus fleet condition is measured to the same standard as other Bus Operators and provides transparency to the Regulator.
- A reduction in overall maintenance costs that will move State Transit towards meeting the targets established by Indec Consulting and IPART.
- Improvements in productivity by increasing the bus to staff ratio.

Maintenance expenditure on the Sydney bus fleet increased by 9.1% over the previous year due a number of maintenance projects to improve the fleet reliability and safety standards.

For Sydney Buses, expenditure on refurbishing buses was increased by 38%, kilometres travelled increased by 0.5%, fleet size increased by 1.3% and maintenance staff decreased by 8.3%.

Buses requiring to be changed over due to mechanical problems fell to 12.2 mechanical changeovers per 100,000kms and 3.8 traffic changeovers – the lowest rate on record.

As a result there was a significant improvement in fleet reliability.

BUS FLEET

- 73 new buses were delivered in 2004/05.
- At 30 June 2005, State Transit's bus fleet totalled 1,943 buses,
- 924 are air-conditioned (47% of fleet),
- 761 are low floor design (39% of fleet),
- 662 buses are fully wheelchair accessible (34% of fleet) and
- 566 buses are Euro 3 compliant (CNG or Euro 3 diesel) (29% of the 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 111 bus routes across Sydney. State Transit is 5 years ahead of the targets in the Commonwealth Disability Discrimination Act.

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.

Timetabled wheelchair bus services now operate on all main corridors and cross regional routes. 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.

The average age of the State Transit bus fleet continued to fall during the year reaching 12.8 at 30 June 2005. The average age of the fleet will continue to fall under the fleet replacement strategy as around 100 new buses per annum arrive and older buses are retired.

CURRENT BUS ORDER

In 2004/05 State Transit issued contracts for the supply of 100 new standard buses and 80 new articulated buses over a two year period in accordance with the Fleet Replacement Program. 73 of the new standard buses were delivered by 30 June 2005. This followed the 60 standard buses delivered in 2003/04.

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.

20 new articulated buses will be allocated under the Fleet Replacement Program to Brookvale, Mona Vale, Ryde and Waverley depots, and the 14.5m buses will be re-allocated from Ryde and Waverley to Kingsgrove, Port Botany and Willoughby.

High capacity buses offer potential cost savings, especially for labour costs, provided that their capacity is fully utilised (i.e. more passenger trips per driver).

A strategy for the deployment of the new articulated buses was developed in 2004/05 following consideration of which routes provide the best operational potential, the depot requirements for parking and maintenance facilities, and the driver training requirements.

A comprehensive training, rescheduling, infrastructure and route assessment program was developed to enable the new high capacity buses to effectively enter service optimizing opportunities for growth and cost savings.

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.

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.

State Transit's 73 new Euro 3 diesel buses delivered during the year by Volvo Australia have better greenhouse emissions than State Transit's CNG fleet.

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.

A tender was issued in June 2005 calling for bids from suppliers for both CNG powered and diesel powered buses against the new Euro 4 standard for environmental performance for the next tranche of buses to maintain delivery of around 100 buses each year.

SERVICE NETWORK

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.

Consultation with a range of stakeholders and the community is a key element of the State Transits 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.

State Transit has developed a program of adjustments to the timetables of selected bus routes throughout its operating area, for implementation in 2005/06. These adjustments are intended to ensure that bus service timetables reflect the needs of customers, match current levels of demand, ensure reliability of service, and correspond to operational agreements negotiated between Management and Unions.

PATRONAGE TRENDS

Despite rapid projected population growth in western Sydney, Sydney Buses' operating area's population will only fall from 35 to 34 percent of Sydney Statistical District's population over the twenty years to 2021.

The South Western area of Sydney Buses' operations will experience the strongest growth, above the Sydney-wide average.

Nine selected key corridors for Sydney Buses are all projected to experience population growth over the next twenty years. These corridors currently cover just under half the total population of Sydney Buses' operating area.

The conversion of the projected population growth into transport demand will depend on a number of factors including:

- Proximity of dwelling to bus routes/rail stations
- Household structure and life cycle position
- Dwelling type
- Location of employment
- Economic and income growth

The level and distribution of population growth are generally consistent with Sydney Buses' long-term underlying patronage growth rate of one per cent per annum.

All corridors are showing positive growth rates over the full twenty-year period. The strength of the Botany Road corridor's projected growth rates reflects the re-zoning of the industrial areas it serves to residential use.

It is important that State Transit works to ensure that land use developments relate well to Sydney Buses' key corridors. That is, they should be in close proximity to the corridor; they should have convenient pedestrian links to the corridor; the scale and mix of land uses within the development should strengthen the transit qualities of the corridor; and, traffic impacts of the development should not undermine operational

HARRIS PARK SERVICES

State Transit was able to step in when Harris Park Transport exercised its right to surrender its contract to provide bus services in Western Sydney from 21 December 2004, including services between Parramatta and the Hills District and M2 services to the city.

On 25 January 2005, State Transit was directed to mobilise buses and staff to provide services for up to 6 months while a long-term provider was secured.

A State Transit team then worked 24 hours a day for the next 2 days to prepare all the necessary staff, buses schedules and rosters to ensure that school children in the area could get to school for the beginning of the school year. State Transit commenced operation of all school and regular services formerly provided by Harris Park Transport on Friday 28 January 2005.

No fares were charged until 7 February, except on the Route 620 service via M2 Motorway and the Route 630 service shared with Westbus. Tickets available on the former Harris Park Transport services include single journey cash fares, TravelTen, PET, SSTS and School Term tickets.

Services operated to the same route and timetables used by Harris Park Transport. Some problems were experienced with the accuracy of information supplied to State Transit, which lead to some disruptions to service delivery. However, these problems were progressively eliminated, and the number of complaints decreased as bus operators become more familiar with the routes.

The services operated out of Ryde depot, using 39 peak buses and 51 shifts on weekdays. Buses have been provided by retaining old buses awaiting disposal and by reducing the number of spares at other depots. Staff have been provided by overtime in the short term, using a combination of Ryde staff and staff borrowed or temporarily transferred from other depots. Recruitment was then continued at maximum intake until late May.

BUS STOP DISPLAYS

Installation was completed during 2004/05 of new format bus stop displays which incorporate departure times, interchange maps and Sydney CBD service maps. A key feature of the displays is improved night visibility, which was an issue with previous types of information installed in these shelters.

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 SOP and route 1a Warriewood to SOP.

KEY OBJECTIVE

State Transit aims to make everyone have a safe journey on our services and in our workplaces.

KEY TARGETS

- To deter misbehaviour on-board all buses are equipped with CCTV and direct radio to base.
- 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.
- Our Risk Control plans ensure that all emergency responses are regularly tested to ensure the safety of our passengers and staff.

PERFORMANCE

State Transit is committed to providing a safe and healthy workplace for employees, contractors, clients and members of the public.

State Transit embarked on a consultative process for Safety Plan development in January 2005. Since the initial Safety Forum a safety planning sub-group consisting of Management, Employee and Union representatives has met frequently and agreed on a new a Safety Policy.

SAFETY POLICY KEY PRINCIPLES

Key principles in State Transit's commitment for a safe and healthy workplace include:

- Enhancing the workplace through ownership of safety;
- Enhancing commitment to safety through greater emphasis on accountability, consultation, communication and participation;
- Enhancing knowledge and skills through effective training for all;
- Integrating safety into our management systems, workplace practices and procedures;
- Preventing incidents through a greater commitment to Risk Management; and
- Recognising positive safety performance through the achievement of measurable targets.

RESPONSIBILITY

In order to maintain a safe and healthy workplace the State Transit Authority allocates appropriate accountability and responsibility to their personnel:

- All staff are aware of their responsibility for the implementation and maintenance of safety in the workplace;
- All staff monitor, promote and participate in hazard identification and risk management;
- All staff share a responsibility for safety by consulting and co-operating with each other
- All staff are to take all reasonable care in conducting their work activities; and
- All staff abide by legislation and safety policies and procedures.

SAFETY AND SECURITY

→ **Personal security is high on our passengers' priorities. Everyone should feel safe using public transport.**



Consistent with a continuous improvement approach to Safety, this policy will be reviewed annually.

During 2004/05 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 incidence of safety incidents on Sydney Buses is less than 2 incidents for every 1 million passenger trips. The incidence 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.

CCTV is installed on all State Transit 1,943 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. In each case there is now the benefit of the security video which can be passed to Police to assist in their investigations.

SAFETY TARGETS

The key safety indicators for safety are the Lost Time Injury Frequency Rate (LTIFR) and the Medical Treatment Injury Frequency Rate (MTIFR).

The LTIFR and MTIFR results for the financial year 2004/05 were 29.9 and 21.7 respectively, compared with targets of 15 and 10. The frequency rate was an increase of 1.7% from 2003/04. This was mainly due to figures recorded in the first quarter. Since October 2004, performance has improved significantly, from 41.0 in the first quarter, to 26.4, 24.4 and 27.4 in the final three quarters.

There has been a reduction of 2.3% in days lost for 2004/05. There has been a significantly improved performance since October 2004, with only May 2005 exceeding the 12-month rolling average.

DRUG AND ALCOHOL TESTING

The 1774 random alcohol tests and 411 random drug tests conducted in 2004/05 equate to approximately 44.4% and 10.3% of Transport Safety Employees in State Transit.

For the financial year 2004/05, there were no State Transit employees who returned a positive alcohol result.

Since September 1 2004 to June 2005, there were 4 positives for other drugs.

Twenty six wall mounted breath alcohol-testing devices were installed in State Transit operations and maintenance areas in the period between March and May 2004.

FATIGUE STUDY

A Fatigue Study was initiated in 2004/05 with the objective of investigating short-haul transit fatigue. It is intended that this will include an examination of factors that may have an impact on driver fatigue and how fatigue affects work performance. The project is being run in conjunction with the Queensland University of Technology (QUT) and the University of Western Sydney (UWS).

DRIVER DISTRACTION STUDY

State Transit engaged the Monash University Accident Research Centre to conduct an assessment of the risks associated with bus operators engaged in potentially distracting activities while driving. The study will focus in particular on the use of bus communication and announcement systems and mobile phones.

The initial stage of the project is an assessment of risk deriving from distractions. This includes will involve an assessment of the current exposure to potential and actual distractions and the potential for these to degrade driving performance and increase risk.

FITNESS FOR WORK

State Transit is continuing to evaluate the current medical standards that apply to its Bus Operators.

State Transit is assessing the applicability of the new national standard applying in the rail industry in relation the inherent requirements of a bus operator.

A proforma for accurate assessment of all essential design and anthropometric information will be developed in the coming year. These assessments will form the basis for developing and setting medical standards and objective tests for the qualification and quantification of job requirements.

BUS DRIVER SAFETY

Bus operators are exposed to a volatile and highly unpredictable security environment. In mid June 2005, one bus driver suffered severe injuries as a result of a knife attack in the Inner West. In the same time period, Bus Operators in the Eastern suburbs were exposed to what appeared to be a campaign of intimidation.

These incidents occurred even though there has been a long-standing program of consultation and co-operation between State Transit staff and Police in both preventing and responding to incidents of poor social behaviour and criminal activities.

Police liaison continues at both the local level and corporately. Since August 2004 there have been in excess of 70 meetings between State Transit and Police staff to develop, review and plan strategies to deal with social disorder issues. These meetings continue. In order to finalise the Police/State Transit relationship, a formal MOU is being drafted between the two agencies.

Notwithstanding the formal liaison, the Police have considerably increased their presence on the network in recent months. In the month of June, the number of monthly patrols by Police increased by approximately 30% to number in excess of 3,200.

SECURITY SCREENS

Following the June attack in the Inner West, the bus security screens were installed at Burwood depot for a further trial.

This follows trials in 2004 that concluded that the screens did not provide an acceptable level of comfort to the drivers. It is intended to undertake a detailed survey of driver perception later in 2005, however the initial, informal, advice is that the screens are well received.

Tenderers for the new Bus supply contract have been asked to include proposals for improved security in their bids.

SECURITY

Subsequent to the September 2001 attack in the USA, State Transit upgraded its depot level security and re-emphasised the need for maintaining staff vigilance on looking for suspicious behaviour and dealing with unattended packages.

The measures involved a review of depot perimeter security and the engagement of security guards.

Since the 7 July 2005 attack in the UK, further reviews of State Transit security processes and depot security have been undertaken. The present security alert level is at MEDIUM. Guidance has been provided by the Ministry of Transport as to the suite of measures that may be taken by agencies to operate at the nominated alert level.

STAFF AWARENESS

State Transit staff were given extensive awareness training in the lead up to the 2000 Olympics and immediately after September 2001. New staff were given awareness training as part of their Basic Bus Operator training.

Supervisory, CSC and Revenue Protection staff have over the past 12 months been given extensive and updated awareness training as part of the Emergency Response training program.

Since 7 July 2005, all staff have been made aware, through the issue of the flyers and video presentations, of the need for awareness for vigilance and white level checks. This was more recently enhanced by the rollout of the Ministry of Transport public campaign.

The Federal Department of Transport and Regional Services has sponsored a new video based training program.

DEPOT SECURITY

Security at State Transit's depots was independently reviewed by security experts in 2004/05.

The installation of boom gates is proceeding at all depots. Whilst boom gates provide a barrier to vehicle traffic, they do not impede pedestrians.



KEY OBJECTIVE

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.

KEY 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

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.

INFOLINE

Of the total calls answered by the Infoline, 33% 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.

PASSENGER FEEDBACK

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

CUSTOMER SERVICE

Customer service is the key component which allows State Transit to deliver what the community wants. In order to deliver services to meet these desires, State Transit employees need to have skills in the areas of interpersonal skills, cultural awareness, communication, conflict resolution, service awareness and negotiation.

State Transit, as a Registered Training Organisation is committed to ensuring that it appropriately identifies, trains and assesses all staff in line with State Transit's service standards for reliability, convenience, efficiency, customer service, comfort, and security and safety.

CUSTOMER SERVICE TRAINING

90% of State Transit's Bus Operators have completed the 'Customer Service Workshop'. This workshop is aligned to a National Training Package, which has been designed for the transport industry.

PEOPLE

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



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.

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 2004/05 State Transit continued its contribution to the NSW Premier's Department Spokeswomen's program. Significant learning and development initiatives were developed and have been successfully implemented.

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.

DRUG AWARENESS TRAINING

Following the introduction of alcohol random testing in April 2004 under the new safety requirements of the Passenger Transport Act, Drug awareness training was also begun and was completed by 1 September 2004.

DAYS OFF CANCELLED (DOCs)

DOCs are a barometer of staff absenteeism due to sick leave, training and other types of leave.

An increase in bus operator recruitments in 2004/05 year, to establishment levels at each depot, has contributed to a major reduction in DOCs of some 11.6%.

ABSENTEEISM SYDNEY BUSES

Sick leave taken in 2005 has decreased overall by 1.9% over last year.



*Sydney Morning Herald
1 June 2005*

STATE TRANSIT STAFF SUMMARY

Staff numbers in State Transit increased overall by 94 or 2.1% as follows:

Average Full Time Equivalents	2002-03	2003-04	2004-05
Sydney Bus Services	3638	3723	3827
Newcastle Services	383	385	386
Western Sydney Buses	46	47	48
Administration	250	239	227
Total	4317	4394	4488
% increase on previous year		1.8%	2.1%

NEW APPRENTICESHIP PROGRAM

In 2004/05 the State Transit Board approved an increase in the numbers of Apprentices in State Transit and to create an Apprenticeship program that meets the needs of the organisation and attracts the best applicants.

An Apprenticeship Paper was researched by Learning and Development on the 'Recruiting and Retaining Quality Apprentices in the State Transit and the Transport and Logistics Industry' in October 2004. This paper highlighted that New South Wales as well as Australia is currently in the midst of a skills shortage in the Automotive Trade Industry. The reasons for this shortage include the following:

- An inadequate number of people entering the trade
- A high attrition rate during the training period
- A high separation from the skilled trades workforce once people are qualified
- Inability to up skill apprentices in line with changes experienced within the sector

State Transit has been affected by this skills shortage as they have found the recruitment of quality, capable young apprentices difficult to attract. Great lengths have been gone to in the past to attract apprentices to State Transit, but it has been a difficult process with numbers increasing at a very slow rate.

The new program offers the following solutions:

SCHOOL-BASED NEW APPRENTICESHIPS

State Transit will investigate School-based New Apprenticeships as an avenue to address the skill and market shortage in the Automotive Trade. School-based New Apprenticeships provide the opportunity for young people to gain vocational education and training qualifications and undertake employment whilst also completing a senior secondary certificate. This would allow for the development of an appropriately skilled workforce whilst providing exposure to various career paths through greater education.

COMPLETION OF SECONDARY CERTIFICATE

State Transit is supporting the Government's announcement to launch the New Apprenticeship Access Program. This provides assistance in the areas of literacy and numeracy, and employability skills including communication and teamwork skills. It is specifically to be targeted in industries and regions experiencing skill shortages.

FORMALISED PROCEDURE FOR WORK PLACEMENTS

Due to the diverse range of work skills that the apprentice is required to be exposed to and achieve competence in, an industry network is to be established and maintained for the State Transit's apprentices. This would expose the apprentice to alternate worksites and machinery.

LOCATION WORK-HOME-STUDY

In order to combat the distances travelled to study, in an attempt to achieve work/home/study balance, discuss and investigate with TAFE to run training programs at depots for first & second years, which may be attended by apprentices from private bus companies and associated industries.

OLDER APPRENTICES

State Transit has the opportunity to employ older apprentices who have either left university or obtained life skills in either travel or alternate occupations. A trial intake of 12 older apprentices is to be conducted and the apprenticeship program fast tracked to cater to the needs of the apprentices that would reflect their ability to achieve competency.

MENTORING

The mentoring system would be used to support apprentices to make the transition to work/study life easier, particularly due to apprentice immaturity.

SKILL SHARING

State Transit is investigating providing professional development for TAFE teaching staff by allowing the opportunity to maintain their industry currency by allowing them to work at State Transit maintenance areas. Supervisory maintenance staff may be offered the opportunity to gain professional development opportunities by providing teaching support to TAFE.

SUCCESSION PLANNING

A succession planning process for the Apprentices is to be developed. This will ensure a process is in place to recruit apprentices, develop their skills and abilities, and develop them for advancement as well as retaining them beyond their Apprenticeship Program.

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 graduate program was reviewed in 2004/05 to ensure that it remains focused on the new needs of the organisation.

NEW MANAGEMENT DEVELOPMENT PROGRAM

State Transit is embarking on a programme of managed change in response to the challenge of surviving and thriving in a new competitive business environment, established by the Government's reforms to Bus Service Contracts.

In order to operate effectively in the new service model managers will need to work as a team to drive and implement changes to State Transit's structure, culture, financial management and service delivery. Our aim is to build on our current strengths to create a viable, competitive organisation and to sustain this achievement with an ongoing program of continuous improvement.

Equipping our Managers with the skills and tools they need, will underpin the success of this process. State Transit Strategic Plan articulates our current commitment to developing our Manager's capacity to meet the challenges of the new business environment.

The new Management Development Strategy sets out a comprehensive framework for ongoing development of Managers at all levels, providing support for Managers to reach their potential and contribute effectively to State Transit business success at each stage of their career.

It is expected that Managers will play a significant role in driving their own development, through taking up learning and development opportunities. Consequently the strategy offers a variety of development opportunities including formal training, on the job training, work-based projects, coaching, mentoring, leadership forums and qualifications.

In addition to meeting the immediate development needs of existing and newly appointed Managers in 2005, the framework provides for a comprehensive, sustainable program of development for the future.

NEW STAFF RECOGNITION SCHEME

A new Recognition Program for State Transit employees was developed in 2004/05 to celebrate success and achievement and to support State Transit's business directions.

The program is based on 3 'tiers' of Recognition: (i) an annual STA-wide program, culminating in a formal annual awards function, (ii) regular Regional/Depot & Divisional programs conducted on a quarterly or monthly basis, and (iii) day-to-day praise and feedback in the workplace to employees from managers and supervisors.

The proposed program has been developed through discussions with State Transit senior executive management, Depot Managers, and the Premier's Department and ICAC in relation to public accountability aspects.

ABORIGINAL AND TORRES STRAIT ISLANDER (ATSI) BUS DRIVERS - NEW RECRUITMENT PROGRAM

A new program to increase the representation of Aboriginal and Torres Strait Islander (ATSI) drivers in State Transit, was developed in 2004/05, particularly the Eastern Region.

Current representation of ATSI people within State Transit is at 1.1% compared with the general population where representation is 2%.

Increasing the ATSI representation in various employment streams within State Transit is an objective of the EEO Management Plan 2005-2006. The strategy to achieve this is to implement a comprehensive ATSI Employment Strategy, which recruitment of ATSI staff including Bus Operators.

The objectives of the ATSI Employment Strategy are as follows:

- Recruit two intakes of nine ATSI Trainee Bus Operators.
- The first intake will be recruited by October 2005 and the second intake by January 2006. Two additional groups of nine will be recruited in 2006.
- Recruit two ATSI ERT apprentices who will commence their apprenticeship in January 2006. Two additional apprentices will be recruited to start in 2007.
- Recruit one ATSI person into the management cadetship program by January 2007.
- Retain at least 80% of the ATSI intake following the end of their traineeship/apprenticeship/cadetship.

Consultation with community and government organisations will be conducted to determine the most effective arrangements for recruitment, training, work location, mentoring and cross cultural awareness training.

The proposed ATSI Employment Strategy will ensure that State Transit meets its anti-discrimination obligations and remains focused and relevant to its customer base.

EBA's

During the reporting period State Transit entered into negotiation and/or settled, enterprise bargaining agreements with a number of industrial unions, covering employees in the following categories:

- Bus Operations
- Salaried and Senior Officers
- Salaried Officers in Operational Support
- Bus Maintenance staff
- Newcastle Ferry Master/Engineers

All major agreements negotiated during the period included clauses providing for various flexible leave and work arrangements, designed to assist State Transit employees to balance work and family commitments. It is envisaged that such initiatives will assist State Transit to attract and retain valued staff, in addition to increasing the participation rate of women in State Transit's workforce.

Wage outcomes for all classifications reflected NSW Government wages policy for the period, which implied nominal pay rises of up to 3% per year, through negotiated settlements, with an additional 1% available in return for productivity offsets. In the case of Bus Operations staff, an additional 1.5% over three years was paid following a privately arbitrated work value claim.

KEY OBJECTIVE

State Transit works to operate as efficiently as possible by managing its costs better and optimising its revenue.

KEY TARGETS

- We aim for a break even operating result.
- 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.
- Our IT systems have 100% integrity including fully tested disaster recovery plans.
- We aim with our ISO 9001:2000 certification for continuous improvement in all aspects of our business.

PERFORMANCE

FINANCIAL REVIEW 2004/2005

This was the first year for State Transit that Sydney Ferries has not been included in the Annual Financial Statements. On 1 July 2004 Sydney Ferries was formally separated from State Transit when it was established as a State Owned Corporation. As a result, it is not possible to provide a simple comparison of financial performance in 2004/05 with previous years.

State Transit's consolidated financial result for the year ended 30 June 2005 was a profit of \$5.776m on revenue of \$487m.

Passenger revenue for the year was 7.5% higher than last year.

Patronage of 199.4m was 0.3% less than last year:

- Sydney Buses was 0.3% lower,
- Newcastle Bus and Ferry Services was 2.5% lower, and
- Western Sydney Buses was 29.9% higher.

Total expenditure of \$481m was 10.7% higher than last year. Sydney Buses total expenditure of \$426m was 9.2% higher than last year.

Newcastle Services total expenditure was 5.9% higher than last year. Western Sydney Buses total expenditure was 0.3% higher than last year.

Labour costs increased by 5.6% on last year before year-end adjustments to superannuation and workers' compensation. Pay increases awarded during the year averaged 4.0%.

Fleet Running costs were 11.4% higher than last year.

Fuel costs (before hedging and rebate) were \$33.7m, an increase of 21.1% (\$6.5m) over last year. The increase in gross fuel costs, which reflected an increase in the price of crude oil, was offset by hedging gains of \$5.0m. Total fuel consumption cost, after rebate and hedging gain, was 6.0% higher than last year.

Maintenance expenditure compared to the previous year increased in Sydney Buses by 9.1%, and reduced in Newcastle Services by 1.1%.

The level of debt decreased by \$37.3m to \$87.3m resulting from the separation of Sydney Ferries from State Transit.

CAPITAL EXPENDITURE

Capital expenditure in 2004/05 was \$54.8m compared with \$28.8m in 2003/04. \$51.1m was spent on the bus replacement program for the purchase of low floor, air-conditioned buses for Sydney and Newcastle. \$3.7m was spent on the renewal or replacement of assets required for security, bus servicing, depot facilities and computing resources.

CORPORATE STAFF AND COSTS

The cost of Corporate Services in 2004/05 decreased by \$2.3m (or 5.5%) compared with last year. Corporate staffing decreased by 5% after a period of natural attrition pending the completion of the Corporate restructure process.

FINANCE

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



GOVERNMENT REIMBURSEMENTS, CSOS AND GRANTS

Total Government reimbursements in 2004/05 was \$231.9m of which \$127.6m was payment of fares by Government for pensioners, school children and other groups who qualify for support.

The balance of \$104.3m 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.

State Budget funding of the School Student Transport Scheme for State Transit was reduced by \$0.2m in line with the Government's policy to harmonise fares between the private and public sectors.

COST EFFICIENCIES

The new Charter and Hiring system installed in June 2004 has resulted in better cash control and a 10% reduction in debtors.

ISO 9001:2000 CERTIFICATION

State Transit successfully maintained its quality certification under ISO 9001:2000 in 2004/05 following the major triennial audit of its quality program.

State Transit is revitalising its Business Management System to ensure that this major tool in the quality program continues to meet State Transit's objectives for supporting continuous improvement.

RISK MANAGEMENT - INSURANCE

State Transit's overall insurance strategy as set by the Board maintains that major assets, consequential loss and liability risk exposure is commercially insured at catastrophe protection levels. An increased risk appetite has been balanced by a good appreciation of business risk and implementation of robust risk control measures. With reduced requirement for marine insurance covering only the Newcastle Ferry operations since the corporatisation, again a more focused strategy with underwriters has been achieved.

Willis Australia was selected by tender as Insurance Brokers during September 2004, along with Wyatt Gallagher Bassett (WGB) as claims manager for all classes of insurance other than CTP.

The Australian insurance market has undergone significant consolidation in recent years, driven by lack of profitability and increasing regulation, which has now resulted in good underwriting profits. These results are overshadowed by significant underwriting losses of previous years. However, premium reductions due to increased competition in the more regulated market are expected to yield stable or lower premiums for State Transit.

TICKET AGENTS' COMMISSIONS

In late March 2005 State Transit advised ticket sellers that the commission rates would be reduced from approximately 5% to 2.5%. This led to a court appeal by the Newsagents Association of NSW to reverse the commission reduction and revise the rate to 6%. Commencement of the court appeal awaits a decision from the High Court on the jurisdiction of the Industrial Commission of NSW.

INTEGRATED TICKETING

State Transit continued its major contribution to the NSW Government's Integrated Ticketing project. Mr John Stott the Chief Executive of State Transit from 1996 to 2004, left in September 2004 to take up the new role of Chairman of the Transport Administration Corporation, the body responsible for implementing and administering the T-Card 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

There were a number of significant developments affecting the Depot Strategy during the year including the takeover of the Harris Park Transport operating area. Options for increasing depot capacity in Sydney continue to be developed.

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).

A new larger depot is to be built at Leichhardt to replace the current facility. Land adjacent to the current depot is being transferred from RailCorp to State Transit for the new depot.

Investigations are continuing on the need for a new small depot site near Parramatta to cater for planned growth in that area.

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 IT Strategic Plan has the following e-business related objectives:

- Revolutionise customer convenience through smart card (cashless) ticketing for buses and ferries.
- e-enabling State Transit employees. This will involve greater use of technologies to allow employees to access information via the intranet and internet.

In its pursuit of improved business processes, State Transit continues to realise the many opportunities that are available from electronic business systems, including:

- The passenger information service is now delivered by the Integrated Transport Information Service (ITIS) - 131 550 Transport Infoline.
- State Transit's website guides the public in the best way to use the services it operates. The site provides comprehensive information about routes timetables and fares.
- Annual reports, corporate plans, information about contracts awarded to tenderers amongst other matters of interest to stakeholders are also available on the website.
- Over 80% of the value of all payments to suppliers are made by electronic means (iElectronic Funds Transfer). This equates to over 80% of the number of invoices received by State Transit.

- The network of information kiosks provides staff at depots with access to a wide range of information, especially for those who work on shifts outside office hours. Any staff member can access their pay and leave details. The kiosk also provides information about service timetable changes, special events and other local depot news.
- The Depot On-line program (internet cafes) is now being rolled out in all depots to enable all State Transit employees to have access to the internet and to email facilities.

This is particularly important for bus operators, maintenance and cleaning staff who need good communication facilities to help their working lives as shift workers.

KEY OBJECTIVE

Transitway services in Western Sydney provide:

- High speed services between Liverpool and Parramatta, the fastest growing CBD in Australia.
- Comfortable Euro 3 diesel powered, air-conditioned, fully accessible Volvo Buses.
- Real time information to passengers.

KEY TARGETS

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

PERFORMANCE

Since the Liverpool to Parramatta Transitway, or T-way, began operations on 16 February 2003, there has been a steady growth in patronage. T-way buses have carried more than three and a half million passengers since the services began.

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.

Patronage on the service increased by a staggering 29.9% in 2004/05.

Patronage for 2004/05 for Western Sydney Buses of 1.69m compares with 1.29m for 2003/04.

The Liverpool Parramatta Transitway's initial patronage was 10,000 per week. At year end, more than 38,000 passengers were travelling on the T-way each week.

In 2004/05 a review of timetables was undertaken to reduce running times to make trips more attractive to potential passengers and to allow the opportunity of providing additional services.

To accommodate growing demand, a new timetable was introduced in February 2005 to cater for further growth in the morning peak and afternoon, adding four new bus services to the timetable, offering commuters greater convenience, flexibility and reliability when they travel.

The new services in the morning peak between 7.00am and 9.00am provide services into Parramatta every 10 minutes from 6.30am each weekday.

New services in the afternoon provide buses from Parramatta every 10 minutes starting from 2.30pm through to 6.30pm.

These changes increased capacity by about 7,000 passengers a week.

The popularity of the Liverpool to Parramatta T-way grows every day with more passengers joining these services each week.

The target of 6,000 passengers a day that was projected when State Transit began services on the T-way in 2003 has been surpassed each weekday, with some days exceeding 7,000 passengers.

This is a ringing endorsement for the bus only T-way with more and more families and commuters across Western Sydney jumping on board every day.

WESTERN SYDNEY BUS SERVICES

→ **Transitway services in Western Sydney provide services between Liverpool and Parramatta and comfortable CNG powered fully accessible Mercedes Benz Buses.**



PATRONAGE TRENDS

Patronage by time period - 2004/05 vs 2003/04

	Sun	Early AM	AM Peak	Mid-Day	PM Peak	Evening	Sat	Total
2003/04	75,780	53,375	318,430	316,632	339,508	78,008	117,267	1,299,000
2004/05	93,297	64,025	420,133	421,817	444,893	94,047	148,788	1,687,000
%	23.1	20.0%	31.9%	33.2%	31.0%	20.6%	26.9%	29.9%

While the LPT continues to incur significant operating losses and is not expected to break even before the end of next year, there is no call on the State Budget by State Transit to meet these losses. State Transit considers that the cross-subsidisation of the set-up and development costs of the Liverpool Parramatta Transitway service is an appropriate role for a Government agency to meet the greater public interest in developing an exciting new type of public transport service in Sydney.

Action was taken during the year to reduce costs, the recent replacement of the CNG powered buses with Euro 3 diesel buses with equivalent environmental performance has provided worthwhile cost savings to support the financial sustainability of the business. Agreement was reached with Westbus to refuel the new Volvo Euro 3 diesel buses at Westbus's Bonnyrigg Depot.

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.

State Transit Authority of New South Wales

FINANCIAL STATEMENTS

For the Year Ended 30 June 2005

Contents

Statement of Financial Performance	34
Statement of Financial Position	35
Statement of Cash Flows	36

Notes to and forming part of the Financial Statements

1. Summary of significant accounting policies	38
2. Revenue and expenditure	45
3. Income tax	47
4. Receivables	48
5. Inventories	48
6. Other assets	48
7. Property, plant and equipment	49
8. Intangibles	51
9. Payables	51
10. Interest bearing liabilities	51
11. Provisions	52
12. Other liabilities	53
13. Equity	54
14. Commitments	54
15. Western Sydney Buses	55
16. Financial instruments	56
17. Contingent liabilities	58
18. Impact of adopting Australian Equivalents to International Financial Reporting Standards	58
19. Corporatisation of Sydney Ferries	61
20. Revenue and expenditure comparative excluding Sydney Ferries	62
21. Subsequent events - Metropolitan Bus System Contracts	62
Statement by members of the Board	63
Independent Audit Report	64

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2005

	Notes	2005 \$000	2004 \$000
Revenue from ordinary activities	2(i)	500,307	528,419
Expenses from ordinary activities (excluding employee benefits)	2(ii)	202,058	214,549
Employee benefits	2(iii)	286,454	307,892
Borrowing costs	2(iv)	6,019	10,534
Surplus/(deficit) from ordinary activities before income tax		5,776	(4,556)
Income tax relating to ordinary activities	3	-	-
Net surplus/(deficit) from ordinary activities		5,776	(4,556)
Net increase/(decrease) in asset revaluation reserve	13	-	3,018
Total adjustments recognised directly in equity		-	3,018
Total changes in equity other than those resulting from transactions with owners as owners		5,776	(1,538)

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2005

	Notes	2005 \$000	2004 \$000
CURRENT ASSETS			
Cash		4,502	3,867
Receivables	4	22,459	13,969
Inventories	5	7,990	10,693
Other	6	3,691	3,724
TOTAL CURRENT ASSETS		38,642	32,253
NON-CURRENT ASSETS			
Property, plant and equipment	7	423,651	552,359
Intangibles	8	-	234
Other	6	-	576
TOTAL NON-CURRENT ASSETS		423,651	553,169
TOTAL ASSETS		462,293	585,422
CURRENT LIABILITIES			
Payables	9	32,184	46,127
Interest bearing liabilities	10	34,595	31,470
Provisions	11	43,307	43,647
Other	12	10,228	10,804
TOTAL CURRENT LIABILITIES		120,314	132,048
NON-CURRENT LIABILITIES			
Interest bearing liabilities	10	52,711	93,168
Provisions	11	120,196	118,512
Other	12	7	370
TOTAL NON-CURRENT LIABILITIES		172,914	212,050
TOTAL LIABILITIES		293,228	344,098
NET ASSETS		169,065	241,324
EQUITY			
Reserves	13	135,947	202,312
Accumulated funds	13	33,118	39,012
TOTAL EQUITY		169,065	241,324

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

STATEMENT OF CASH FLOWS

For the year ended 30 June 2005

	Notes	2005 Inflows (Outflows) \$000	2004 Inflows (Outflows) \$000
Cash flows from operating activities			
Passenger revenue (including reimbursements from NSW Government)			
- Fares, charters and tourist services		249,161	275,294
- Reimbursement for:			
- Free travel by school students		40,443	40,880
- Concessional travel by pensioners		58,184	85,137
- Concessional travel by others		28,776	28,608
- Community service obligations		104,365	90,018
Total passenger revenue (including reimbursements from NSW Government)		480,929	519,937
Other income		32,373	38,100
Interest received		44	79
Government grants		5,000	330
Payments to suppliers		(179,998)	(177,129)
Payments to employees		(286,018)	(323,325)
Interest and other finance costs		(7,206)	(11,021)
Net cash flows from operating activities	(i)	45,124	46,971
Cash flows from investing activities			
Purchase of property, plant and equipment		(54,813)	(28,891)
Proceeds from sale of property, plant and equipment		1,419	651
Net cash flows used in investing activities		(53,394)	(28,240)
Cash flows from financing activities			
Proceeds from/(repayments) of borrowings		12,564	(18,288)
Net cash flows from financing activities		12,564	(18,288)
Net increase/(decrease) in cash held		4,294	443
Cash transferred out as a result of administrative restructuring		(3,659)	-
Cash at the beginning of the financial year		3,867	3,424
Cash at the end of the financial year	(ii)	4,502	3,867

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

STATEMENT OF CASH FLOWS

For the year ended 30 June 2005

	Notes	2005 \$000	2004 \$000
(i) Reconciliation of operating results after tax to net cash from operating activities			
Net surplus/(deficit) after income tax		5,776	(4,556)
Adjustments to reconcile net operating result to net cash from operating activities			
Amortisation of service contract rights		207	1,352
Amortisation and depreciation of non-current assets		32,138	44,940
Net (surplus)/deficit on sale of non-current assets		338	322
Bad and doubtful debts		109	88
Other non-cash items		(108)	(1,241)
Changes in assets and liabilities			
(Increase)/decrease in receivables		2,114	(288)
(Increase)/decrease in inventory		(1,205)	(1,014)
(Increase)/decrease in prepayments		201	(314)
(Increase)/decrease in other assets		(61)	13
(Increase)/decrease in goods and services tax		171	(530)
Increase/(decrease) in payables		(8,450)	8,787
Increase/(decrease) in other provisions		4,485	(6,637)
Increase/(decrease) in employee benefits		6,010	2,041
Increase/(decrease) in revenue received in advance		3,399	4,008
Net cash flows from operating activities		45,124	46,971
(ii) Reconciliation of cash			
For the purpose of the Statement of Cash Flows, cash includes cash on hand, 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	I(c)	4,502	3,867
Total cash		4,502	3,867
(iii) Financing facility available			
Short-term standby credit facility		45,000	55,000
Drawn down at balance date		(10,700)	(8,200)
Facility unused at balance date		34,300	46,800

The short-term standby credit facility is to meet daily cash flow requirements which may arise from time to time. This facility expired on 30 June 2005. However, it has been extended to 30 June 2006.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

The State Transit Authority of NSW ("Authority"), as a reporting entity, comprises Sydney Buses, Newcastle Buses & Ferries, and Western Sydney Buses.

Assets and liabilities of Sydney Ferries operations were transferred to a new entity, Sydney Ferries, on 1 July 2004.

The financial statements for the year ended 30 June 2005 exclude the revenue, expenses, assets and liabilities of the Sydney Ferries operation.

(a) Basis of Accounting

The financial statements of the 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 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 determined that the going concern basis is appropriate for the following reasons:

- The net cash flows from operating activities, after including NSW Government contributions were \$45.124M (2004 \$46.971M).
- The Authority's debt is fully guaranteed by the NSW Government.
- The Authority is NSW Government owned. The NSW Government has stated its 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 AASB 1008 'Leases'.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

I. 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, in the 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 depreciated replacement cost. Depreciated replacement cost is determined by reference to the most appropriate modern, depreciated 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

I. 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 accumulated funds.

(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 I(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

For the year ended 30 June 2005

I. 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 years	Straight line
Plant and equipment	3 to 20 years	Straight line
Buses	15 to 20 years	In line with the pattern of consumption of economic benefits
Ferries	45 years	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 is capitalised.

(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 I (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 basis over the period during which the 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

I. 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 that is 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)).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

I. 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 accumulated funds.

(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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

I. 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 surplus 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, 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 to the nearest thousand dollars, unless otherwise specified.

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

For the annual reporting period ending on or after 30 June 2005, AASB 1047 "Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards" ("AEIFRS") requires disclosure, in the notes, of any known or reliably estimable information about the impacts on the financial report had it been prepared using AEIFRS; or if the impacts are not yet known, to make a statement to that effect. Refer to note 18 for further details.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

	Notes	2005 \$000	2004 \$000
2. REVENUE AND EXPENDITURE			
(i) Revenue from ordinary activities			
Passenger revenue (including reimbursements from NSW Government)			
- Fares, charters and tourists services		224,291	250,587
- Reimbursement for:			
- free travel by school students	2(v)(a)	40,568	41,170
- concessional travel by pensioners	2(v)(a)	58,184	85,137
- other community groups	2(v)(a)	28,858	28,653
- community service obligations (CSO):			
- pricing CSO	2(v)(b)	42,018	46,639
- service level CSO	2(v)(b)	62,347	39,796
Total passenger revenue (including reimbursements from NSW Government)		456,266	491,982
Interest from third-parties	2(vi)	323	733
Grants	2(vii)	5,000	330
Proceeds from sale of property, plant and equipment		12,699	651
Other		26,019	34,723
Total revenue from ordinary activities		500,307	528,419
(ii) Expenses from ordinary activities (excluding employee benefits)			
Workers' compensation		9,988	1,377
Payroll tax		14,579	17,474
Fleet running expenses		65,697	75,757
General operating expenses		60,995	66,027
Amortisation and depreciation of non-current assets	7(ii)	32,138	44,940
Amortisation of service contract rights		207	1,352
Property, plant and equipment sold or written off	7(ii)	13,037	973
Operating leases		2,469	3,817
Consultancy/professional services		2,639	2,523
Audit fees	2(viii)	200	221
Provision for doubtful debts		109	54
Bad debts written off		-	34
Total expenses from ordinary activities (excluding employee benefits)		202,058	214,549
(iii) Employee benefits			
Wages and salaries		236,292	253,888
Annual leave		21,139	23,072
Long service leave		7,550	7,836
Retirement benefits		21,473	23,096
Total employee benefits		286,454	307,892

Note 20 provides the 2004 comparative excluding the trading result of Sydney Ferries.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

	Notes	2005 \$000	2004 \$000
2. REVENUE AND EXPENDITURE (cont'd)			
(iv) Borrowing costs			
Interest		6,019	10,534
Total borrowing costs		6,019	10,534
(v) New South Wales Government reimbursements			
(a) Free & Concessional Travel			
<p>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 price of \$2.50 from 4 January 2005 (previously: \$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.</p>			
(b) Community Service Obligations (CSO)			
<p>Reimbursements were received from the 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.</p> <p>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 average fare is below the equivalent commercial fare 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.</p> <p>Service Level CSO – Represents payment by the Government to cover the operation of a number of services provided by Sydney Buses and Newcastle Services which are not commercially justifiable by normal industry benchmarks.</p>			
(vi) Interest income			
Interest received or due and receivable comprise:			
Interest from Hour-Glass Cash facility (unitised investment)		12	33
Other Interest		311	700
Total interest income		323	733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

	Notes	2005 \$000	2004 \$000
2. REVENUE AND EXPENDITURE (cont'd)			
(vii) Grants			
Capital works ¹		-	330
Redundancies		5,000	-
Total grants		5,000	330

¹ 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.

(viii) Audit fees

Payable to the Audit Office of NSW for the audit of financial reports	200	221
Total audit fees	200	221

(ix) Board members' remuneration

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 \$175,907 (2004: \$165,011). There were no other benefits paid to the members of the Board.

3. INCOME TAX

(i) Income tax expense

The prima facie tax on operating surplus/(deficit) differs from the income tax provided in the accounts as follows:

Surplus/(deficit) from ordinary activities	5,776	(4,556)
Prima facie tax on operating surplus/(deficit) at 30%	1,733	(1,367)
Tax effect of permanent differences	12,893	2,961
Transferred to accumulated tax (losses)	(14,626)	(1,594)
Income tax attributable to tax surplus/(deficit)	-	-

(ii) Benefit of tax losses and timing differences not brought to account

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 \$33.956M (2004: \$50.654M) and net timing differences of \$13.225M (2004: \$20.056M).

47,181	70,710
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

	Notes	2005 \$000	2004 \$000
3. INCOME TAX (cont'd)			
(iii) Future Income Tax Benefit (FITB)			
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; and			
(c) there is no adverse change in tax legislation affecting the Authority in realising the benefit.			
4. RECEIVABLES (CURRENT)			
Trade debtors		7,007	6,045
Provision for doubtful debts		(136)	(87)
		6,871	5,958
Sundry debtors		17,420	9,822
Provision for doubtful debts		(2,317)	(2,467)
		15,103	7,355
Goods and Services Tax		485	656
Total receivables		22,459	13,969
5. INVENTORIES (AT COST)			
Mechanical and electrical spares		5,655	8,273
Distillate		1,127	1,376
Tyres and tubes		253	133
Other		955	911
Total inventories		7,990	10,693
6. OTHER ASSETS			
Current			
Prepayments		2,155	2,356
Retirement benefits	11(iii)	303	-
Foreign currency hedge receivable		14	406
Other		1,219	962
Total current other assets		3,691	3,724
Non-current			
Foreign currency hedge receivable		-	324
Other		-	252
Total non-current other assets		-	576

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

7. PROPERTY, PLANT AND EQUIPMENT

(i) Class of property, plant and equipment	2005			2004		
	Cost/ valuation	Accumulated depreciation/ amortisation	Fair value	Cost/ valuation	Accumulated depreciation/ amortisation	Fair value
	\$000	\$000	\$000	\$000	\$000	\$000
Freehold operating land	93,482	-	93,482	101,067	-	101,067
Freehold commercial land	825	-	825	12,105	-	12,105
Total land	94,307	-	94,307	113,172	-	113,172
Buildings	85,590	(44,036)	41,554	97,325	(48,802)	48,523
Wharves	249	(76)	173	15,353	(9,088)	6,265
Total land, buildings & wharves	180,146	(44,112)	136,034	225,850	(57,890)	167,960
Plant and equipment	64,290	(53,964)	10,326	84,844	(65,937)	18,907
Motor vehicles (other than buses)	877	(624)	253	819	(619)	200
Buses	624,726	(364,085)	260,641	588,918	(345,723)	243,195
Ferries	5,000	(3,085)	1,915	260,350	(146,899)	113,451
Work in progress	14,482	-	14,482	8,646	-	8,646
Total	889,521	(465,870)	423,651	1,169,427	(617,068)	552,359

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 confirmed 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 2005.
- (d) The independent valuers have confirmed on 30 June 2005 that the fair value of land, buildings, and wharves have not moved materially since the last valuation.
- (e) Ferry vessels were revalued on 30 June 2004 on the basis of depreciated replacement cost consistent with the prior years' revaluation methodology.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

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:

2005							
Class of property, plant and equipment	Opening balance	Revaluation Inc/(Dec)	Disposals	Additions	Transfer to Sydney Ferries ²	Depreciation/ amortisation	Closing balance
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Freehold operating land	101,067	-	-	-	(7,585)	-	93,482
Freehold commercial land	12,105	-	(11,280)	-	-	-	825
Total land	113,172	-	(11,280)	-	(7,585)	-	94,307
Buildings	48,523	-	-	541	(5,325)	(2,185)	41,554
Wharves	6,265	-	-	-	(6,084)	(8)	173
Total land, buildings & wharves	167,960	-	(11,280)	541	(18,994)	(2,193)	136,034
Plant and equipment	18,907	-	(13)	2,406	(6,656)	(4,318)	10,326
Motor vehicles	200	-	-	106	-	(53)	253
Owned buses	243,195	-	(1,744)	44,655	-	(25,465)	260,641
Owned ferries	113,451	-	-	-	(111,427)	(109)	1,915
Work in progress ¹	8,646	-	-	7,105	(1,269)	-	14,482
Total	552,359	-	(13,037)	54,813	(138,346)	(32,138)	423,651

2004							
Class of property, plant and equipment	Opening balance	Revaluation Inc/(Dec)	Disposals	Additions		Depreciation/ amortisation	Closing balance
	\$000	\$000	\$000	\$000		\$000	\$000
Freehold operating land	101,068	-	(1)	-		-	101,067
Freehold commercial land	12,105	-	-	-		-	12,105
Total land	113,173	-	(1)	-		-	113,172
Buildings	49,921	-	-	1,073		(2,471)	48,523
Wharves	6,637	-	-	-		(372)	6,265
Total land, buildings & wharves	169,731	-	(1)	1,073		(2,843)	167,960
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	8,444	-	-	202		-	8,646
Total	566,374	3,018	(982)	28,889		(44,940)	552,359

¹ Major items of work in progress include bus procurement contract \$12.4M, network computing system \$0.8M and security perimeter \$0.5M.

² Being the transfer to Sydney Ferries on 1 July 2004. Refer note 19 for details.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

	Notes	2005 \$000	2004 \$000
8. INTANGIBLES			
Service contract rights		9,355	9,355
Accumulated amortisation		(9,355)	(9,121)
Total intangibles		-	234
9. PAYABLES			
Trade creditors	9(i)	15,322	15,184
Other creditors and accruals		5,469	7,629
Accrued salaries, wages and on-costs	11(i)	9,104	14,679
Accrued interest payable		2,289	3,535
Interest-free loan		-	5,100
Total payables		32,184	46,127

(i) Trade creditors are non-interest bearing and are normally settled on 30 day terms.

10. INTEREST BEARING LIABILITIES

Current

Borrowings secured by NSW Government guarantee	34,595	31,470
Total current interest bearing liabilities	34,595	31,470

Non-current

Borrowings secured by NSW Government guarantee	52,711	93,168
Total non-current interest bearing liabilities	52,711	93,168

(i) Payable

Not later than 1 year	34,309	31,090
Later than 1 year and not later than 5 years	10,174	42,510
Later than 5 years	41,872	49,670
Total interest bearing borrowings (face value)	86,355	123,270
Unamortised discount	(352)	(585)
Unamortised premium	1,303	1,953
Total interest bearing borrowings (capital value)	87,306	124,638
Current liability	34,595	31,470
Non-current liability	52,711	93,168
	87,306	124,638

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

	Notes	2005 \$000	2004 \$000
II. PROVISIONS			
Current			
Employee benefits	11(i)	33,229	34,439
Workers' compensation	11(ii)	5,953	7,350
Compulsory third party (CTP)	11(ii)	2,255	-
Others	11(ii)	1,870	1,858
Total current provisions		43,307	43,647
Non-current			
Employee benefits	11(i)	35,459	36,405
Retirement benefits	11(iii)	59,159	60,901
Workers' compensation	11(ii)	21,106	15,264
Compulsory third party (CTP)	11(ii)	3,245	4,300
Others	11(ii)	1,227	1,642
Total non-current provisions		120,196	118,512
(i) Aggregate employee benefits and related on-costs			
Provisions - current		33,229	34,439
Provisions - non-current		35,459	36,405
Accrued salaries, wages and on-costs	9	9,104	14,679
Total employee benefits and related on-costs		77,792	85,523
Movements in each class of provisions during the financial year, other than employee benefits, are set out below:			
	Workers' Comp	CTP	Others
Carrying amount at the beginning of the financial year	22,614	4,300	3,500
Additions/(reduction) to provisions recognised, including increases/(decreases) to existing provisions	9,873	2,011	2,487
Amounts paid during the year	(5,428)	(811)	(2,890)
Carrying amount at the end of financial year	27,059	5,500	3,097
Current	5,953	2,255	1,870
Non-current	21,106	3,245	1,227
	27,059	5,500	3,097

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

11. PROVISIONS (cont'd)

(iii) Retirement benefits

The defined benefit 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:

	2005-2006	2006-2007	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 2005 and funds held in Reserve Account with the Trustee are as follows:

	SASS	SANCS	SSS	Total
	\$000	\$000	\$000	\$000
Gross liability	151,525	23,479	7,503	182,507
Reserve balance	(103,993)	(11,852)	(7,806)	(123,651)
Unfunded liability/(prepaid contributions *)	47,532	11,627	(303)	58,856

* Prepaid retirement contributions are recognised as a current asset.

	2005	2004
	\$000	\$000
Non-current liability		
Retirement benefits	59,159	60,901

12. OTHER LIABILITIES

Current

Revenue received in advance	10,175	10,359
Foreign currency hedge payable	14	406
Other	39	39

Total current other liabilities

10,228 10,804

Non-current

Foreign currency hedge payable	-	324
Other	7	46

Total non-current other liabilities

7 370

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

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 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 2005 are summarised as follows:

	2005 \$000	2004 \$000
Revenue		
Passenger revenue	3,167	2,675
Reimbursements for concessional travel	353	267
Other	112	27
Total revenue	3,632	2,969
Expenses		
Wages, salaries and on-costs	2,764	2,781
Fleet running expenses	1,190	794
Other	2,273	2,631
Total expenses	6,227	6,206
Net deficit	2,595	3,237

WSB assets & liabilities as at 30 June 2005 are summarised as follows:

Current assets		
Cash	22	21
Receivables	249	239
Other	145	29
Total current assets	416	289
Non-current assets		
Other	29	20
Total non-current assets	29	20
Total assets ¹	445	309
Current liabilities		
Payables	615	616
Borrowings from the Authority	7,495	4,782
Provisions	280	254
Total current liabilities	8,390	5,652
Non-current liabilities		
Provisions	52	59
Total non-current liabilities	52	59
Total liabilities	8,442	5,711
Net liabilities	7,997	5,402

¹All property, plant and equipment are leased from the Authority, under an operating lease.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

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:

	Fixed interest rate maturing in					Total	Weighted average effective interest rate	
	Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing			
	\$000	\$000	\$000	\$000	\$000	\$000	Floating %	Fixed %
2005								
Financial assets								
Cash	1,716	-	-	-	2,786	4,502	5.38	N/A
Receivables	-	-	-	-	22,459	22,459	N/A	N/A
Currency options ¹	-	-	-	-	365	365	N/A	N/A
Commodity swaps ¹	-	-	-	-	1	1	N/A	N/A
Total financial assets	1,716	-	-	-	25,611	27,327		
Financial liabilities								
Trade creditors & accruals	-	-	-	-	32,184	32,184	N/A	N/A
Borrowings	10,700	23,895	10,858	41,853	-	87,306	6.24	7.89
Forward exchange contracts	-	662	-	-	-	662	N/A	N/A
Total financial liabilities	10,700	24,557	10,858	41,853	32,184	120,152		
2004								
Financial assets								
Cash	1,603	-	-	-	2,264	3,867	5.25	N/A
Receivables	-	-	-	-	13,969	13,969	N/A	N/A
Currency options ¹	-	-	-	-	569	569	N/A	N/A
Commodity swaps ¹	-	-	-	-	4	4	N/A	N/A
Total financial assets	1,603	-	-	-	16,806	18,409		
Financial liabilities								
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		

¹Amounts included within other assets in the Statement of Financial Position.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

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	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Financial assets				
Currency options *	365	569	8	658
Commodity swaps *	1	4	3,077	2,976
Total financial assets	366	573	3,085	3,634
Financial liabilities				
Borrowings	87,306	129,738	89,503	131,303
Total financial liabilities	87,306	129,738	89,503	131,303

*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:

	Face value		Market value	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Forward exchange contracts				
Not later than 1 year	656	15,328	662	15,256
	656	15,328	662	15,256

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

16. FINANCIAL INSTRUMENTS (cont'd)

(iii) Credit risk exposures (cont'd)

	Net fair value 2005 \$000	Net fair value 2004 \$000
Currency options		
Not later than 1 year	8	334
Later than 1 year but not later than 2 years	-	324
	8	658
Commodity swaps		
Not later than 1 year	3,077	2,385
Later than 1 year but not later than 2 years	-	591
	3,077	2,976

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 will apply the Australian Equivalents to International Financial Reporting Standards (AEIFRS) from 1 July 2005.

Management has determined the key areas where changes in accounting policies are likely to impact the financial report. Some of these impacts arise because AEIFRS requirements are different from existing AASB requirements (AGAAP). Other impacts are likely to arise from options in AEIFRS. To ensure consistency at the whole of government level, NSW Treasury has advised the Authority of options it is likely to mandate for the NSW Public Sector. The impacts disclosed below reflect Treasury's likely mandates (referred to as "indicative mandates").

Shown below are management's best estimates as at the date of preparing the 30 June 2005 financial report of the financial impacts of AEIFRS on the Authority's Statement of Financial Position and Statement of Financial Performance. The Authority does not anticipate any material impacts on its cash flows. The actual effects of the transition may differ from the estimated figures below because of pending changes to the AEIFRS, including the UIG Interpretations and/or emerging accepted practice in their interpretation and application. The Authority's accounting policies may also be affected by a proposed standard to harmonise accounting standards with Government Finance Statistics (GFS). However, the impact is uncertain because it depends on when this standard is finalised and whether it can be adopted in the financial year 2005-06.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

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

(a) Reconciliation of AEIFRS equity, total liabilities and total assets with current standards ("AGAAP") as at 1 July 2004:

	Equity \$000	Liabilities \$000	Assets \$000
Total reported under AGAAP	241,323	344,099	585,422
AEIFRS adjustments:			
Deferred tax liability ¹	(81,549)	81,549	-
Deferred tax asset ¹	55,538	-	55,538
Deferred tax asset from recognition of tax losses ²	26,011	-	26,011
Retirement benefits ³	(15,936)	15,936	-
Assets held for sale - land ⁴	-	-	11,280
Assets held for sale - buses ⁴	-	-	495
Intangibles - software ⁵	-	-	469
Property, plant and equipment	-	-	(12,244)
Asset revaluations reserve ⁶	(60,694)	-	-
Accumulated funds	60,694	-	-
Total AEIFRS adjustments	(15,936)	97,485	81,549
Total restated under AEIFRS as at 1 July 2004	225,387	441,584	666,971

(b) Reconciliation of AEIFRS equity, total liabilities, total assets and earnings with current standards ("AGAAP") as at 30 June 2005:

	Equity \$000	Liabilities \$000	Assets \$000	Gross surplus/ (deficit) \$000	Net surplus/ (deficit) \$000
Total reported under AGAAP	169,065	293,228	462,293	5,776	5,776
AEIFRS adjustments:					
Deferred tax liability ¹	-	62,998	-	-	-
Deferred tax asset ¹	-	-	59,323	-	-
Deferred tax asset from recognition of tax losses ²	-	-	3,675	-	-
Retirement benefits ³	(11,762)	27,395	(303)	(11,762)	(11,762)
Assets held for sale - buses ⁴	-	-	274	-	-
Intangibles - software ⁵	-	-	216	-	-
Property, plant and equipment	-	-	(490)	-	-
Asset revaluations reserve ⁶	(40,784)	-	-	-	-
Provision for bad and doubtful debts ⁷	134	-	134	134	134
Accumulated funds	24,848	-	-	-	-
Total AEIFRS adjustments	(27,564)	90,393	62,829	(11,628)	(11,628)
Total restated under AEIFRS as at 30 June 2005	141,501	383,621	525,122	(5,852)	(5,852)

The explanatory notes are on the following page.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

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

(b) Notes on the reconciliation of AEIFRS equity, total liabilities, total assets and earnings with current standards ("AGAAP"):

1. Deferred tax (asset and liability)

Under AGAAP, the Authority accounted for deferred tax (asset and liability) using the income statement approach in respect of those timing differences expected to reverse in the foreseeable future. Due to the existence of large accumulated tax losses, the Authority had not been recognising any deferred tax using the income statement approach. Under AEIFRS, deferred tax is recognised on all temporary differences between the accounting and tax values for each asset and liability (known as the balance sheet approach). An adjustment is made to recognise deferred tax on all the temporary differences resulting from applying the balance sheet approach. The temporary differences are due mainly to asset revaluations, retirement benefits and other employee-related provisions.

2. Deferred tax asset from recognition of tax losses

Under AEIFRS, recognition of accumulated losses as a deferred tax asset is allowed if future surpluses are probable; or where deferred tax liability exceeds deferred tax asset. The Authority recognised only a portion of the accumulated tax losses.

3. Retirement benefits

Under AEIFRS, the Authority is required to use a government bond rate, which is lower than the expected investment return rate, to recognise the full constructive obligation, being the amount by which the accumulated benefit obligation to all members exceeds the fair value of the assets relating to those members. The full constructive obligation is determined by an actuarial assessment.

4. Assets held for sale

The Authority is required by AEIFRS to recognise assets held for sale, once the recognition criteria are satisfied, as a separate class of assets on the face of the Statement of Financial Position.

5. Intangibles - software

AEIFRS requires the Authority to recognise any software that is not integral to the operation of computer hardware as intangibles and amortise using an appropriate rate.

6. Asset revaluations reserve

Where a deferred tax liability is caused by asset revaluations, AEIFRS requires the Authority to transfer a corresponding amount of the deferred tax liability from asset revaluations reserve to accumulated funds.

7. Provision for bad and doubtful debts

AEIFRS does not allow the Authority to make a general provision for bad and doubtful debts where an indication of impairment did not exist as at the reporting date.

(c) Financial instruments

In accordance with NSW Treasury's indicative mandates, the Authority will apply the exemption provided in AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards not to apply the requirements of AASB 132 Financial Instruments: Presentation and Disclosures and AASB 139 Financial Instruments: Recognition and Measurement for the financial year ended 30 June 2005. These Standards will apply from 1 July 2005. None of the information provided above includes any impacts for financial instruments. However, when these Standards are applied, they are likely to impact on accumulated funds (on first adoption) and the amount and volatility of surplus/deficit. Further, the impact of these Standards will in part depend on whether the fair value option can or will be mandated consistent with Government Finance Statistics.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

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

(d) Grant recognition for not-for profit entities

The Authority will apply the requirements in AASB 1004 Contributions regarding contributions of assets (including grants) and forgiveness of liabilities. There are no differences in the recognition requirements between the new AASB 1004 and the current AASB 1004. However, the new AASB 1004 may be amended by proposals in Exposure Draft (ED) 125 Financial Reporting by Local Governments. If the ED 125 approach is applied, revenue and / or expense recognition will not occur until either the Authority supplies the related goods and services (where grants are in-substance agreements for the provision of goods and services) or until conditions are satisfied. ED 125 may therefore delay revenue recognition compared with AASB 1004, where grants are recognised when controlled. However, at this stage, the timing and dollar impact of these amendments is uncertain.

19. 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 certain assets and liabilities to Sydney Ferries.

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

	\$000
Assets	
Cash	3,659
Property, plant and equipment	138,346
Inventory	3,908
Other	438
Total assets	146,351
Liabilities	
Borrowings	49,726
Employee benefits	9,907
Other	3,583
Total liabilities	63,216
Net assets	83,135

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

20. REVENUE AND EXPENDITURE COMPARATIVE EXCLUDING SYDNEY FERRIES

In order to facilitate a comparison of the revenue and expenditure for the year 2005, the year 2004 comparative below excludes the trading result of Sydney Ferries.

	2005 \$000	2004 \$000
Total revenue from ordinary activities	500,307	456,720
Expenses from ordinary activities (excluding employee benefits)	202,058	165,092
Total employee benefits	286,454	267,028
Total borrowing costs	6,019	4,707
Surplus/(deficit) from ordinary activities before income tax	5,776	19,893

21. SUBSEQUENT EVENTS - METROPOLITAN BUS SYSTEM CONTRACTS

The Authority entered into four separate Metropolitan Bus System Contracts (MBSC) with the Ministry of Transport for the provision of bus services in the Sydney metropolitan area. The contracts for particular Sydney regions commenced on 1 July 2005 and will expire on 30 June 2012 (a term of 7 years).

Under the terms of the MBSC, the Ministry will retain the farebox revenue and reimburse the Authority a proportion of the costs of running the services.

Payments to the Authority consists of three main elements as follows:

1. Fixed cost payments;
2. Variable cost payments; and
3. Patronage payments

Additional payments are available for improving service quality and performance in the areas of punctuality and reliability. Payments will be related to the Authority's performance against a benchmark.

END OF AUDITED FINANCIAL STATEMENTS



Paul Dunn B Com, MBA, ACA
GENERAL MANAGER, FINANCE & BUSINESS SERVICES

SYDNEY

STATEMENT BY MEMBERS OF THE BOARD


For the year ended 30 June 2005

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 2005; 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 the 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



Roger Wilson
A/CHIEF EXECUTIVE

SYDNEY - 26 October 2005

INDEPENDENT AUDIT REPORT

For the year ended 30 June 2005



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 2005 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 members 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

For the year ended 30 June 2005

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, Financial Audit Services

SYDNEY
26 October 2005

State Transit Authority of New South Wales

APPENDICES

STATUTORY INFORMATION

1	Summary of Land	68
2	Capital Works Expenditure	68
3	Consolidated Income and Expenditure Statement	69

ORGANISATIONAL ITEMS

4	Structure	70
5	Board of Directors	71
6	Legislation	73

COMMERCIAL ITEMS

7	Government and Social Program Payments	74
8	Implementation of 2002/03 Fares Determination	75
9	Taxes and Other Payments to Government	76
10	Funds Granted to Non-Government Community Organisation	76
11	Liability Management Performance	76
12	Investment Management Performance	76
13	Account Payment Performance	77
14	Risk Management and Insurance	77
15	Response to Matters Raised by Auditor General	77
16	Overseas Travel	77
17	Freedom of Information	78
18	Consultancy and Professional Fees	80
19	Committees (Internal and External)	80
20	Annual Environment and WRAPP Report	81
21	Government Energy Management Policy	83
22	Mobile Phones	83
23	Credit Card Certification	83

OPERATIONAL ITEMS

24	Service Changes in Response to Community Consultation	84
25	Customer Response	84
26	Guarantee of Service	85
27	Disability Plan	85

HUMAN RESOURCE ITEMS

28	Human Resource Statistics	86
29	Equal Employment Opportunity	86
30	Action Plan for Women Initiatives	87
31	Ethnic Affairs Priorities Statement and Agreements	87
32	EEO Target Groups	88
33	Occupational Health, Safety and Rehabilitation	89
34	Code of Conduct and Protected Disclosures	89
35	Privacy Management	89
36	CES/SES Bands	89
37	Senior Executives' Qualifications	90
38	SES Performance Review and Remuneration	91

OTHER

39	List of Publications	92
40	Annual Report Publication Details	92
41	Electronic Service Delivery	92
42	Key Performance Indicators	93
43	Contact Details	95

APPENDICES

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 2005 according to actual use of the land.

Land Use Classification	\$000
Bus Depots	90,977
Minor Operational assets	2,505
Commercial properties	825
Total	94,307

DISPOSAL OF PROPERTY

During the year State Transit disposed of one commercial property by public tender at Randwick for \$11.3 M. The property represented a surplus to operational requirements. A reduction in the overall debt level was achieved with the proceeds.

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
Bus Replacement Program		
60 Rigid Bus Contract		
34 buses delivered	December 04	9,329
100 Rigid Bus Contract		
73 buses delivered	July 05	36,682
80 Articulated Bus Contract		
16 chassis delivered	July 06	5,210

APPENDICES

STATUTORY INFORMATION

3. CONSOLIDATED INCOME AND EXPENDITURE STATEMENT

CONSOLIDATED INCOME AND EXPENDITURE STATEMENTS COMPARISON BETWEEN ACTUAL AND BUDGET FOR THE YEAR ENDED 30 JUNE 2005

	2003/04 Actual \$000	2004/05 Actual \$000	2004/05 Budget \$000	Variance \$000	%	2005/06 Budget \$000
Income:						
Passenger revenue	208,576	224,291	219,008	5,283	2.4%	24,876
Social program funding	213,253	231,975	233,471	(1,496)	(0.6%)	466,923
Capital and other government grants	0	5,000	5,000	0	0.0%	0
Interest	325	323	27	296	1096.3%	24
Other revenue	34,566	38,718	38,914	(196)	(0.5%)	19,192
Total Income	456,720	500,307	496,420	3,887	0.8%	511,015
Expenditure:						
Payroll and related costs	283,218	311,021	310,495	(526)	(0.2%)	318,387
Depreciation and amortisation	31,920	32,345	33,768	1,423	4.2%	34,801
Fleet running expenses	58,847	65,697	64,061	(1,636)	(2.6%)	72,504
Borrowing costs	4,707	6,019	6,495	476	7.3%	7,264
Other operating costs	58,135	79,449	79,652	203	0.2%	65,311
Total Expenditure	436,827	494,531	494,471	(60)	0.0%	498,267
Profit/(Loss) Before Tax	19,893	5,776	1,949	3,827	196.4%	12,748

NOTE:

- From 1 July 2005, the basis for Government's funding for Social Program Payments for Sydney Buses changes. Funding for concessional fares and community services obligations changes to funding of efficient cost levels. Under the new contracts, the Government receives passenger revenue derived by State Transit and pays the agreed costs for operating services. The funding basis for Newcastle and Western Sydney Buses is unchanged.
- On 29 October 2003 the Minister for Transport Services announced the decision to corporatise Sydney Ferries effective from 1 July 2004. In order to facilitate a meaningful comparison of the revenue and expenditure for the year 2005, the 2003-04 comparative excludes the trading result of Sydney Ferries.

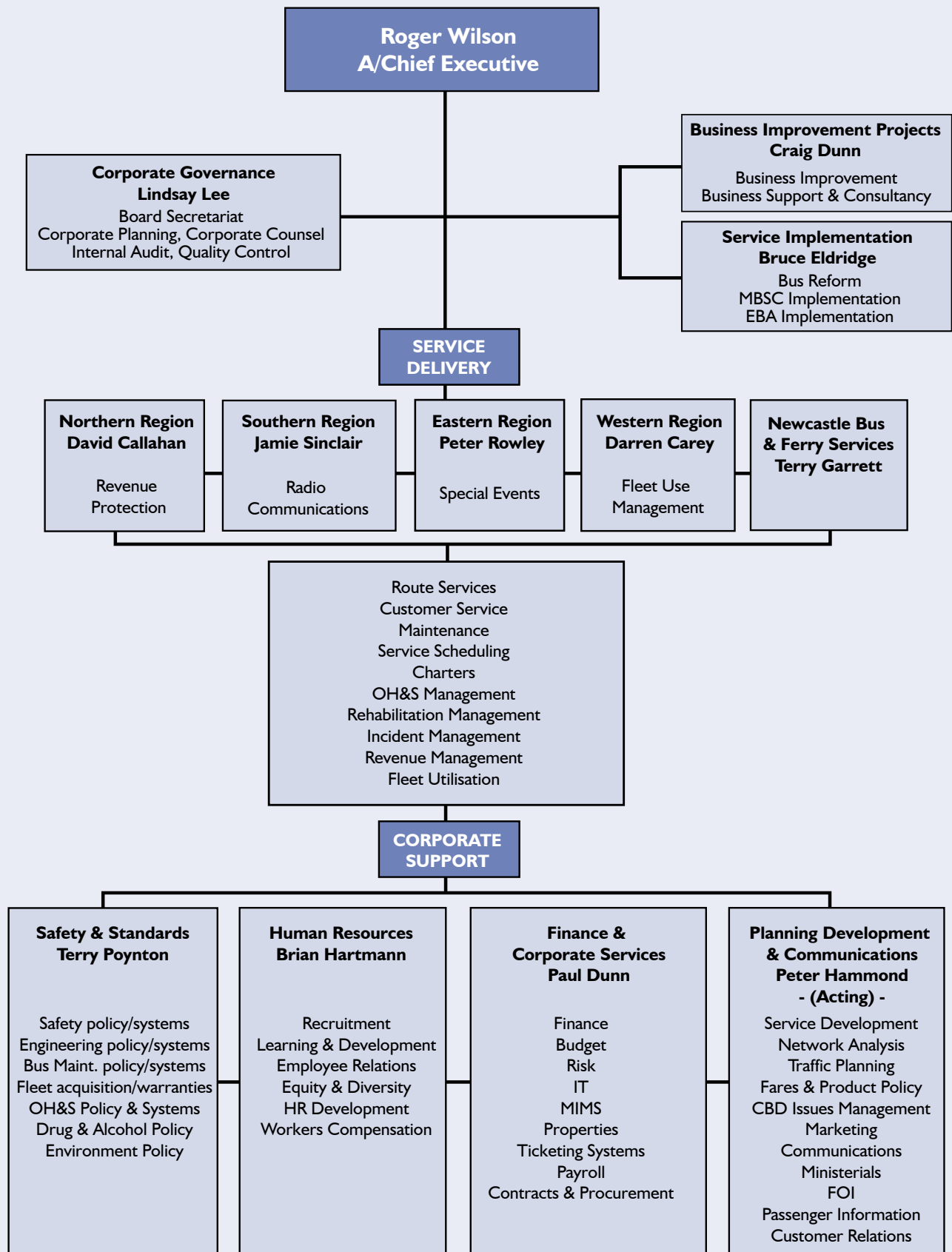
2004-05 FINANCIAL PERFORMANCE

- Passenger revenue increased by 7.5% on 2003/04 financial year. Main reasons for the increase were an average increase of 3.86% in Adult and Concession fares in January 2005 and 8.8% increase in Government's Social Program Funding.
- Total income was moderately higher than budget due to better than budget performance in bus charters of \$2.5m and daily ticket sales of \$1.4m.
- Total expenditure was in line with budget. Depreciation expense was lower than budget due to delay in the delivery of new buses; this however, was partly offset by a higher fleet maintenance expense, as a result of retaining older buses for longer than anticipated.
- The end of year financial result was a surplus of \$5.776m being \$3.827m better than budget.

APPENDICES

ORGANISATIONAL ITEMS

4. STRUCTURE



APPENDICES

ORGANISATIONAL ITEMS

5. BOARD OF DIRECTORS

The Hon. Barrie Unsworth – Chairman

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, 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.

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 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 was a member of Safety Committee of the State Transit Board. Mr Lennon resigned from the Board from 30 June 2005. Mr Matt Thistlethwaite, Deputy Assistant Secretary, Unions NSW was appointed to the Board in July 2005 to replace Mr Lennon.

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 Ptd 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.

John Stott - Chief Executive – July 2004 – August 2004

Mr Stott joined the Board as Chief Executive in May 1996. Mr Stott left the organisation in September 2004 to take up the role of Chairman of the Transport Administration Corporation which is implementing the T-Card project.

John Lee - Chief Executive

Mr John Lee joined the Board as the new Chief Executive in September 2004. Mr Lee has significant experience in both the public and private transport sectors. Mr Lee as Director General of the Ministry of Transport managed the implementation of the Government's bus industry reforms.

Roger Wilson – Acting Chief Executive

Mr Wilson was appointed as Acting Chief Executive in February 2005.

APPENDICES

ORGANISATIONAL ITEMS

ATTENDANCE AT BOARD MEETINGS

In 2004/05 the Board met on 12 occasions and attendance was as follows:

Name	Meetings attended
The Hon BJ Unsworth	12
Mr JD Stott (resigned September 2004)	3
Mr J Lee (appointed September 2004)	9
Mr R Wilson (acting CEO from March 2005)	4
Mr GJ Ashton	11
Mr SJJ Bosnjak*	5
Ms S Gray	6
Mr MRR Lennon	11
Mr K Todd	9
Mrs M Osmond	10

* Mr Bosnjak was granted leave from the Board due to his business commitments overseas.

** Mr Todd was granted leave from the Board for 3 meetings to undertake a project for the Minister for Transport to negotiate arrangements for the new Metropolitan Bus System Contracts for the private bus industry. Mr Todd took leave from the Board to ensure that there was no potential conflict of interest with his role as a member of the State Transit Board.

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 2004/05.

Committee members during 2004/05 were:

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

SAFETY COMMITTEE

The Safety Committee was established by the Board in May 2004 to develop long term strategic plans to identify and implement best practice in enhancing Occupational Health and Safety of employees and contractors and providing a safe travel environment for its customers and general public.

In 2004/05 the Safety Committee met on 3 occasions.

Committee members during 2004/05 were:

- Mr GJ Ashton (Chairman)
- Mr M Lennon
- Mrs Margy Osmond (from June 2005)

APPENDICES

ORGANISATIONAL ITEMS

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, a new Fares Order was made on 4 January 2005 entitled - Transport Administration (State Transit Authority - Fares) Order 2004.

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.

APPENDICES

COMMERCIAL ITEMS

7. GOVERNMENT AND SOCIAL PROGRAM PAYMENTS

Total government funding for 2004/05 at \$232.0m was \$9.4m lower than 2003/04, which included \$28.1m for Sydney Ferries.

Government funding consisted of the following:

CONCESSIONAL AND FREE TRAVEL

Concession reimbursements were payments from Government which made up the balance of fares where a concession had been allowed as a result of Government's social policies. For example, in the case of pensioners, the traveller paid \$2.50 (\$1.10 to 3 January 2005) and the Government paid the difference between the fare paid and the equivalent full private bus fare up to a fixed total amount.

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

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

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

In 2004/05 the reimbursement under this program amounted to \$127.6m compared to \$155.0m (including \$9.2m in respect of Sydney Ferries) in 2003/04. The increase in the price of the pensioner ticket reduced the reimbursement required and the balance of the funding allocation was transferred to Service Level funding in 2004/05.

SERVICE LEVEL COMMUNITY SERVICE OBLIGATION

The social program payment for non-commercial services was a payment made by Government to reimburse State Transit for operating a number of services that were not commercially justifiable by normal industry benchmarks. As part of this payment, State Transit's Stockton ferry in Newcastle was deficit funded to a level of \$0.8m. Funding for non-commercial services amounted to \$62.3m in 2004/05 compared to \$39.8m (including \$13.5m in respect of Sydney Ferries) in 2003/04. As a consequence State Transit's Community Service Obligation entitlements were fully funded in 2004/05.

PRICING COMMUNITY SERVICE OBLIGATION

The social program payment for non-commercial fares was a payment made by Government in recognition of the fact that State Transit's fares (which were regulated by the Independent Pricing and Regulatory Tribunal) were held below commercial fare levels charged by most private sector operators. Funding for this area amounted to \$42.0m in 2004/05 compared to \$46.6m (including \$5.4m in respect of Sydney Ferries) in 2003/04.

APPENDICES

COMMERCIAL ITEMS

8. IMPLEMENTATION OF 2004/05 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 10 December 2004, was made by order published in Government Gazette No 205 of 31 December effective 4 January 2005.

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.

TICKET	IPART Determination	Implementation												
Sydney single ride bus fares	<p>Price increases will apply to the following:</p> <table><tr><td>Adult 6-9 Sections</td><td>\$0.10</td></tr><tr><td>Adult 10-15 Sections</td><td>\$0.30</td></tr><tr><td>Adult 16+ Sections</td><td>\$0.40</td></tr><tr><td>Concession 6-9 Sections</td><td>\$0.10</td></tr><tr><td>Concession 10-15 Sections</td><td>\$0.10</td></tr><tr><td>Concession 16+ Sections</td><td>\$0.20</td></tr></table> <p>All other single ride and concession prices will remain unchanged.</p>	Adult 6-9 Sections	\$0.10	Adult 10-15 Sections	\$0.30	Adult 16+ Sections	\$0.40	Concession 6-9 Sections	\$0.10	Concession 10-15 Sections	\$0.10	Concession 16+ Sections	\$0.20	All adult and concession single journey bus fares increases were implemented.
Adult 6-9 Sections	\$0.10													
Adult 10-15 Sections	\$0.30													
Adult 16+ Sections	\$0.40													
Concession 6-9 Sections	\$0.10													
Concession 10-15 Sections	\$0.10													
Concession 16+ Sections	\$0.20													
Sydney TravelTens	The price of the adult and concession TravelTen tickets will increase by between \$0.40 and \$3.40.	All changes to TravelTen fares were within the Tribunal's guidelines.												
BusTripper	The price of the BusTripper ticket will remain unchanged.	No change was made to the price of the BusTripper ticket.												
DayTripper	The price of the DayTripper ticket will remain unchanged.	No change was made to the price of the DayTripper ticket.												
Sports Special and Moore Park Link	<p>The price of the adult Sports Special return ticket will increase to \$5.00 and the concession will increase to \$2.50.</p> <p>The price of the Moore Park Link ticket must not exceed the combined price of the rail ticket to Central and the Sports Special return bus ticket.</p>	All changes to Sports Special and Moore Park Link fares were within the Tribunal's guidelines.												
Newcastle bus and ferry fares	<p>With the exception of the one hour concession ticket which remains unchanged, the prices of the adult and concession bus tickets will increase by between 10 and 80 cents.</p> <p>The price of the Stockton ferry single ride and concession tickets will increase by 10 cents.</p>	All changes to bus and ferry fares in Newcastle were within the Tribunal's guidelines.												
TravelPasses	The price of all TravelPasses will remain unchanged.	No changes were made to Travelpass prices.												
School Term Pass	The price of the School Term Pass will remain at \$40.	No change was made to the price of the School Term Pass.												

APPENDICES

COMMERCIAL ITEMS

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 2004/2005:

(a) New South Wales State Taxes and Charges

Classification	\$000
Payroll Tax	14,579
Land Tax	1,435
Registration charges and stamp duty for the bus fleet and commercial vehicles	2,769
Total	18,783

(b) Federal Taxes and Charges

Classification	\$000
Excise Duty on Distillate	12,257
Fringe Benefits Tax	379
Total	12,636

10. FUNDS GRANTED TO NON-GOVERNMENT COMMUNITY ORGANISATION

There were no payments made by State Transit to Non Government community organizations.

11. LIABILITY MANAGEMENT PERFORMANCE

In the year ended 30 June 2005, the 'market value cost of funds' of State Transit's debt portfolio, which includes actual interest costs, accrued interest costs and the change in market capital value of the debt portfolio, was 7.79%. The benchmark portfolio 'market value cost of funds' was 7.83%. During 2004/05 NSW Treasury Corporation was appointed to manage State Transit's debt portfolio.

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 2005, State Transit's weighted average rate of return on the investment was 5.55% (net of fees and expenses). The NSW Treasury Corporation 'Hour Glass' Investment - Cash Facility benchmark is the UBS Australian Bank Bill Index and the benchmark return was 5.64% (no adjustment for fees and expenses).

APPENDICES

COMMERCIAL ITEMS

13. ACCOUNT PAYMENT PERFORMANCE

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 2004	85	86	78,302	86,599
December 2004	85	87	78,897	87,641
March 2005	85	86	86,791	92,508

Of the number of accounts processed during the year, 87% were paid within the trading terms. To enhance performance in paying accounts, State Transit has entered into an arrangement with major regular suppliers to adopt Recipient Created Tax Invoices. 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 2004	23,158	455	273	23,886
December 2004	23,788	685	397	24,870
March 2005	27,196	1,036	423	28,655
June 2005	21,011	566	495	22,072

14. RISK MANAGEMENT AND INSURANCE

State Transit's Risk Management Framework covers all areas of business activities and statutory compliance to protect Whole of Government exposures. This is achieved through the governance and risk structure emanating from the State Transit Board. Continuous improvement under the ISO 9000:2000 Quality Management System has enhanced compliance and therefore the control of risk exposures.

In an environment of significant change with the New South Wales bus industry reform, cost effective strategies are implemented to:

- Develop an organisational culture that optimises its ability to achieve business objectives while ensuring appropriate management of risks rather than taking un-managed risks,
- Identify, assess and treat the risks associated with State Transit's activities with the objective to minimise losses and maximise the opportunities,
- Identify risk treatment options applicable to State Transit in all areas including Bus & Ferry Operations, Safety & Security, OH&S, Environment, Engineering Policy & Standards, Property, Information Technology, Treasury, Financial and Commercial Contracts, Fraud / Corruption, Financial Management, Business Continuity Management, and
- Provide objective information to decision-makers through all layers of the organisation.

An enhanced insurance program provided financial protection for the organisation during the year. The program spans: General property, personal injury, consequential loss, motor, professional risks, general and marine liability. State Transits' enhanced risk profile has yielded lower premium escalation than experienced over recent years by the insured community.

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.

A number of major project risk studies have been undertaken and maturing of risk based OH&S regulations has focussed staff on workplace hazards and appropriate risk treatments rather than a reliance on risk financing.

15. RESPONSE TO MATTERS RAISED BY AUDITOR GENERAL

There were no significant issues in the 2004/05 Outgoing Audit Report that required the Authority's attention.

16. OVERSEAS TRAVEL

During the year State Transit officers did not undertake any overseas travel.

APPENDICES

COMMERCIAL ITEMS

17. FREEDOM OF INFORMATION

During the financial year 2004/2005, State Transit received eleven (11) applications for information under the Freedom of Information Act 1989, (Fifteen [15] in 2003/2004).

Section A - FOI Applications

	Personal	Other	Total
New (including transferred in)	4	7	11
Brought forward (incomplete requests from previous year)	0	0	0
Total to process	4	7	11
Complete	3	6	9
Transferred out	0	0	0
Withdrawn	1	1	2
Total processed	4	7	11
Unfinished (carried forward)	0	0	0

Section B - Result of FOI Applications

	Personal	Other	Total
Granted in full	3	3	6
Granted in part	0	0	0
Refused	0	3	3
Deferred	0	0	0
Withdrawn	1	1	2
Completed	4	7	11

Section C - Reason for not providing access

	Personal	Other
S25(1)(a) - exempt	0	3

APPENDICES

COMMERCIAL ITEMS

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
\$1,657.53	\$270.00

Section I - Discount allowed on Fee Charged

	Personal	Other
Financial Hardship - pensioner/child	0	0

Section J - Days to process

Elapsed Time	Personal	Other
0-21 days	0	3

Section K - Hours to process

Processing hours	Personal	Other
0-10 hours	12hrs	64hrs

Section L - Reviews and Appeals

	Personal	Other
	0	1

APPENDICES

COMMERCIAL ITEMS

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.

I. Consultancy Fees	\$'000
(a) Where Consultancy fees exceeded \$30,000	-
(b) Where consultancy fees paid were less than \$30,000	
Fees paid to 2 consulting agencies	24
2. Professional Services	2,615

19. COMMITTEES (Internal & 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.

Safety Committee

The Safety Committee established by the Board in May 2004 oversees the safety program for workplace safety and operational safety for State Transit.

APPENDICES

COMMERCIAL ITEMS

20. ANNUAL ENVIRONMENT AND WRAPP REPORT

ENVIRONMENTAL POLICY AND ENVIRONMENTAL MANAGEMENT SYSTEM

State Transit's Environment Policy, commits it 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. This Policy has not changed in the last financial year.

An external review of the State Transit Environmental Management System in 2004 identified a number of areas for system design and implementation improvement. The review's recommendations are progressively being implemented.

ENVIRONMENTAL PERFORMANCE TARGETS

Targets for Environmental Performance have been set in the areas of fuel, (46l/100km non-air conditioned diesel, 59l/100km air conditioned diesel and 65 cubic metres/100km CNG), electricity (1320kWhrs/employee/annum) and water consumption, (24kL/employee/annum).

Depot performance against these targets is reported every quarter, with targets reviewed annually to drive continuous improvement in our performance.

DUE DILIGENCE RECORDS MANAGEMENT SYSTEM

A system of 50 auditable environmental due diligence files are maintained at each State Transit Depots to ensure due diligence in Environmental Records Management. A portion of these files are reviewed monthly so that the entire system is reviewed ever 12 months. Environmental Record retention requirements have been defined within the Business Management System.

EXECUTIVE MANAGEMENT REVIEW

The Environmental Direct Reports Committee has met on three occasions to review Environmental Management and address significant Environmental issues related to State Transit operations.

ENVIRONMENTAL NOTICES

During 2004/2005 State Transit received one 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

Forty two 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 2004/2005 financial year 95 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.

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.dec.nsw.gov.au>

TRADE WASTE LICENSES AND SEPARATOR MAINTENANCE

Trade Waste System upgrades designed to achieve improved Trade Waste discharges to sewer and meet Sydney Water acceptance standards and requirements for single point discharge to sewer, have been completed at North Sydney, are in progress at Willoughby, Brookvale, Randwick Depots.

A forward purchase agreement has been raised with a contractor for the 3 monthly cleaning and servicing of separators to ensure their maximum operational efficiency.

ENVIRONMENTAL RISKS

Environmental Aspects and Impacts of Depot activities and services have been identified and the risks assessed and rated. Control options are identified for all significant environmental risks and are integrated into Depot Environmental Management Plans.

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.

State Transit developed and submitted a Fleet Improvement Plan to improve the environmental performance of its passenger fleet of vehicles as part of the NSW Governments Cleaner Fleet Program.

Water

State Transit Bus Depot operations consumed some 86,000kL of potable water at an average of 18kL per employee per annum. This consumption rate compares favourably with a target of 24kL per employee per annum.

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.

APPENDICES

COMMERCIAL ITEMS

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. Spill kits and absorbents are contained within wheelie bins strategically located at key points around the Depot to enable rapid spill response. 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.

Our fleet of operational customer service coordinator vehicles carry portable spill kits to enable spill response to in-service spills, in addition to the emergency response provided by the Fire Brigade.

Noise

A forward purchase agreement has been entered into with an Environmental Noise Consultant to conduct Depot Noise surveys of the majority of our Depots. The surveys will be utilized to identify measures for improved noise performance.

During 2004/2005 eight 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.

Lands

Additional contaminated site investigations have been carried out at Burwood Bus Depot as part of a Voluntary Remediation Agreement with the Department of Environment and Conservation following from a determination of a Significant Risk of Harm under s60 of the Contaminated Lands Management Act, 1997. The results of these investigations are currently being reviewed by an EPA accredited auditor, for site audit signoff.

Energy

In 2004/2005 State Transit Depots consumed some 8.8m kWatt hours of electricity at an average of 2100 kWatt hours per employee per annum.

As part of the Government Energy Management Program State Transit reports annually on its Energy Consumption for its Bus Fleet, passenger vehicles and office buildings to the Ministry of Energy, Utilities and Sustainability. Energy consumption figures for office buildings, passenger vehicles and bus fleet are in preparation and will appear in the Department of Energy, Utility and Sustainability’s next Annual Report.

Fuel Systems

State Transit fuel storage assets are tested annually for their integrity along with the Cathodic Protection Systems designed to protect those assets from corrosion. In addition, two underground storage tanks have been internally inspected and non destructive tested to establish their condition and suitability for continued use.

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	≥ 600 items,
Phone Batteries	≥ 40 items,
Steel Drums	≥ 200 items,
Steel	≥ 60 tonnes.

APPENDICES

COMMERCIAL ITEMS

21. GOVERNMENT ENERGY MANAGEMENT POLICY

- Energy consumption for office - tenant services (Strawberry Hills) rose significantly (13%)
- Electricity consumption for other facilities (Bus Depots) decreased by 2.6% yet the total cost increased by \$100k or 17%
- CNG consumption increased 0.5% and Automotive Diesel by 2.8% for the Fleet
- Sydney Ferries energy consumption while indicated does not appear in Entity Totals
- State Transit consumes 20.7MJ of energy per km of distance travelled in its transport task
- This energy consumption per distance travelled has decreased by 2.0% in the last financial year
- State Transit has increased its overall energy consumption (transport + Depots + Hq) by 1.5%
- It is noted that all energy costs per unit of energy have increased in the last financial year.

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 2004/05 there were 243 (240 in 2003/04) 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 used in accordance with the Premier's Memoranda and Treasurer's Directions.



Certified by: Roger Wilson, Acting Chief Executive

APPENDICES

OPERATIONAL ITEMS

24. SERVICE CHANGES IN RESPONSE TO COMMUNITY CONSULTATION

January 2005

- Reduced trip numbers, Route 305.
- Reduced evening frequency Route 425.

March 2005

- Revised pm peak CBD departure stops, Routes 323, 373/X73, 374/X74, 376, 377/X77.
- Route X31 discontinued, replaced by Route 431.
- Revised running times for Routes 431-434, 470.
- Reduced off peak and Saturday frequency, Route 261.
- Route 250 discontinued. Additional Route 144 trips, Spit Junction to Chatswood.

April 2005

- Minor timing changes to Route 201 trip times.

June 2005

- Amended Stopping pattern for Route L60 : additional stops were provided at Warriewood Park & Ride and at Willandra Road and pick up/set down restrictions removed.

25. CUSTOMER RESPONSE

	Sydney Buses	Newcastle Buses and Ferries	T-Way	Total
Complaints	22,151	723	217	23,092
Compliments	1,090	36	7	1,134
Total	23,241	759	224	24,226

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.

APPENDICES

OPERATIONAL ITEMS

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 2004/05 includes:

- Wheelchair accessible services have been timetabled on more than 111 routes across Sydney;
- Purchase of 73 new wheelchair accessible buses;
- Increase in the number of low floor buses in the fleet to 761 (39% of the fleet) of which 662 are fitted with a ramp for wheelchair access (34%);
- Provision of disability awareness training to Bus Operators and other front-line staff.

APPENDICES

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.

2005 is outlined below, which also now includes casual staff:

	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Engineering	375	404	442	458	485	360
Operations	3,844	3,867	3,784	3,814	3,879	3,631
SES	13	13	15	13	13	13
Salaries	572	612	648	665	675	611
TOTAL	4,804	4,895	4,888	4,951	5,052	4,602
Full Time Equiv.	4,727	4,828	4,818	4,880	4,978	4,523
Casuals	119	110	115	122	117	82

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 by equity category and income, as at June 2005, are at 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	People with a Disability Requiring Work-related Adjustment
< \$31,352	23	< \$31,352	23	23	0	0	1	0	1	1
\$31,352 - \$41,177	3,536	\$31,352 - \$41,177	2,502	3,222	314	20	620	716	89	89
\$41,178 - \$46,035	195	\$41,178 - \$46,035	116	144	51	1	19	27	4	4
\$46,036 - \$58,253	536	\$46,036 - \$58,253	264	475	61	4	65	67	13	13
\$58,254 - \$75,331	118	\$58,254 - \$75,331	68	87	31	1	16	11	6	6
\$75,332 - \$94,165	71	\$75,332 - \$94,165	43	59	12	0	6	8	3	3
> \$94,165 (non SES)	49	> \$94,165 (non SES)	32	46	3	0	3	2	1	1
> \$94,165 (SES)		> \$94,165 (SES)	0	0	0	0	0	0	0	0
TOTAL	4,528		3,048	4,056	472	26	730	831	117	117

APPENDICES

HUMAN RESOURCE ITEMS

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	People with a Disability Requiring Work-related Adjustment
< \$31,352	23	100%	100%			4%		4%	4.3%
\$31,352 - \$41,177	3,536	71%	91%	9%	0.8%	25%	29%	4%	3.6%
\$41,178 - \$46,035	195	59%	74%	26%	0.9%	16%	23%	3%	3.4%
\$46,036 - \$58,253	536	49%	89%	11%	1.5%	25%	25%	5%	4.9%
\$58,254 - \$75,331	118	58%	74%	26%	1.5%	24%	16%	9%	8.8%
\$75,332 - \$94,165	71	61%	83%	17%		14%	19%	7%	7.0%
> \$94,165 (non SES)	49	65%	94%	6%		9%	6%	3%	3.1%
> \$94,165 (SES)									
TOTAL	4,528	67%	90%	10%	0.9%	24%	27%	4%	3.9%
Estimate Range (95% confidence level)					0.7% to 1.1%	23.0% to 24.8%	26.2% to 28.1%	3.5% to 4.3%	3.5% to 4.3%

30. ACTION PLAN FOR WOMEN INITIATIVES

WOMEN ON WHEELS

The 'Women on Wheels' program did not proceed during the reporting period.

31. ETHNIC AFFAIRS PRIORITIES STATEMENT AND AGREEMENTS

PLANNING AND EVALUATION

- Following the restructure of the organisation in 2004/05, the Corporate Plan was fundamentally reviewed. The Corporate Plan is now based on 4 key areas; Safety, Service Quality, People and Finance. The EAPS strategies have been integrated in the People and Service Quality areas of the Corporate Plan with the key aim of developing equitable, inclusive and high performance services for all passengers and a service culture which is trained, resourced and managed to achieve this target. **(Leadership)**
- A new Internal Committee is to be established focusing on the People key area for State Transit lead by the General Manager Human Resources. This Committee comprising the Executive management team of the organisation will lead, monitor and ensure the development and implementation of State Transit's Ethnic Affairs Priority Statement strategies. **(Leadership)**

PROGRAM AND SERVICE DELIVERY

- State Transit engages in consultation with ethnic communities regarding the introduction of new or changed bus services. The consultation has consisted of community consultation with the use of interpreters as required. Brochures are also produced in the local ethnic languages of the areas where the service changes are to be implemented. Some of the languages included are Chinese, Italian, Assyrian and Armenian. **(Access and Equity)**

- State Transit's Marketing Unit participated in 2 migrant information Expos in 2004/05 to assist and provide information on State Transit's services for students and others planning to settle in Sydney; the New Migrants Info Expo in March 2005 at Ryde Council Civic Centre Hall and the Northern Sydney Chinese Info Expo in June 2005 at the Dougherty Community Centre in Chatswood. **(Economic and Cultural Opportunities)**

STAFFING

- 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 environment
 All Bus Operators appointed under the traineeship have been trained in these modules. **(Harmony)**
- A new training program for all current Bus Operators began development during 2004/05 to meet the requirements of the new Metropolitan Bus System Contracts. Under the new program, all Bus Operators (around 3,200 drivers) will be trained annually, amongst other things, on service requirements for customers of culturally diverse backgrounds. The new program is to be implemented in 2005/06. **(Harmony)**
- A significant proportion (39%) of State Transit employees come from a Non English Speaking Background. State Transit's Learning and Development Unit has two programs for Workplace English Language and Literacy with funding from DEST (Commonwealth). A Learning and Language co-ordinator in the Unit is employed to support learning

APPENDICES

HUMAN RESOURCE ITEMS

in a diverse workplace. Bus Operators Trainors and Bus Operators Trainees with identified language and literacy deficiencies were assessed under this program in 2004/05 and sent to Petersham TAFE for training in these areas. This program will be extended to Customer service Coordinators and maintenance staff in 2005/06.

(Access and Equity)

8. Because of the culturally and linguistically diverse background of the staff, the Learning and Development Unit has all training documents and guides 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), funded by State Transit, RailCorp and the MOT, has an introductory section translated into 6 major languages. These are Arabic, Chinese, Japanese, 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)**

FUNDED SERVICES

11. The company which runs the "Your Say Line" for customers with comments, complaints and compliments which is contracted out by State Transit, has many staff who speak another language, including many of the Asian languages and Spanish, to assist customers who are unable to discuss their issues or concerns in English. **(Access and Equity)**
12. State Transit is a client of the Department of Immigration and Multicultural and Indigenous Affairs – a translating and interpreting service. The professional Interpretive services can call 131 500 and have a three-way conversation with a Call center agent, the caller and the interpreter. Interpreter service calls can be taken through them and this service is paid for by State Transit. **(Access and Equity)**
13. In 2006, interpreter services for the 'Your Say Line' will be available through the above arrangement in the following languages: Arabic, Bosnian, Chinese, Croatian, French, German, Greek, Italian, Japanese, Korean, Macedonian, Polish, Russian, Serbian, Spanish, Turkish and Vietnamese. **(Access and Equity)**

32. EEO TARGET GROUPS

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

EEO Target Group	% of Total Staff ¹				
	Benchmark or Target	2002	2003	2004	2005
Women	50%	10%	11%	11%	10%
Aboriginal people and Torres Strait Islanders	2%	0.6%	0.8%	1.0%	0.9%
People whose first language was not English	19%	16%	27%	26%	27%
People with a disability	12%	2%	4%	4%	4%
People with a disability requiring work-related adjustment	7%	Not available	Not available	Not available	3.9%

(Footnotes)

¹ Excludes casual staff.

	June 2003 (No.)	June 2003 (% staff)	June 2004 (No.)	June 2004 (% staff)	June 2005 (No.)	June 2005 (% 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

APPENDICES

HUMAN RESOURCE ITEMS

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, Safety and Standards 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 PROTECTED DISCLOSURES

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.

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 2005	Number June 2005
Level 7	1
Level 5	1
Level 4	7
Level 3	2
Level 2	2
Total	13

APPENDICES

HUMAN RESOURCE ITEMS

37. SENIOR EXECUTIVES' QUALIFICATIONS

SENIOR EXECUTIVES AT 30 JUNE 2005

Name	Position	Qualification
David Callahan	General Manager, Northern Region	MBA, BA, DAIC, CTM*
Darren Carey	General Manager, Western Region	Dip Frontline Mgmt, CTM*
Paul Dunn	Gen. Manager, Finance & Corp Services	MBA, BComm, ACA
Bruce Eldridge	Director Service Implementation	MTM, CTM
Terry Garrett	General Manager Newcastle	CTM
Brian Hartmann	General Manager Human Resources	MComm, Grad Dip ER, BA, Dip Teaching
John Lee	Chief Executive	BEd
Lindsay Lee	Manager Corporate Governance	BA (Hons)
Terry Poynton	General Manager Safety & Standards	MSc, MCommLaw, B Aero Eng
Peter Rowley	General Manager Eastern Region	MTM, CTM
Jamie Sinclair	General Manager Southern Region	Advanced Mgmt Cert, CTM
Roger Wilson	Gen. Manager Planning & Communications	MEngSc, BEng, CTM, MIE Aust

* to complete in 2005

FORMER SENIOR EXECUTIVES WITH SERVICE DURING 2004/05

Name	Former Position	Qualification
Wayne Butler	General Manager South West	Cert Mech Eng, CTM
Geoff Baldwin	General Manager Human Resources	BSc, LLB
Ken Kelman	General Manager Safeworking	MApSc, Grad Dip Occup Hazard Mgmt.
Lyall Kennedy*	General Manager Service Development	MTec, BEc, CTM
Colin Menzies	General Manager Bus Operations	MBA, BEng, CTM
John Stott*	Chief Executive	BSc (Technology)

* seconded to Ministry of Transport from Sept 2004

APPENDICES

HUMAN RESOURCE ITEMS

38. SES PERFORMANCE REVIEW AND REMUNERATION

JOHN STOTT, CHIEF EXECUTIVE SES LEVEL 6

Period in position

1 July 2004 – 3 September 2004

JOHN LEE, CHIEF EXECUTIVE SES LEVEL 7

Period in position

Acting CEO 4 September 2004 – 10 November 2004
CEO 10 November 2004 – 25 February 2005

ROGER WILSON, ACTING CHIEF EXECUTIVE SES LEVEL 7

Period in position

26 February 2005 – 30 June 2005

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 left State Transit in early September 2004 to take up the position of Chairman of the Transport Administration Corporation administering the T-card integrated ticketing project.

Mr Lee, following his appointment as Chief Executive, was requested by the new Minister for Transport in February 2005 to return to the Ministry of Transport to assist in the implementation of the Government's reforms in the bus and rail industries. Mr Wilson was then appointed as acting Chief Executive.

Mr Stott, Mr Lee and Mr Wilson managed State Transit effectively in 2004/05 and 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%.
- Significant improvements in mechanical reliability.
- Full year passenger revenues were above budget by 2.3% and costs held to budget.

Key achievements for 2004/05 include:

- The negotiation and signing of the four Metropolitan Bus System Contracts for Sydney Buses.
- The emergency provision of Harris Park Transport services with 3 days notice.
- The stepping up of security in the post-9/11 environment and following the London terrorist bombings.
- Significant patronage growth of 30% by Western Sydney Buses on the Liverpool Parramatta Transitway.
- Introduced 73 low floor fully wheelchair accessible diesel Euro 3 powered buses.
- 111 bus routes now have timetabled wheelchair-accessible services and State Transit is well ahead of the timetable set for introduction of low floor buses.
- ISO 9001:2000 Quality certification maintained for State Transit's bus services.
- Award-winning training programs.
- Best-practice contracts and procurement systems.

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

SES REMUNERATION

State Transit had four executives in the report period whose remuneration equals or exceeds the minimum for a Level 5 Senior Executive Service:

I. Chief Executive: John Stott

Total Remuneration Package: \$264,665

Performance Payment 2004/2005:

State Transit policy specifies that no performance payments are made.

II. Chief Executive: John Lee

Total Remuneration Package: \$310,600

Performance Payment 2004/2005:

State Transit policy specifies that no performance payments are made.

III. Acting Chief Executive: Roger Wilson

Total Remuneration Package: \$257,001

Performance Payment 2004/2005:

State Transit policy specifies that no performance payments are made.

IV. General Manager, Finance & Business Services:

Paul Dunn

Total Remuneration Package: \$201,880

Performance Payment 2004/2005:

State Transit policy specifies that no performance payments are made.

APPENDICES

OTHER

39. LIST OF PUBLICATIONS

In 2004/2005 State Transit produced and distributed:

- 2003/2004 Annual Report
- 2004/2005 Corporate Plan
- Bus 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. Five hundred coloured copies were also produced at a cost of \$22.77 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.

APPENDICES

OTHER

42. KEY PERFORMANCE INDICATORS

In 2004/05 Dollars

	2000/01	2001/02	2002/03	2003/04	2004/05
Consolidated State Transit (excluding Sydney Ferries)					
Total revenue ('000)	\$443,450	\$431,426	\$465,823	\$467,135	\$487,310
Total expenses ('000)	\$454,392	\$454,551	\$460,672	\$445,897	\$481,534
Patronage ('000)	207,653	199,019	199,037	200,002	199,364
Kilometres ('000)	87,312	87,993	86,420	88,915	88,962
Staff	4,265	4,336	4,335	4,470	4,533
Total revenue per passenger	\$2.14	\$2.17	\$2.34	\$2.34	\$2.44
Total revenue per Km	\$5.08	\$4.90	\$5.39	\$5.25	\$5.48
Passengers per vehicle Km	2.4	2.3	2.3	2.3	2.2
Cost per passenger	\$2.19	\$2.28	\$2.31	\$2.23	\$2.41
Cost per vehicle Km	\$5.20	\$5.17	\$5.33	\$5.01	\$5.41
Passengers per employee	48,688	45,899	45,914	44,743	43,980
Vehicle Km per employee	20,472	20,294	19,935	19,891	19,625
Fleet size - buses	1,926	1,935	1,904	1,926	1,943
Fleet size - ferries	2	2	2	2	2
Sydney Bus Services					
Total revenue ('000)	\$388,961	\$396,214	\$427,219	\$427,644	\$441,438
Total expenses ('000)	\$391,772	\$406,962	\$404,212	\$395,961	\$425,934
Patronage ('000)	195,380	187,307	187,288	187,223	186,486
Kilometres ('000)	77,444	78,852	77,426	78,593	78,993
Staff	3,638	3,682	3,621	3,734	3,810
Total revenue per passenger	\$1.99	\$2.12	\$2.28	\$2.28	\$2.37
Total revenue per Km	\$5.02	\$5.02	\$5.52	\$5.44	\$5.59
Passengers per vehicle Km	2.5	2.4	2.4	2.4	2.4
Cost per passenger	\$2.01	\$2.17	\$2.16	\$2.11	\$2.28
Cost per vehicle Km	\$5.06	\$5.16	\$5.22	\$5.04	\$5.39
Passengers per employee	53,705	50,871	51,723	50,140	48,946
Vehicle Km per employee	21,288	21,416	21,382	21,048	20,735
Changeovers per 100,000 Kms					
- mechanical	20.37	17.60	16.15	16.13	15.26
- traffic	5.54	4.64	4.41	4.53	3.98
Average bus vehicle age	11.7	11.7	12.2	13.0	12.8
Bus service reliability (on time)	96%	96%	96%	96%	95%
Fleet size - buses	1,755	1,756	1,704	1,729	1,745
Newcastle Bus & Ferry Services					
Total revenue ('000)	\$30,285	\$32,901	\$33,069	\$32,125	\$32,340
Total expenses ('000)	\$38,740	\$40,172	\$43,295	\$42,703	\$40,023
Patronage ('000)	12,273	11,712	11,465	11,480	11,191
Kilometres ('000)	9,868	9,141	8,381	8,367	8,236
Staff	376	382	388	389	392
Total revenue per passenger	\$2.47	\$2.81	\$2.88	\$2.80	\$2.89
Total revenue per Km	\$3.07	\$3.60	\$3.95	\$3.84	\$3.93
Passengers per vehicle Km	1.2	1.3	1.4	1.4	1.4
Cost per passenger	\$3.16	\$3.43	\$3.78	\$3.72	\$3.58
Cost per vehicle Km	\$3.93	\$4.39	\$5.17	\$5.10	\$4.86
Passengers per employee	32,641	30,660	29,549	29,512	28,541
Vehicle Km per employee	26,245	23,929	21,601	21,509	21,005
Changeovers per 100,000 Kms					
- mechanical	15.21	11.79	10.33	10.95	12.26
- traffic	2.88	2.26	2.27	2.28	2.19
Average bus vehicle age	13.2	14.1	14.9	12.6	12.6
Bus service reliability (on time)	96%	97%	96%	98%	98%
Fleet size - buses	171	179	183	180	181
Fleet size - ferries	2	2	2	2	2

APPENDICES

OTHER

42. KEY PERFORMANCE INDICATORS

	2000/01	2001/02	2002/03	2003/04	2004/05
Western Sydney Buses					
Total revenue ('000)			\$723	\$3,044	\$3,632
Total expenses ('000)			\$2,989	\$6,362	\$6,227
Patronage ('000)			284	1,299	1,687
Kilometres ('000)			613	1,955	1,733
Staff			47	47	48
Total revenue per passenger			\$2.55	\$2.34	\$2.15
Total revenue per Km			\$1.18	\$1.56	\$2.10
Passengers per vehicle Km			0.5	0.7	1.0
Cost per passenger			\$10.52	\$4.90	\$3.69
Cost per vehicle Km			\$4.88	\$3.25	\$3.59
Passengers per employee			6,043	27,638	35,146
Vehicle Km per employee			13,043	41,596	36,098
Changeovers per 100,000 Kms					
- mechanical				8.18	11.72
- traffic				6.14	5.37
Average bus vehicle age			0.0	1.0	0.0
Fleet size - buses			17	17	17

APPENDICES

OTHER

43. CONTACT DETAILS

HOURS OF SERVICE

8.30am to 5.00pm, Monday to Friday.

SYDNEY BUSES 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

WESTERN SYDNEY BUSES

Bonnyrigg Depot

(02) 9610 7724

NEWCASTLE BUSES

Belmont Depot

(02) 4945 0333

Hamilton Depot

(02) 4974 1600

NEWCASTLE FERRY SERVICES

(02) 4974 1160

WEBSITE ADDRESS

www.sta.nsw.gov.au

APPENDICES

OTHER

Index

A

Account Payment Performance	77
Action Plan For Women Initiatives	87
Annual Environment And Wrapp Report	81
Annual Report Publication Details	92
Appendices	66

B

Board Of Directors	71
--------------------	----

C

Capital Expenditure	27
Capital Works Expenditure	68
CES/SES Bands	89
CNG Consumption	83
Code Of Conduct And Protected Disclosures	89
Commitments	54
Committees (Internal & External)	80
Complaints	84
Consolidated Income And Expenditure Statement	69
Consultancy And Professional Fees	80
Contingent Liabilities	58
Corporatisation Of Sydney Ferries	61
Credit Card Certification	83
Customer Response	84

D

Disability Plan 85

E

EEO Target Groups	88
Electronic Service Delivery	29, 92
Energy	82, 83
Environmental Complaints Handling	81
Equal Employment Opportunity	86
Equity	54
Ethnic Affairs Priorities Statement And Agreements	87

F

Finance	27
Financial Instruments	56
Financial Statements	32
Freedom Of Information	78
Funds Granted To Non-government Community Organisation	76

G

Government And Social Program Payments	74
Government Energy Management Policy	83
Government Reimbursements, CSOS And Grants	28
Guarantee Of Service	85

H

Human Resource Statistics 86

1

Impact Of Adopting Australian Equivalents To International Financial Reporting Standards	58
Implementation Of 2004/05 Fares Determination	75
Income Tax	47
Intangibles	51
Integrated Ticketing	28
Interest Bearing Liabilities	51
Inventories	48
Investment Management Performance	76

L

Lands	82
Legislation	73
Letter To The Minister	4
Liability Management Performance	76
List Of Publications	92
Liverpool - Parramatta T-way Route Map	11

M

Mobile Phones 83

N

Newcastle Service Area	10
Noise	82
Notes To And Forming Part Of The Financial Statements	38

Q

Occupational Health, Safety And Rehabilitation	89
Other Assets	48
Other Liabilities	53
Overseas Travel	77

P

Payables	51
People	22
Privacy Management	89
Property, Plant And Equipment	49
Provisions	52

R

Receivables	48
Response To Matters Raised By Auditor General	77
Revenue And Expenditure	45
Revenue And Expenditure Comparative Excluding Sydney Ferries	62
Risk Management - Insurance	28
Risk Management And Insurance	77

S

Safety And Security	19
Senior Executives Qualifications	90
Service Changes In Response To Community Consultation	84
Service Quality	15
SES Performance Review And Remuneration	91
Statement By Members Of The Board	63
Statement Of Cash Flows	36
Statement Of Financial Performance	34
Stormwater	82
Structure	70
Subsequent Events - Metropolitan Bus System Contracts	62
Summary Of Land	68
Summary Of Significant Accounting Policies	38
Sydney Service Area	9

T

Taxes And Other Payments To Government 76

W

Western Sydney Buses	55
Western Sydney Bus Services	30
Wrapp Report	82

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