


STATE TRANSIT ANNUAL REPORT 2000-2001

SYDNEY BUSES | SYDNEY FERRIES | NEWCASTLE SERVICES

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About State Transit - FAQs

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

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

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

Bus Fleet

- 1,926 buses in Sydney and Newcastle. In this fleet State Transit has -
  - 492 low floor buses, 25.5% of the fleet
  - 381 fully wheelchair accessible buses, 19.8% of the fleet
  - 664 air-conditioned buses, 34.5% of the fleet
  - 283 CNG powered buses, 14.7% of the fleet

Ferry Fleet

- 32 ferries in run services in Sydney Harbour and 2 ferries operate on Newcastle Harbour.
- The ferry fleet consists of four Freshwater class vessels, three Lady class, eleven First Fleeters, three JetCats, seven RiverCats, two HarbourCats and four SuperCats.
- Sydney Ferries operates across the length and breadth of Sydney Harbour and along the length of the Parramatta River into Parramatta.
- Newcastle Ferries operates services between Newcastle and Stockton.

Patronage

- State Transit carries 222 million passengers every year.
- Every working day State Transit operates more than 15,000 services carrying more than 600,000 passengers to their destinations.

Turnover

- $483M in 2000/2001.

Employees

- Over 4,700 employees.

Routes

- Sydney Buses operates more than 300 routes in the Sydney metropolitan area, extending to Parramatta in the west.
- Newcastle Buses operates 56 routes over a large part of the cities of Newcastle and Lake Macquarie.
- Sydney Buses travel 6 million kilometres every month, Sydney Ferries travel 100,000 kilometres and Newcastle Services travel 788,000 kilometres.
- More than 100,000 route services are operated every week, 90,000 services by Sydney Buses, 2,000 services by Sydney Ferries and 8,000 services by Newcastle Services.

Safety

- A high priority is placed on security and safety; all buses are in radio contact with a control room in the Sydney Traffic Management Centre, are fitted with CCTV, door safety systems and special school bus warning systems.
- 38 ferry wharves are similarly equipped with CCTV and 2 way help points monitored from our ferry control room.

Passenger Information

- Individual timetables for every bus and ferry 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.sydneyferries.nsw.gov.au

  www.newcastle.sta.nsw.gov.au

Tourism Services

- State Transit operates the Explorer tourist buses, the Airport Express and Harbour Cruises.

Legislation

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

How we design our services

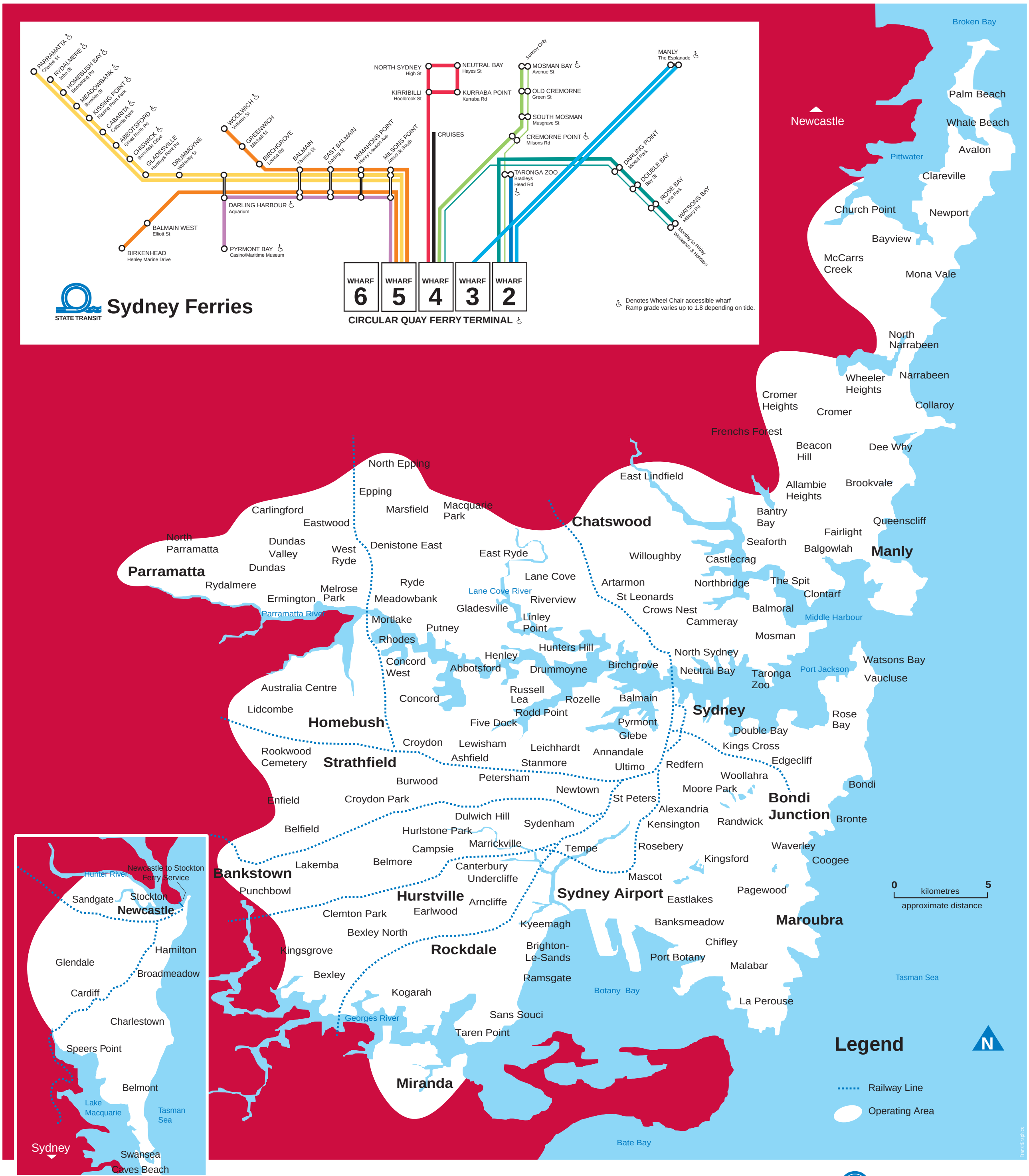
- At State Transit we design our bus and ferry routes and timetables so that they are simple to understand, frequent, direct, reliable and accessible to the majority of the community. Our experience shows that these characteristics provide the community with better bus services that match their travel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

  Bus services are designed to serve a number of purposes. Buses take people to work, school, university and TAFE, shopping, entertainment, hospitals and to visit friends. People use buses to connect with trains, ferries and other buses as part of the transport network. Bus services that perform two or more of these functions are generally well patronised.

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

  All routes are designed to provide local communities with connections to their regional centres and district centres. These principles were derived after conducting considerable research of travel demand, customer feedback and examining other successful bus services operated by State Transit.

State Transit Network



Sydney Buses

Newcastle Buses and Ferries

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Performance Highlights

Mark Whybrow, Employee Relations

New Mercedes Benz Ultra Low Floor with wheelchair access, air conditioned and compressed Natural Gas (CNG) powered Syndey Bus

- 89 new Mercedes Benz Ultra Low Floor, wheelchair accessible, Compressed Natural Gas (CNG) powered, air conditioned buses were delivered in 2000/2001bringing the State Transit bus fleet to 1,926 by June 2001. 179 of a total of 300 new Mercedes Benz have now been delivered at a total project cost of $60 million.
- Patronage increased to 222 million passenger trips across State Transit in 2000/2001 – an increase of 5 million trips over 1999/2000.
- Thanks to the Olympics Sydney Ferries patronage grew by 12.5% or 1.6 million passenger trips in the year.
- During the Olympics, Sydney Ferries finally broke the record for patronage set on Federation Day 1901. On one day during the Olympics, 29 September, Sydney Ferries carried 96,000 passengers.
- 20% of the fleet, 381 buses, is now fully accessible for people in wheelchairs. Sydney Buses now operates 70 routes with timetabled wheelchair accessible services across Sydney with more coming on stream.
- Since the acquisition of the North and Western and Riverside bus companies in December 1999, patronage in these areas has increased by 12%. In some areas, patronage was up by 140%!
- Stage 1 of the Better Buses service review project in Sydney's north western region was implemented on 4 March 2001 following the acquisition of North & Western and Riverside bus companies. Just nine weeks later, patronage was up by 7.5% or 21,000 passengers per week.
- The first of the refurbished Manly ferries, the Collaroy, was launched in September 2000 followed by the Narrabeen and the Queenscliff to be refurbished in 2001/02.
- OH&S Performance greatly improved through intensive work by all staff. Days lost through new and continuing workplace injuries declined by 14.7%, the Frequency Rate declined by 34%, the Incident Rate declined by 33% and new Compensation Claims declined by 11%.
- 38 wharves used by Sydney Ferries have had CCTV surveillance cameras installed to enhance passenger and staff safety. US based Lucent Technology announced State Transit Authority of New South Wales and Chubb as the winners of the "Significant Project Award" for 2001.
- There is no doubt that the success of the Olympic transport operation was a major contributor to the Best Games ever. In the face of a last minute potential crisis in the bus operations, the Government took the decision to put a team of State Transit managers, supervisors, inspectors and despatchers into operation to assist Bus 2000 staff to get the show on the road. The superhuman efforts of a team of dedicated State Transit transport professionals who knew their business and knew their passengers ensured that the bus transport worked well. State Transit committed some 450 buses and 700 staff to the Olympic network from our fleet of 1900 and our total driver complement of 3300.

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2000-2001

Year in review

Review of operations

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CEO's and Chairman's Foreword

The Olympics showed State Transit at its best

State Transit faced some extraordinary challenges in 2000/01 and met them well, with the Sydney Olympic Games showing just what the public sector can do under pressure.

State Transit finished the year in good shape; patronage was up 2.2% or 5 million trips and the end of year financial result was a deficit of $4.3M on revenue of $483M, essentially a breakeven result as is appropriate for a public sector provider of essential services.

The Olympics showed State Transit at its best.

State Transit's careful planning and preparation for the transport task of the Olympic Games was amply justified. Some concerns before the Games led to the last minute appointment of a team of State Transit managers, supervisors, inspectors and despatchers to assist Bus 2000 staff to get the operation of the bus component right. Long hours and great forbearance by State Transit's team ensured that all went well on the opening night and in the days to come.

But we faced some rather more demanding challenges on the water. After a series of small but significant incidents on Sydney Ferries early in 2001, a review into the operations of Sydney Ferries was conducted by the Waterways Authority with the full support of the Board and management of State Transit. A major reform program in Sydney Ferries is now underway and the Board has welcomed the significant opportunity that this represents for cultural change in Sydney Ferries. The recommendations of the Waterways Report are now being implemented.

These important matters should however not distract from an exceptional performance in Sydney Ferries for the year with a patronage increase of 12.5% and a bottom line improvement of $2m.

State Transit management and the Board strive to continue to give value for money. State Transit greatly expanded its services in the past year and the size of the bus and ferry fleet has grown to meet this demand. This outcome should not be underestimated because transport systems are expensive to set up and maintain and funds are finite.

The Board of State Transit made considerable efforts this year to ensure a sustainable funding future. This involved the development of an efficient cost model which now forms the basis of our contract with Government for its support of our fare structure.

Since 1997 State Transit has entered into fuel hedging contracts to guard against fuel cost increases. In 2000/01, State Transit's fuel hedging policy meant that we were largely insulated against the significant volatility in the price of crude oil and a weakening Australian dollar/US dollar exchange rate. The net hedge gain was $6.3M. Also to avoid oil price exposure, State Transit continued the switch to Compressed Natural Gas, with savings of 30c per kilometre which in combination with the fuel hedging policy reduced State Transit's total fuel costs by 6%.

A wide-ranging integration of services in the Parramatta-Ryde-Epping area followed State Transit's acquisition of North and Western Buslines and the Parramatta-Ryde Bus Service and is now complete. The Better Buses program ensured that the community was given every chance to have its say on what was needed for public transport in the area and the benefits of this community consultation are now apparent. Patronage in the area was up by 12% by the end of the report year.

CEO's and Chairman's Foreword

The Better Buses program ensured that the community was given every chance to have its say on what was needed for public transport in the area and the benefits of this community consultation are now apparent

Safety remains the highest priority for State Transit. In addition to all State Transit buses now being installed with CCTV, 38 wharves used by Sydney Ferry services have had CCTV and 2 way help points installed.

The Board of State Transit continued to strive for improvements in Occupational Health and Safety performance during the year. The response from State Transit staff and management was highly committed and by end of the year the Frequency Rate was down by 34% and the Incident Rate down by 33%. Great efforts are now being made to ensure the full implementation of a new OH&S Quality System in all State Transit work locations which will yield further gains.

State Transit's objective is to deliver a sustainable urban environment in Sydney and Newcastle by building the use of public transport. Business planning is focused on the issues that are real to our current and potential passengers; reliability, convenience, comfort, value for money, safety and courtesy and this Annual Report outlines performance in each of these areas.

We would like to thank staff and management for their commitment and tenacity in a rollercoaster year. The service delivery ethos of State Transit remains strong . In the year to come we can all offer better customer service and a welcome smile to make sure that our passengers experience is the best available.

David Herlihy
CHAIRMAN

John Stott PSM
CHIEF EXECUTIVE

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Review of Operations

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

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

These six requirements form our corporate objectives to ensure that services are delivered that people want.

We offer services that are easy to get to and easy to board, that run to time, that are mechanically reliable, that give the same standard of accommodation as people expect from other modes and that are affordable.

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Reliability

Sydney Buses grew by 3.5 million trips

Sydney Ferries grew by 1.6 million trips

Sydney Buses recorded a 96.1% on time service performance

Sydney Ferries maintained its exceptional performance recording 99.4% of services running on time

Newcastle Services saw an improvement, recording 95.5% of services running to time

Objective

State Transit's central objective is to contribute to the development of a sustainable urban environment by attracting travellers on to public transport.

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

Targets

- We set our timetables so that we run to time in normal traffic conditions.
- We aim never to run early.
- We aim never to have any mechanical failures that can be prevented by regular maintenance.

Performance

Patronage results

The best test of State Transit's performance in providing reliable services is the number of people using our services.

State Transit's services continued to attract more passengers in the past year. Patronage grew by 4.7 million trips or 2.2% to reach 222 million trips across State Transit in 2000/01.

Patronage results in 2000/01 were encouraging for Sydney Buses and, courtesy of the Olympics, spectacular for Sydney Ferries.

Sydney Buses grew by 3.5 million trips or 1.8%.

Sydney Ferries grew by 1.6 million trips or 12.5%!

During the Olympics Sydney Ferries broke the record for ferries patronage set on Federation Day 1901. On one day, Sydney Ferries carried 96,000 passengers and overall, Sydney Ferries tripled the number of passengers normally carried in one month. This exceptional performance continued after the Olympics.

Newcastle services patronage declined by 0.4 million trips or 3.4%, emphasising the importance of redesigning services to meet changing travel patterns in the Newcastle community. Extensive community consultation was undertaken in Newcastle under the Newcastle Bus Plan to provide the basis of a new service network in Newcastle to be implemented in the coming year.

On time running

State Transit continued its good record for service reliability against its benchmark requirement of 95% of services running on time.

Sydney Buses recorded a 96.1% on time service performance despite significant increases in traffic in the lead up to the Olympics in Sydney during the year.

Sydney Ferries maintained its exceptional performance recording 99.4% of services running on time over the year. Indeed even with some major weather problems in early 2001, a number of services such as the high speed service to Manly recorded their best result ever for on time running achieving 99.7% and the regular Freshwater class services to Manly achieving 99.8%.

Newcastle Services saw an improvement in its on time running performance in 2000/01 recording 95.5% of services running to time up from 95.1% in the previous year.

Bus priority measures

Sydney’s traffic can affect the reliability of State Transit’s services. State Transit worked with the Roads and Traffic Authority on expanding the bus priority measures in its operating area to support the reliability of bus movements in heavy or unpredictable traffic conditions.

State Transit has benefited from numerous bus priority initiatives, such as new traffic signals at Lane Cove and Fontenoy Roads, Macquarie Park, median changes at Rutledge Street, Eastwood and a "B"-signal installed at the intersection of Eastern Valley Way and Victoria Avenue, Chatswood. Additional red lanes have been marked on the approach to the Harbour Bridge and in Oxford Street, Paddington and bus lanes implemented on the eastern approach to the Anzac Bridge and on a section of Burns Bay Road, Lane Cove. A trial began on automatic detection systems that record violations by other vehicles in the bus lanes in York and Oxford Streets using optical recognition cameras. A third location for a bus lane camera is planned for the southbound Harbour Bridge approach lane.

Maintenance programs

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

Early in 2001, a project team was established to review all aspects of the vehicle maintenance program to ensure greater mechanical reliability in the bus fleet. The benefits of the work started to show positive results during 2001 with an 8.5% improvement in fleet mechanical reliability during the year.

Special programs targeted cooling systems, an inherent problem that buses face every summer. The number of buses affected by overheating problems over the same period fell 9.1%. With the ongoing activities of the Project Team, improvements will continue to be achieved.

Olympics

Everyone agrees that during the Olympic Games, Sydney public bus transport services were exceptionally reliable. So what worked and what lessons did State Transit learn from the Olympic transport exercise?

The 2000 Olympics was probably the largest transport logistics exercise in Australia's history.

Every day 150,000 people had to be delivered to Sydney Olympic Park and brought home again in the evening. On some days this movement occurred twice with morning and afternoon sessions. In addition, spectators, athletes and officials had to be delivered to a number of other outlying venues for rowing & canoeing, equestrian events, cycling, baseball and water polo.

On the largest attendance day, Friday 22 September, the Olympic Transport system lifted 180,000 people in the morning and another 200,000 in the afternoon whilst also delivering a huge number of people to outlying venues.

While this was happening State Transit was also running regular services across Sydney, plus regular timetabled services for media, workforce and officials and providing comprehensive charter service for athletes and IOC members.

The Transport Outcome

So how did we perform? Over 16 days of the games, massive crowds were carried on both bus and rail. In general, the system worked well and there were no significant issues of concern raised by the community or the media.

The public view was that the system performance had met and exceeded expectations and the IOC expressed great satisfaction.

Within State Transit, by the middle of Week One, we had committed some 450 buses and 700 staff to the Olympic network from our fleet of 1900 and our total driver complement of 3300. Our original expectation in 1999 had been of the order of 100 buses!

In fact, we not only met demand for regular travel across the network but, in Sydney we sold as many tickets each day as we would have on a normal business day. However, they were distributed evenly across the day - the peaks were hardly noticeable.

The one exception on passenger demand was our ferry division. Everyone who came to Sydney, it seems, wanted to go for a cruise on the Harbour and we carried unprecedented loads. We carried at least twice as many passengers each day as we would normally do and, at times, the queues for ferries were 300 - 400 metres long. Over the two week period, our ferry fleet carried more than one million passengers. This was an amazing achievement when it is considered that the bulk of the traffic was carried by just half of the fleet.

So what did we learn from the Sydney Olympics?

Firstly, we learned that, even in a car-dependent city such as Sydney, people can be educated into using public transport as their mode of choice.

- Travellers will switch modes if there is a good enough reason.

Secondly, we saw very graphically what can be achieved in terms of efficiency if peak commuter travel can be spread throughout the day:

- Clearly an issue for the future is how to encourage business to stagger working hours and to encourage teleworking.

Thirdly, we learned that passengers are much more tolerant of transport problems if they know what’s going on:

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

Fourthly, we found that, when the whole of the transport industry is properly co-ordinated and works together, we can achieve a superior transport outcome:

- Firm leadership from a co-ordinating agency can overcome the "border disputes" that may arise in franchised operations.

And finally, we learned that there is just no substitute for a committed, expert workforce.

- What saved the Olympic transport task was the superhuman efforts of a team of dedicated public sector transport professionals who knew their business and knew their passengers.

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Convenience

Better Buses – North West. The new Route 518 service from Macquarie Part to the City

Objective

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

Targets

- Our bus routes run within 800 metres of everyone in a local community and within 400 metres of most.
- We connect with all major urban centres in our operating area.
- We regularly adjust our timetables and increase capacity to meet changes in demand.

Performance

95 percent of people in areas serviced by State Transit are within 400 metres of a bus service operating between 6.00am and 6.30pm Monday to Saturday and within 800 metres of a service at all other times. All routes are designed to provide local communities with connections to their regional centres and district centres.

Better Buses reviews of routes in Sydney and Newcastle in 2000/01 have ensured that services are designed to meet the changing needs of our passengers. Our services connect with trains, ferries and buses to ensure a workable transport network in Sydney and Newcastle.

Better Buses Program

Following the success of the Better Buses program in Sydney Buses' North West region, the program was extended to review all State Transit's Sydney and Newcastle operating regions over the next three years.

During the year, the North West program culminated in the implementation of new services and timetables in two stages. Stage 1 for the area west of Ryde came, in March 2001, followed by the area east of Ryde in June 2001.

Community consultation for the Newcastle Bus Plan was well underway at the end of the year and planning had commenced for the release of the Eastern Suburbs Better Buses in August 2001.

State Transit's approach has been to study community's needs and come up with an innovative and effective network that meets the needs of the majority of people. Key features of the program include application of service design, principles of community consultation and cooperative project management. Integral to the success of the program is the ability of the project team to draw on the broad range of expertise from all levels within the organisation.

Service Design

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

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

Community Consultation

Consultation with a range of stakeholders and the community is a key element of the Better Buses strategy. It is critical to achieve a balance between the multiple, and often competing, objectives within the community of a range of interested parties and customers.

The community consultation commences with delivery of a Better Buses brochure detailing the proposed changes by suburb together with a regional map. A 'Have Your Say' survey form encourages readers to respond to the proposal. Comments are received by mail, fax, phone, email and via State Transit's website. A Better Buses hot-line is established to receive calls and record feedback and comments.

After reviewing each submission, individual comments and suggestions are fed back into the final service structure. Considerable care is taken to ensure that the final structure reflects the needs and wishes of the greatest number of passengers and residents.

North West

Two pamphlets were produced, one covering the region west of Ryde to Parramatta, the other covering the east to Chatswood. A total of 90,000 brochures were delivered to local residents; over 2,000 submissions were received. Approximately thirty per cent of responses received were positive about the proposed changes.

The introduction of the new services included a marketing strategy designed to ensure that all customers were aware that changes were on the way. A big demand for new timetables was met by distribution through the Transport InfoLine, ticket agents and by staff on the ground at major bus stops and interchanges.

Value for North West Commuters

Existing bus commuters receive more value through reduced interchanges. Service integration allows State Transit to operate a direct service between the City and Parramatta.

The response has been a 40% increase in patronage on bus services between Parramatta and West Ryde.

Similar success has occurred between Macquarie Centre and Ryde, and Macquarie Centre and East Ryde, where boardings have risen by 125% and 140%, respectively. School children have also benefited by an increase in direct services yet, because of the opportunity to combine services, annual SSTS payments by Transport NSW, have fallen by $0.6 million in the North West area.

Newcastle Buses taking part in the Bus Roadeo

Newcastle

Community consultation commenced on 30 May 2001. Newcastle residents displayed considerable interest in the Plan with over 2,000 responses arriving in the first month. A follow up survey to obtain more detailed information on travel patterns is being distributed to all earlier respondents to assist in refining the service structure.

Proposals to date included:

- More direct services to the major retail centres of Charlestown, Glendale and Garden City
- Better coordinated services to the University of Newcastle
- Greater destination choice through managed interchange, especially at Charlestown.

Implementation is on target for March 2002.

Further Regional Reviews

The draft route network design has been completed Eastern Suburbs Better Buses. A six week community consultation phase is due to commence in August 2001 with implementation planned for March 2002. Warringah is scheduled to follow the East from early 2002, with the South West to follow in 2002/3003.

Program Management

The Better Buses program involves a team with skills from all areas of State Transit. Team members include representatives with expertise in business development, scheduling, marketing, depot management, passenger information as well as employee representatives. Project meetings have been purposeful, cooperative and positive.

Major changes involve a large number of buses, staff and depots. Not only are individual bus operators required to learn new routes, but all the associated infrastructure from schedules and rosters to route pointers and new timetable displays have to be coordinated. A mammoth effort by many hands is required to achieve this with minimum inconvenience to our customers.

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Efficiency

Objective

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

Targets

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

Performance

Financial Review 2000/2001

This year the cost of operations was:

$1.93 per trip on Sydney Buses

$4.97 per trip on Sydney Ferries

$2.85 per trip on Newcastle Services

The increase in costs of operation in 2000/2001 tracked the cost price index.

The cost recovered was:

$1.90 per trip for Sydney Buses

$4.64 per trip on Sydney Ferries

$2.22 per trip on Newcastle Services

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

State Transit's consolidated financial result for the year ended 30 June 2001 was a deficit of $4.3m on revenue of $483m. This result was achieved after including as revenue, a capital grant of $10.9m received for the construction of the new SuperCat ferries under the NSW Government's Action for Transport 2010 program.

The financial result was influenced by State Transit's involvement in the Olympic and Paralympic Games. In addition to providing In-Village Transport and other services to designated Olympic venues, State Transit was called upon to support Bus 2000, the body responsible for coordinating bus services for the Olympic effort. State Transit re-deployed a substantial number of staff and resources, cancelled premium services, altered some regular services and operated Newcastle bus services on a Saturday timetable. During the Olympics, 1.2m journeys were taken on the ferry fleet, about three times the usual patronage.

The Paralympic contracted services and Bus 2000 non-contracted services were provided on a cost recovery basis.

Revenue for the year was close to target. The year was characterised by high growth during the first half of the year followed by an expected slowdown during the second half as the impact of the Olympics waned. Revenue for the second half of the year was further affected by the four "fare free days" called by unions in support of an industrial campaign against proposed changes to the workers compensation legislation.

Revenue from premium services was adversely affected by competition from the new airport rail link, decreased tourist interest in the Homebush Bay Olympic site and from the cancellation of premium services during the Olympics.

Despite the high level of capital expenditure required for the bus replacement program, the level of debt increased by a modest $2.5m, pushing the debt:equity ratio to 89.9% compared to 85.5% last year.

Although world oil prices increased substantially during the year, State Transit's fuel costs were reduced by almost 6%, by a combination of a prudent fuel hedging policy, which generated a gain of $6.3m in 2000/01, and the greater reliance on CNG through the progressive introduction of the new Mercedes gas buses. Exposure to the HIH Insurance company's collapse has been estimated at $0.96m and has been fully provided for in the accounts. Interest costs for the year increased significantly, reflecting State Transit's higher average borrowings.

Goods and Services Tax

During 2000/01, State Transit successfully implemented the changes to its systems and administrative procedures, following the introduction of the Goods and Services Tax. State Transit was disadvantaged however as the savings passed on by suppliers from of the abolition of the wholesale sales tax were lower than estimated by the Independent Pricing and Regulatory Tribunal (IPART) in its annual fares determination.

Capital Expenditure

Capital expenditure in 2000/01 was $60.5m compared with $74.8m in 1999/00. The capital works program for the year largely comprised the upgrade of the bus and ferry fleet. $36.2m was spent on the bus replacement program for the purchase of 89 low floor, air conditioned buses powered by natural gas and fitted with CCTV, whilst $14.9m was spent on the construction of the new SuperCats and the refurbishment of the first of four Manly ferries. $4.4m was spent during 2000/01 to complete the installation of CCTVs on 38 wharves serviced by Sydney Ferries, to enhance the safety of the traveling public.

Government Reimbursements, CSOs and Grants

Total Government reimbursement in 2000/01 was $193.7m, of which $137.7m was payment of fares by Government for pensioners, schoolchildren and other groups who qualify for support.

The funding model also provides for a general reimbursement, the Pricing Community Service Obligation, which provides reimbursement for the gap between State Transit's fares and those generally prevailing in private bus sector operations, plus payment to cover losses on non-commercial services, the Service Community Service Obligation.

A grant of $4.6m was received from the Commonwealth Alternative Fuel Conversion Program, to partly fund the acquisition of buses powered by natural gas.

Voluntary Liquidation of North & Western Coaches and Riverside

State Transit acquired North & Western Coaches and Riverside Bus Services in 1999/00. While the business operations were amalgamated very quickly after purchase, the liquidation process took longer in order to minimise the cost of amalgamation. The winding up of these subsidiaries commenced on 29 June 2001.

IPART Cost Efficiencies

A 1998 IPART report identified potential saving in Sydney Buses if efficiencies detailed in the report were implemented. Savings initiatives were introduced in 2000/01 that will achieve annual savings of $9.9m, including improvements in maintenance, bus driver utilisation through the reduction of non-driving shifts and reforms in engineering procurement and bus cleaning. In 2000/01 the implementation process was deferred to the second half of the year due to the demands of the Olympics.

The Integrated Ticketing system (smartcard) will provide a common fare media to enhance passenger convenience and use of public transport

Better Buses – Integration of North and Western Services

Following acquisition of the North and Western and Riverside bus companies, the North West Better Buses program has delivered significant economies of scale which in turn, has enabled increased productivity. For example, in the period August 1999 until August 2001, non-school boardings increased by 30,000 per week to a total of 280,000 with an increase of only seven buses. Patronage growth in these two years was 12 per cent, which was achieved with a 4 per cent increase in fleet.

New services were introduced in March 2001 and June 2001. An improved financial position is forecast from a revenue increase of $1.2M in the first year. Better services were offered without an increase in operational cost.

Risk Management and Insurance

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

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

During August 2000, due to market speculation regarding the stability of HIH Insurance, State Transit developed insurance contingency plans with its insurance broker, subject to position monitoring and commercial ratings. Whilst suffering some losses as reported, State Transit was not subjected to significant premium escalation reportedly experienced by the insured community.

The Risk Management Group also initiated its Project Bus Safe during May, 2001. The primary objective of the project is to implement an integrated best practice fleet safety program with a continuous improvement focus. The expected benefits include:

- improved care of passengers and affected public
- market impact - demonstrate preferred safety standards for bus fleet
- improved synergy - linkage to existing programs (and good practices) such as bus changeover project, learning and development, engineering policy and standards, occupational health, safety and rehabilitation, business management systems and risk management.
- cost effectiveness - reduced premiums and lower "hidden costs".

During the past year, responses to major bus and ferry incidents demonstrated the robust capability of State Transit's Emergency Notification and Response System. This resulted in a smooth transition to routine operations.

Implementation of a Business Management System (BMS), modelled on the requirements of the International Standards for Quality Management Systems ISO 9001:2000, consolidates risk control through standardised work practices within State Transit and its external interfaces. Implementation of the new risk based OH&S legislation will be enhanced by these initiatives.

IT Systems – Disaster Recovery Plans

State Transit's IT Disaster Recovery Plans are highly effective. In 2001, State Transit was ranked by the Auditor General as second best agency in the State Government for effective disaster recovery strategies and plans.

Integrated Ticketing

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

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Courtesy – Customer Service

Objective

Passengers rightly expect service with a smile on State Transit buses and ferries. State Transit bus operators and ferry crews are trained in customer service but there is always room for improvement and we are developing new standards and techniques for customer service training.

State Transit values its staff as its most important resource.

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

Targets

- We always try to meet passengers' needs willingly and courteously.
- We offer help to those who don't understand the transport system or who need physical assistance.
- We are always willing to explain our decisions.

Performance

Passenger Information

The 131 500 Transport InfoLine call centre has fully integrated information covering services provided by State Transit and CityRail as well as private sector transport operators.

New passenger information displays for State Transit bus passengers began to be implemented across State Transit's networks in Sydney and Newcastle. The displays incorporate easier to read timetables, as well as a destination guide designed for individual stops with a list of landmarks, venues and attractions that can be reached from individual bus stops along with the relevant bus route numbers to help passengers get there.

Courtesy – Customer Service

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 is developing and implementing a new customer service training program for all staff with customer contact and customer service monitoring tools to ensure customers' needs are met willingly and courteously. The Program is to be implemented in 2001/02.

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.

A pilot program was designed for all existing Bus Operators at Willoughby Depot to attain the necessary competency certificate set by Industry Training Advisory Board (ITAB) - Certificate III Transport and Distribution (Road Transport). The program to be implemented in 2001/02 will allow State Transit to raise and recognise the level of professionalism and determine the future training needs of Bus Operators.

Enterprise Agreements

Negotiations commenced for Enterprise Agreements to be renewed at the end of 2001 for bus operations, maintenance, managerial, professional, technical, administration and clerical employees, as well as ferry masters and engineers.

The Agreements will help lay the foundation for improved operational and financial performance and enhanced customer service.

EEO

During the reporting period, State Transit employees from non-English speaking backgrounds increased from 906 in 1999/2000 to 1,473, an increase of 62.5%.

The number of Aboriginal employees doubled during the year.

To encourage people with family commitments to enter the workforce, State Transit has made a concerted effort to increase the number of part-time Bus Operator positions.

During 2000/2001 State Transit continued to strengthen its contribution to the NSW Premier's Department Spokewomen's program.

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

The Olympics provided an opportunity to demonstrate the richness and value of the ethnic and cultural diversity of our employees. Special name badges were issued to those employees involved in public contact through the Olympic and Paralympic period. 784 State Transit staff, representing 84 different nationalities, volunteered to wear nationality flags, signifying their willingness and ability to provide special assistance to people of that nationality.

Action Plan for Women Initiatives

The principles of equity, access, rights, and participation underpin the action plan to recognise that in some areas of social 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.

In May 2001 State Transit joined a Department of Women group in a Centenary of Federation project to reach out to women in rural communities with information and opportunities not easily accessible on those areas.

State Transit contributed a bus with a team of four women drivers, two liaison personnel and a support group of three engineering staff.

The bus transported 16 tonnes of printed information for the Department of Women, which was distributed across western and southern rural New South Wales over an intensive two week period.

The project included workshops, recruitment information, health advice and training on how to use the internet to access information concerning employment opportunities, women's health and related women's issues.

Employee Hotline

The Employee Hotline provides employees with a channel to contribute to decision making. During the year, 75% of issues raised were positive suggestions for service improvements and 25% related to complaints management.

Graduate Trainees

State Transit has a long-term objective of fostering high quality candidates for management in State Transit. The Graduate Trainee program continued into its second intake with four new graduates selected, including 2 women and 2 from non-English speaking backgrounds. The program is project based with participants gaining wide experience in different environments in State Transit.

Traineeships

State Transit also provides clerical, operations, marine and bus operator traineeships.

At the end of the year total trainees were:

7	Clerical	Certificate II Business Administration
15	Operations	Certificate III/IV Business Administration
2	Marine	Certificate II Maritime Services
521	Bus Operator	Certificate III Transport and Distribution (Road Transport)
7	Graduate	

Apprentices

At the end of the year State Transit had 36 apprentices:

27	Certificate III Heavy Vehicle Motor Mechanic
5	Certificate III Heavy Vehicle Body Repairs
1	Certificate III Painting and Decorating
1	Certificate III Electrical-Fitter Mechanic
1	Certificate III Shipwright

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Comfort

State Transit buses are cleaned internally every day

Objective

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

Targets

- All new buses are air-conditioned, fully accessible for people with disabilities and have quality seating.
- Our buses and ferries are easy to board for everyone.
- We aimed to have timetabled accessible services on 50 routes in 2001 and on all routes by 2010.
- All of our buses and ferries are cleaned internally daily, and between trips when necessary.
- Our ferries are washed daily and our buses every three days.
- We aim to buy only environmentally friendly buses and ferries in future.

Performance

Bus Fleet

State Transit continues to lead the nation in terms of the quality and presentation of its bus fleet and the operation of dedicated wheelchair accessible bus services, now timetabled on 70 bus routes across Sydney, a 100% increase in 2000/01.

89 new buses were delivered in 2000/01.

At year end, State Transit's bus fleet totalled 1,926 buses, 664 of which were air-conditioned (34.5% of fleet), 492 buses were low floor design (25.5% of fleet), 381 buses were fully wheelchair accessible (19.8% of fleet) and 283 buses were CNG powered (14.7% of the Sydney fleet).

For comfort and safety we limit the number of people standing on our regular buses to fifteen.

Ferry Fleet

4 new SuperCats were delivered in 2000/01. The SuperCats carry 250 passengers and travel at 24 knots. The SuperCats operate throughout the inner Harbour and can travel up the Parramatta River as far as Rydalmere. The SuperCats were built by ADI Ltd at Garden Island Dockyard, the first time commercial ferries have been built on Sydney Harbour since the 1970s. Four SuperCats are now fully deployed on inner Harbour services where they have proved to be very popular with passengers since their introduction to the fleet.

Refurbishment of the Manly fleet also commenced with the first vessel, Collaroy, recommissioned in September 2000. The Collaroy refurbishment included a redesigned interior, new passenger seating, extended open deck areas, larger windows, new kiosk facilities, new floors and ceilings, wooden hand rails on outer decks, improved lighting in passenger areas, modernised toilets and baby change facilities and storage areas for bikes and luggage. The remaining 3 Manly ferries are scheduled to be overhauled as soon as possible with the Narrabeen and Queenscliff to be refurbished in 2001/02.

State Transit now has 381 wheelchair accessible buses

Accessibility

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

State Transit currently has 70 routes scheduled accessible bus routes with more coming on-line as new buses are delivered.

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

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

Timetabled wheelchair bus services now operating include services around the City centre and in the Northern Beaches to Avalon, in the North Shore to Chatswood and East Lindfield, to West Ryde and Parramatta in the North West, in the Inner Western Suburbs to Enfield, Lidcombe and Olympic Park, in the Eastern Suburbs to La Perouse, to the Airport, and in the Southern Suburbs of Kogarah, Rockdale and Miranda. Wheelchair scheduled services also operate on cross regional routes between Bondi Junction, the Airport and Burwood, Chatswood and Parramatta, and Manly and Chatswood. Many of these services provide links to accessible CityRail stations to increased opportunities for multi-modal travel.

State Transit held a "Disability Awareness Week" in October 2000. The centrepiece for that week was a new version of the training video "A Right to Travel" produced for State Transit. The video consists of vignettes for each of the five areas of disability, namely visual impairment, the frail/aged, hearing impairment, mental/intellectual disability and mobility impairment. It focuses on how bus operators can assist clients with disabilities, and how those with a disability can assist bus operators to help them.

Environment

State Transit's new Mercedes-Benz CNG powered buses produce 50% less exhaust emissions than the current diesel Euro 2 specifications and are 50% quieter than diesel buses. State Transit is following the development of alternative propulsion technologies such as fuel cells and hybrid buses and will consider these when they reach regular production status.

State Transit is the third largest energy user in the New South Wales Government (after the Department of Health and the State Rail Authority) using 10.65% of the total energy used, yet it contributed only 5.06% of Carbon Dioxide emissions.[1]

[1] Source - NSW Government Energy Management Policy Annual Report 1998/99 produced by Ministry of Energy and Utilities

Safety & Security

Bus Roadeo – testing exceptional driver skills

Bus Roadeo – Winners

Objective

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

Targets

- To deter misbehaviour on-board all buses are equipped with CCTV and direct radio to base.
- 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.
- We aim to continue to improve workplace safety and to reduce time lost due to injury in the workplace.

Performance

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

The incidence of safety and security issues is very low. 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 and help points are now installed on 38 ferry wharves serviced by Sydney Ferries.

CCTV On Buses

CCTV has been installed on all State Transit 1,926 buses since January 2000. All new buses acquired by State Transit are fitted with CCTV before entering service.

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

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

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

CCTV on Wharves

38 wharves used by Sydney Ferries services have CCTV equipment and help points fully installed and connected to an independently operated control room.

An extensive security network is enhancing passenger safety on Sydney's commuter ferry wharves using the world's largest private cable-free multimedia network. The network, implemented by State Transit, monitors ferry wharves over an area of 600 square kilometres throughout Sydney Harbour and the Parramatta River System and is the first in Australia to combine data, interactive voice and closed circuit television.

The project involving the installation of a CCTV surveillance monitoring system on the wharves is an initiative included in the NSW Minister for Transport's "Action for Transport 2010 - an Integrated Transport Plan for Sydney". The Plan identifies passenger security and safety on public transport as a major priority.

The security system installed by State Transit is designed to encourage people to use public transport by instilling a sense of security in commuters travelling on Sydney's waterways with:

- CCTV monitoring and recording as a deterrent
- Duress "Help Points" for emergency assistance
- Lifebuoy tamper alarms and monitoring
- Passenger information (InfoLine) facilities

The wireless system has proven invaluable during extreme weather conditions, as operational staff can view prevailing conditions before sending vessels into areas affected by these conditions. This was experienced recently at the Parramatta Wharf, which is located directly below a weir subject to flash flooding.

The system allows operators to view in real-time and simultaneously any two video streams from up to 16 cameras from any wharf at the same time. It also offers an instantaneous bi-directional channel to be setup when the emergency button is pressed at any wharf. Independent or global public address announcements are also possible with potential for delivery of information services and emergency responses. The system acts as a deterrent by providing a "virtual presence" at the wharf.

The wireless solution not only improves safety for passengers but vessel masters can feel confident knowing about the conditions before their arrival at the wharves.

US based Lucent Technology recently announced State Transit Authority of New South Wales and Chubb Security as the winners of the "Significant Project Award" for 2001. The Award is made each year in recognition of major achievements in the application of innovative wireless networking technology worldwide. State Transit and its major contract partner Chubb Security were selected from 10 nominations.

The project also won the coveted Australian Security Industry Association award for 2001 for technical innovation and in recognition of the significance and magnitude of the project.

$4.4M has been spent on the project to date against a total project cost of $4.6M.

Equipment is to be installed at Darling Harbour, Watsons Bay and Rose Bay wharves in 2001/02.

Occupational Health and Safety

The Incident Rate (lost time injuries per 100 employees) declined by 33.7%

The Frequency Rate (lost time injuries per 1,000,000 hrs) declined by 34.4%

School student safety

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

Door safety

Although all buses meet statutory safety requirements, State Transit is trialling new door safety systems that exceed the regulatory standard to retrofit the existing bus fleet to ensure that passengers can get on and off our buses as safely as possible.

All State Transit buses purchased after July 1999 have Type II door safety systems compliant to RTA Specification 146. Buses in operation bought prior to this date have Type I systems. State Transit is assessing the viability of upgrading its older buses with Type I doors to Type II doors.

All State Transit's older buses have already been reworked to include the Bus Safety Package which included new door rubbers and mirror systems. These modifications were made in accordance with the recommendations of Dr Michael Henderson, a safety specialist engaged by the Department of Transport.

The trial was continuing at the end of 2000/01.

Occupational Health and Safety

Safety of staff continues to be of the highest priority to State Transit.

Further significant improvements were made in Occupational Health and Safety (OH&S) performance in 2000/01.

The total number of days lost to new and continuing injuries declined by 14.7%.

For the July to September quarter for 2000, there was a reduction of 27.6% in days lost for the whole organisation when compared to the previous year.

The Incident Rate (lost time injuries per 100 employees) declined by 33.7%.

The Frequency Rate (lost time injuries per 1,000,000 hours) declined by 34.4%.

While the total number of staff remained constant compared to the previous year, the number of workers compensation claims reduced by 11%.

A major campaign was launched in 2000/01 to fully implement State Transit's new OH&S Quality System throughout State Transit in light of the new workplace safety legislation. In addition to prevention programmes targeting specific hazards such as muscular-skeletal injuries related to bus seats and destination winders, State Transit trained line managers in its OHS&R System with a particular emphasis placed on techniques for hazard identification and accident investigation.

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Sydney Ferries Reform



On 27 March 2001, following four safety related (none of which involved serious injury), the Minister for Transport ordered an independent review into Sydney Ferries Operations.

The review was conducted by the Chief Executive of the Waterways Authority assisted by independent experts in human resources and marine engineering.

State Transit commenced the immediate implementation of the review and a Ferries Reform Taskforce was set up to oversee the implementation of the 61 recommendations within 12 months.

The Waterways Report stated that while Sydney Ferries overall safety and reliability record is excellent, and that the series of incidents which occurred earlier this year were unrelated to each other and generally out of keeping with the organisations service and safety record, there was room to improve systems and procedures in training, work management and OH&S management.

The review's detailed investigations found deficiencies in a number of key areas in Sydney Ferries in safety and training management and vessel maintenance.

The Ferries Reform Taskforce includes the Chief Executive of State Transit, the Director General of the Department of Transport and the Chief Executive of the Waterways Authority and oversees the implementation of the report's recommendations.

Key recommendations in the Waterways Authority report include:

- Adoption of the International Safety Management code to cover all aspects of operations.
- Development of new systems to manage and monitor maintenance work.
- Better training, a revised rostering system and fatigue management for crews.
- A Customer Service Charter to provide a better guide for service standards.

To put the situation into context, the service reliability for Sydney Ferries services has been maintained over the past four years at 98.5%. Sydney Ferries operational safety record was also found to be very strong.

The report also notes that Sydney Ferries crews are capable and professional and provide an excellent service.

In a nutshell, while Sydney Ferries is doing a good job, times have moved on and reflecting the generally conservative nature of the marine industry, Sydney Ferries has not moved with the times. The challenge now is to ensure that Sydney Ferries meets best practice in all facets of its operations

Many of the weaknesses identified in the Waterways report will be resolved through the adoption of the International Safety Management code. Sydney Ferries is already moving to conform with this code, which will put the organisation at the forefront of marine safety management.

Sydney Ferries is committed to this upgrade process and has set itself a 12 month deadline for implementation.

Prior to the commissioning of the Report, a comprehensive review and restructure of Sydney Ferries management was already underway. Priority has now been given to completing that initiative.

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State Transit Authority of New South Wales

Financial Statements

FOR THE YEAR ENDED 30 JUNE 2000

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Statement of Financial Performance

FOR THE YEAR ENDED 30 JUNE 2001

		Consolidated		State Transit	
	Note	2001 $000	2000 $000	2001 $000	2000 $000
Revenue from ordinary activities	2(i)	483,013	462,006	469,367	456,748
Expenses from ordinary activities	2(ii)	477,657	455,567	466,705	447,760
Borrowing costs	2(iii)	9,669	5,740	9,669	5,595
(Loss)/profit from ordinary activities before income tax		**(4,313)**	**699**	**(7,007)**	**3,393**
Income tax relating to ordinary activities	3	-	-	-	-
Net (loss)/profit		**(4,313)**	**699**	**(7,007)**	**3,393**
Increase/(Decrease) in asset revaluation reserve	14	(396)	(15,096)	(396)	(15,096)
Total adjustments recognised directly in equity		**(396)**	**(15,096)**	**(396)**	**(15,096)**
Total changes in equity other than those resulting from transactions with owners as owners		**(3,917)**	**15,795**	**(6,611)**	**18,489**

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

Statement of Financial Position
AS AT 30 JUNE 2001

	Note	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
CURRENT ASSETS					
Cash		4,704	11,414	4,704	11,066
Receivables	4	8,511	10,924	8,511	20,479
Inventories	5	7,635	7,560	7,635	7,374
Property, plant and equipment	8	15,229	1,440	15,229	-
Other	6	4,456	6,253	4,456	6,023
TOTAL CURRENT ASSETS		**40,535**	**37,591**	**40,535**	**44,942**
NON-CURRENT ASSETS					
Other financial assets	7	-	-	-	7,790
Property, plant and equipment	8	392,759	387,085	392,759	376,271
Intangibles	9	4,988	7,917	4,988	5,786
Other	6	1,052	1,529	1,052	1,529
TOTAL NON-CURRENT ASSETS		**398,799**	**396,531**	**398,799**	**391,376**
TOTAL ASSETS		**439,334**	**434,122**	**439,334**	**436,318**
CURRENT LIABILITIES					
Payables	10	38,265	35,794	38,265	35,296
Interest bearing liabilities	11	6,967	2,076	6,967	2,076
Provisions	12	33,852	33,370	33,852	33,370
Other	13	11,260	13,199	11,260	13,199
TOTAL CURRENT LIABILITIES		**90,344**	**84,439**	**90,344**	**83,941**
NON-CURRENT LIABILITIES					
Interest bearing liabilities	11	118,672	121,022	118,672	121,022
Provisions	12	89,514	83,370	89,514	83,370
Other	13	1,106	1,280	1,106	1,280
TOTAL NON-CURRENT LIABILITIES		**209,292**	**205,672**	**209,292**	**205,672**
TOTAL LIABILITIES		**299,636**	**290,111**	**299,636**	**289,613**
NET ASSETS		**139,698**	**144,011**	**139,698**	**146,705**
EQUITY					
Reserves	14	76,327	76,723	76,327	76,723
Retained profits	15	63,371	67,288	63,371	69,982
TOTAL EQUITY		**139,698**	**144,011**	**139,698**	**146,705**

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

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Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2001

	Note	Consolidated 2001 $000 Inflows (Outflows)	Consolidated 2000 $000 Inflows (Outflows)	State Transit 2001 $000 Inflows (Outflows)	State Transit 2000 $000 Inflows (Outflows)
Cash flows from operating activities:					
Passenger revenue:					
Fares, charters and tourists services		252,709	235,253	247,791	232,292
Reimbursement for:					
free travel by school students	2(iv)(a)	37,064	32,422	34,926	30,557
concessional travel by pensioners	2(iv)(a)	76,475	70,112	74,493	69,467
concessional travel by others	2(iv)(a)	26,352	25,540	25,566	25,540
community service obligations	2(iv)(b)	56,003	50,223	55,437	50,223
Total passenger revenue		448,603	413,550	438,213	408,079
Other income		14,033	9,999	13,320	9,948
Interest received		987	759	976	727
Government Grants		15,511	-	15,511	-
Payments to suppliers		(133,749)	(135,943)	(128,904)	(133,557)
Payments of Goods & Services Tax		(10,200)	-	(10,200)	-
Payments to employees		(281,691)	(261,507)	(272,926)	(257,882)
Interest and other finance costs		(8,619)	(4,469)	(8,619)	(4,323)
Net cash provided by operating activities	**(i)**	**44,875**	**22,389**	**47,371**	**22,992**
Cash flows from investing activities:					
Purchase of controlled entities, net of cash		-	(9,123)	-	(7,790)
Payments for service contract rights		-	(8,967)	-	(6,334)
Payments for property, plant and equipment		(57,613)	(98,638)	(56,798)	(98,638)
Proceeds from sale of property, plant and equipment		3,304	40,884	341	40,343
Net cash used in investing activities		**(54,309)**	**(75,844)**	**(56,457)**	**(72,419)**
Cash flows from financing activities:					
Proceeds from borrowings		4,800	72,495	4,800	72,495
Repayment of borrowings		-	(2,441)	-	(2,441)
Repayment of lease principal		(2,076)	(7,585)	(2,076)	(1,989)
Loans to subsidiaries		-	-	-	(9,972)
Net cash provided by/(used in) financing activities		**2,724**	**62,469**	**2,724**	**58,093**
Net increase/(decrease) in cash held		**(6,710)**	**9,014**	**(6,362)**	**8,666**
Cash held at beginning of the financial year		11,414	2,400	11,066	2,400
Cash at the end of the financial year	**(ii)**	**4,704**	**11,414**	**4,704**	**11,066**

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

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Notes to the Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2001

		Consolidated		State Transit	
		2001 $000	2000 $000	2001 $000	2000 $000
(i) Reconciliation of operating result after tax to net cash provided by operating activities:					
Net (loss)/profit after income tax		(4,313)	699	(7,007)	3,393
Adjustments to reconcile net operating result to net cash provided by operating activities:					
Amortisation of service contract rights		2,930	1,307	1,540	805
Depreciation and amortisation		35,653	31,571	34,753	30,958
Net loss/(profit) on sale of non-current assets		977	(2,409)	(20)	(3,245)
Bad and doubtful debts		1,019	-	1,019	-
Equipment write-off		108	262	85	262
Provision for employee entitlements		8,417	(20,501)	8,417	(20,020)
Other provisions		(1,443)	(1,105)	(1,443)	(1,105)
Other non cash items		(34)	327	(1,172)	378
Changes in assets and liabilities:					
(Increase)/Decrease in inventory		(75)	(953)	(261)	(1,102)
(Increase)/Decrease in prepayments		2,768	344	2,538	361
(Increase)/Decrease in other assets		(414)	420	(414)	(124)
(Increase)/Decrease in receivables		1,394	(3,021)	10,949	(3,361)
Increase/(Decrease) in trade creditors		(221)	8,736	278	9,096
Increase/(Decrease) in deferred tax		-	70	-	-
Increase/(Decrease) in provision for income tax		-	(54)	-	-
Increase/(Decrease) in revenue received in advance		(1,891)	6,696	(1,891)	6,696
Net cash provided by operating activities		**44,875**	**22,389**	**47,371**	**22,992**

(ii) Reconciliation of cash

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

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

		Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
Cash on hand and in the bank	1(d)	3,066	3,893	3,066	3,545
Short term deposits	1(d)	1,638	7,521	1,638	7,521
Total cash		**4,704**	**11,414**	**4,704**	**11,066**

(iii) Financing facility available

	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
Short term standby credit facility	30,000	30,000	30,000	30,000
Facility drawn down at balance date	4,800	-	4,800	-
Facility unused at balance date	**25,200**	**30,000**	**25,200**	**30,000**

The above short-term standby facility is a facility to meet daily cash flow demands which may arise from time to time. This facility expires on 30 June 2002.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared as a general purpose financial report which complies 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.

The financial statements have been prepared on an accrual accounting basis using historical costs except for certain non-current assets which, as noted, are recorded at valuation.

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 or otherwise wind up operations.

At 30 June 2001, the consolidated financial position showed current assets of $40.535M compared with current liabilities of $90.344M. =Given the small amounts of receivables and inventories in the business, it is usual for current liabilities to exceed current assets.

The positive cash flow from operations is projected to continue in the year ending 30 June 2002 and subsequent years. These cash flows, together with the establishment of additional financing arrangements, will be sufficient to meet the consolidated financial obligations including the capital expenditure program.

The accounting policies adopted are consistent with those of the previous year except as noted below.

The financial statements have adopted the presentation and disclosure requirements of Accounting Standards AAS 1 "Statement of Financial Performance", AAS 37 "Financial Report Presentation and Disclosure" and AAS 36 "Statement of Financial Position" for the first time. In accordance with the requirements of these Standards, comparative amounts have been reclassified in order to comply with the new presentation format. The reclassification of comparative amounts has not resulted in a change to the aggregate amounts of current assets, non-current assets, current liabilities, non-current liabilities or equity, or the net profit/loss of the company or consolidated entity as reported in the prior year financial report.

(b) Principles of Consolidation

The consolidated financial statements include the financial statements of the parent entity, State Transit Authority of New South Wales, and its controlled entities (refer Note 17).

All inter-entity balances and transactions have been eliminated in full in preparing the consolidated financial statements.

Where an entity either began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased.

(c) Revenue Recognition

Revenue is recognised when a service is rendered and the associated income can be reliably measured.

Government contributions are recognised as revenue when the funds are received.

Interest is recognised as it accrues.

(d) Cash

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

Investment in the Hour Glass facility is represented by a number of units of a managed investment pool, with each pool having different investment horizons and is comprised of a mix of asset class appropriate to that investment horizon.

The investment is generally able to be redeemed 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.

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

(e) Receivables

Trade debtors are recognised at nominal amounts due, less any provision for doubtful debts.

In relation to trade debtors, the concentration of credit risk is minimised 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.

A provision for doubtful debts is recognised when the collection of the full nominal amount is no longer probable. Bad debts are written off when they are determined to be irrecoverable. The carrying amount approximates fair value.

(f) 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.

(g) Property, Plant and Equipment

The following policies apply to property, plant and equipment:

(i) Basis of Valuation

In accordance with NSW Treasury policy, State Transit Authority has applied AAS38 "Revaluation of Non-Current Assets" transitional provisions for the public sector and has elected to apply the same revaluation basis as the preceding reporting period, while the relationship between fair value and the existing valuation basis in the NSW public sector is further examined. It is expected, however, that in most instances the current valuation methodology will approximate fair value.

Property, plant and equipment are stated at current cost in accordance with a policy of regular revaluation under which all property, plant and equipment is revalued at least once every five years.

In applying the current cost basis of valuation, all property, plant and equipment, except freehold land and works in progress, are valued at estimated written down replacement cost of the most appropriate modern equivalent replacement facility having a similar service potential to the existing asset. Written down replacement cost is based on the ratio of remaining useful life to total useful life to the entity, except for buses where the ratio of remaining service potential to total service potential has been applied.

Freehold commercial land is valued at market selling value and freehold operating land is valued at market value for the existing use. These land values, and the written down replacement values of buildings and wharves, are determined in accordance with independent valuation. Works in progress are stated at cost.

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

Conversely, where assets are revalued to market value, and not by reference to current prices for assets newer than those being revalued, any balances of accumulated depreciation existing at revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are increased or decreased by the revaluation increments or decrements.

Where the current cost valuation of total non-current assets exceeds the total recoverable amount, the assets are revalued to their recoverable amount. Recoverable amount is determined by the net present value of the cash flows expected to be generated from the continued use and eventual disposal of the assets. The expected net cash flows are discounted to present value using the real weighted average cost of capital (after tax).

Revaluation increments are credited directly to the asset revaluation reserve, unless they are reversing a previous decrement charged to the statement of financial performance, in which case the increment is credited to the statement of financial performance.

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

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

(i) Basis of Valuation (cont'd)

Revaluation decrements are debited directly to the statement of financial performance, unless they are reversing a previous increment credited to the asset revaluation reserve account, in which case the decrement is debited to the asset revaluation reserve.

Where assets have been revalued, the potential effect of the capital gains tax on disposal has not been taken into account in the determination of the revalued carrying amount.

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

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

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

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

(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:

	Life	Method
Freehold buildings and wharves	40 yrs	Straight line
Plant and equipment	3 to 20 yrs	Straight line
Buses	20 yrs	In line with the pattern of expiry of service potential
Ferries	10 to 25 yrs	Straight line

(iv) Capitalisation Policy

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

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

(v) Works in Progress

Costs relating to acquisition of property, plant and equipment, which have not been completed, 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.

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

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

(vii) Maintenance & Repairs

Plant & Equipment are maintained and repaired on a regular basis. The cost of routine maintenance and repairs are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated in accordance with note 1(g)(iii).

(h) Intangibles - Service Contract Rights

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

(i) Recoverable Amounts of Non-Current Assets

Non-Current assets are not carried at an amount above their recoverable amount, and where carrying values exceed this recoverable amount assets are written down. Recoverable amount is determined using net cash flows discounted at 4.7% to present value.

(j) Payables

Represents liabilities for goods and services acquired prior to the end of the financial year and which are unpaid, whether billed or not. The amounts are unsecured and are usually paid within 30 days of recognition. The carrying amount approximates fair value.

(k) Interest Bearing Liabilities

(i) Borrowings

Borrowings are recorded at face value. Any discounts or premiums related to long term borrowings are deferred and amortised over the term of the borrowing on a straight-line basis. Interest is charged as it accrues.

The fair values of long-term borrowings are estimated using discounted cash flow analysis based on current incremental borrowing rates for similar types of borrowing arrangements.

(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 shown as contingent rentals in the statement of financial performance.

(iii) Debt Defeasance

Where assets are given up to extinguish the principal and all future interest of a debt, any differences in the carrying values of assets foregone and the liability extinguished are brought to account in the income and expenditure statement for the period. Costs incurred in establishing the defeasances are expensed in the period in which defeasance occurs.

In all cases where defeasance occurs, it is highly unlikely that the consolidated entity will again be required to pay any part of the debt, or meet any guarantees or indemnities associated with the debt.

(l) Employee Entitlements

(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 sick leave does not give rise to a liability as it is not considered probable that sick leave taken in 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.

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

(l) Employee Entitlements (cont'd)

(ii) Annual Leave and Long Service Leave

Provision has been made in the financial statements 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. The provision for long service leave includes the current legal obligations and the expected future payments where no legal entitlement has arisen. Expected future payments 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 the Superannuation Administration Corporation is fully provided for in the financial statements. The liability for employees' retirement benefits is based on an actuarial assessment (refer Note 12(i)).

(m) Deferred Revenue

Premium arising from the purchase of bonds is recognised in the statement of financial position as deferred revenue and amortised over the term of the loans.

(n) 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.

(o) Insurance

Appropriate insurances are purchased to cover the liability, physical damage, business interruption, and other exposures arising out of normal business operations. Financial responsibilities for minor and predictable losses, which are not cost effective to insure, are retained. The State Transit Authority is a licensed self-insurer for workers' compensation claims under the New South Wales Workers' Compensation Act.

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

(p) Derivatives

(i) Foreign Exchange

Specific Hedges

Foreign currency contracts are undertaken for specific commitments at the time the foreign currency exposure arises. Each foreign exchange contract endeavors 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 or losses on the hedging transaction are treated as deferred costs or revenues until the terms of delivery or the physical purchase commitments have been satisfied. Gains or losses are then bought to account in determining the capital cost of the asset purchased.

(ii) Commodity Swaps

Commodity swap contracts are undertaken to reduce the risk of unfavourable fuel price movements.

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

The fair value of commodity swap contracts is determined as the difference in the present value of future fuel purchases.

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

(p) Derivatives (cont'd)

(iii) Options

Options for foreign currency and commodity prices are undertaken to reduce the risk of unfavourable fuel price movements. These options provide the right, but not the obligation, to transact in fixed rate foreign exchange and commodity. 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 with any realised gains or losses 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.

(q) Income Tax

The parent entity is subjected to the Tax Equivalent Regime under which it is required to pay a taxation equivalent to the NSW Government.

Tax effect accounting is adopted whereby the income tax expense in the statement of financial performance is matched with the accounting profit after allowing for permanent differences. The future income tax benefit relating to tax losses is not carried forward as an asset unless the benefit is virtually certain of realisation. Income tax on cumulative timing differences is set aside 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.

(r) 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 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.

(s) Borrowing Costs

Borrowing costs are recognised as expenses in the period in which they are incurred and include (except where they are included in the costs of qualifying assets):

- interest on bank overdrafts and short term and long term borrowing;
- amortisation of discounts or premiums relating to borrowings; and
- finance lease charges

(t) Comparatives

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

(u) Rounding

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

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	Note	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
2. REVENUE AND EXPENDITURE					
(i) Revenue from ordinary activities:					
Passenger revenue:					
Fares, charters and tourists services		255,488	231,212	250,577	228,412
Reimbursement for:					
free travel by school students	2(iv)(a)	34,846	33,503	32,708	32,070
concessional travel by:					
pensioners	2(iv)(a)	76,475	70,366	74,493	69,467
other community groups	2(iv)(a)	26,352	25,540	25,566	25,540
community service obligations:					
pricing	2(iv)(b)	36,694	31,927	36,129	31,927
service	2(iv)(b)	19,308	18,296	19,308	18,296
Total passenger revenue		449,163	410,844	438,781	405,712
Interest from third parties	2(v)	988	763	977	730
Rent and advertising		11,097	8,940	10,821	8,890
Grants	2(vi)	15,511	-	15,511	-
Proceeds from sale of assets		3,304	40,385	341	40,343
Other		2,950	1,074	2,936	1,073
Total revenue from ordinary activities		483,013	462,006	469,367	456,748
(ii) Expenditure from ordinary activities:					
Wages and salaries		220,920	200,975	214,131	197,829
Provision for employee entitlements:					
Annual leave		19,678	17,845	19,118	17,800
Long service leave		5,968	5,829	5,788	5,740
Retirement benefits		26,892	1,427	26,128	1,359
Workers' compensation		6,632	3,156	6,443	3,030
Payroll tax		16,650	15,313	16,177	15,135
Fuel and fleet maintenance		66,727	62,331	65,881	61,049
General operating expenses		65,705	74,553	64,857	73,675
Depreciation:					
Plant and equipment		31,585	26,459	30,689	26,183
Buildings		1,317	1,274	1,313	1,274
Amortisation of non-current assets:					
Leased plant and equipment		2,582	3,577	2,582	3,239
Leasehold improvements		169	262	169	262
Service contract rights		2,930	1,307	1,540	805
Fixed assets sold or written off		4,390	38,239	406	37,360
Operating lease rentals		4,043	2,613	4,043	2,613
Consultants' fees		238	230	238	230
Audit fee	2(vii)	212	177	192	177
Write-down of investment	17	-	-	2,807	-
Forgiveness of liabilities owed by subsidiaries	17	-	-	3,184	-
Provision for doubtful debts		930	-	930	-
Bad debts written off		89	-	89	-
Total expenses from ordinary activities		477,657	455,567	466,705	447,760

	Note	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
2. REVENUE AND EXPENDITURE (cont'd)					
(iii) Borrowing costs					
Interest paid or payable to:					
Unrelated parties		8,808	4,572	8,808	4,574
Finance lease		861	1,168	861	1,021
Total borrowing costs		9,669	5,740	9,669	5,595

(iv) New South Wales Government reimbursements

(a) Free & Concessional Travel

Free and concessional travel is provided to a range of community groups. The extent to which these groups are entitled to free and concessional travel is determined by government policy. Reimbursement is provided for free school travel on the basis of percentage of the number of passes on issue in the current year. In the case of pensioners, the passenger pays for an all-day concession ticket ($1, $2 or $3) and the Government pays the balance of the full fare for all travel consumed. Other free and concessional travel is reimbursed on the basis of the Government paying the balance between the full fare applicable for each journey and the fare paid by the passenger.

(b) Community Service Obligations (CSO)

Reimbursements were received from NSW Government in accordance with the Government's social policy programs designed to promote the accessibility and availability of public transport services. CSO payments comprise Pricing CSO and Service Level CSO.

Pricing CSO – State Transit's fares are determined by the Independent Pricing and Regulatory Tribunal (IPART). In line with Government's social policy programs, State Transit's fares have historically been kept below the equivalent commercial fares charged by the private sector bus operators as set by the New South Wales Department of Transport. Consequently, State Transit is reimbursed the difference between the two sets of fares in form of a Pricing CSO.

Service Level CSO – Represents payment by NSW Government to cover the operation of a number of services provided by Sydney Ferries and Newcastle which are not commercially justifiable by normal industry benchmarks. No payments are received for operating these non-commercial services by Sydney Buses.

	Note	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
(v) Interest income					
Interest received or due and receivable comprises:					
Interest from Hour Glass facility (Unitized Investment)		913	693	913	693
Other Interest		75	70	64	37
Total interest income		988	763	977	730

	Note	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
(vi) Grants					
Grant for:					
Capital works*		10,912	-	10,912	-
Alternative Fuel Program**		4,599	-	4,599	-
Total grants		15,511	-	15,511	-

* This grant was received from the NSW Government as part of its commitment to integrated transport plan, Action for Transport 2010.

** This grant was received under the Federal Government's Alternative Fuel Conversion Program for compressed natural gas buses acquired under existing contracts.

	Note	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
(vii) Audit fee					
Audit fees payable to NSW Audit Office for the audit of annual financial statements		212	177	192	177
Total audit fees		212	177	192	177

Audit fees paid or payable to the Audit Office of NSW is for the audit of State Transit Authority and its controlled entities as disclosed in Note 17 of the financial report. No other payments were made to the Audit Office of NSW.

(viii) 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 including those set out in Note 17 was $114,395 (2000: $130,963). There were no other benefits paid to the members of the Board.

3. INCOME TAX

(i) Income tax expense

	Note	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
The prima facie tax on operating (loss)/profit differs from the income tax provided in the accounts as follows:					
(Loss)/profit from ordinary activities		(4,313)	699	(7,007)	3,393
Prima facie tax on operating (loss)/profit at 34% (2000 at 36%)		(1,467)	252	(2,382)	1,222
Tax effect of permanent and other differences (net)		(4,230)	910	(2,665)	710
(Offset of)/transferred to operating (loss)/profit		5,697	(1,162)	5,047	(1,932)
Income tax attributable to operating (loss)/profit		-	-	-	-

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

Future income tax benefits 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.

	Note	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
Balance not brought to account		41,793	41,091	41,153	41,033

The company tax rate has been reduced from 34% to 30% on 1 July 2001. Future income tax benefits have been restated to reflect the new rate. The effect of this restatement is a reduction in future income tax benefits of $5.572M.

	Note	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000

3. INCOME TAX (cont'd)

(iii) Future Income Tax Benefit (FITB)

A Future Income Tax Benefit of $6.274M comprising timing differences of $0.578M and the tax losses of $5.696M was not recognised in the financial statements. The benefits of these assets will only be derived if:

(a) the consolidated entity derives sufficient future assessable income to enable the benefits to be realised;

(b) the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation; and

(c) there is no adverse change in tax legislation affecting the consolidated entity in realising the benefit.

4. RECEIVABLES (CURRENT)

	Note	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
Trade Debtors		7,285	10,505	7,285	10,504
Less provision for doubtful debts		85	115	85	115
		7,200	10,390	7,200	10,389
Sundry Debtors		2,276	539	2,276	123
Less provision for doubtful debts		965	5	965	5
		1,311	534	1,311	118
Non-trade amounts owing by wholly-owned subsidiaries		-	-	-	9,972
Total receivables (current)		8,511	10,924	8,511	20,479

5. INVENTORIES

	Note	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
Mechanical and electrical spares		5,625	4,925	5,625	4,782
Distillate		1,238	1,964	1,238	1,921
Tyres and tubes		252	222	252	222
Other		520	449	520	449
Total inventories		7,635	7,560	7,635	7,374

6. OTHER ASSETS

	Note	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
Current					
Prepayments		1,621	4,389	1,621	4,159
Retirement benefits	12(i)	366	713	366	713
Other		2,469	1,151	2,469	1,151
Total current other assets		4,456	6,253	4,456	6,023
Non-current					
Other		1,052	1,529	1,052	1,529

7. OTHER FINANCIAL ASSETS

	Note	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
Investments carried at cost:					
Securities not listed on prescribed stock exchange:					
shares in subsidiaries		-	-	-	7,790
Total other financial assets		-	-	-	7,790

During the year shares held in fully owned subsidiaries as listed in Note 17 were realised. The difference between the carrying value of the investments and net distribution on liquidation was recognised in the statement of financial performance as an expense.

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2001

	Note	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
8. PROPERTY, PLANT AND EQUIPMENT					
Current					
Assets held for sale:					
Freehold commercial land	8(ii)	11,602	1,268	11,602	-
Buildings	8(ii)	1,517	172	1,517	-
Buses	8(ii)	2,110	-	2,110	-
Total current property, plant and equipment		15,229	1,440	15,229	-
Non-current					
Land, buildings and wharves					
Land					
Freehold operating land - at valuation	8(ii)	53,255	64,326	53,255	64,326
Freehold commercial land - at valuation	8(ii)	927	1,560	927	1,560
Total land		54,182	65,886	54,182	65,886
Buildings					
At valuation		49,577	51,555	49,577	51,555
Less accumulated depreciation		21,367	20,569	21,367	20,569
		28,210	30,986	28,210	30,986
At cost		995	472	995	472
Less accumulated depreciation		20	12	20	12
		975	460	975	460
Total buildings	8(ii)	29,185	31,446	29,185	31,446
Wharves					
At valuation		10,473	11,413	10,473	11,413
Less accumulated depreciation		9,499	10,132	9,499	10,132
		974	1,281	974	1,281
At cost		944	-	944	-
Less accumulated depreciation		43	-	43	-
		901	-	901	-
Total wharves	8(ii)	1,875	1,281	1,875	1,281
Total land, buildings and wharves		85,242	98,613	85,242	98,613
Plant and equipment					
At valuation		56,484	58,099	56,484	57,137
Less accumulated depreciation		46,977	42,507	46,977	42,432
		9,507	15,592	9,507	14,705
At cost		20,289	9,742	20,289	9,742
Less accumulated depreciation		3,908	2,702	3,908	2,702
		16,381	7,040	16,381	7,040
Total plant and equipment	8(ii)	25,888	22,632	25,888	21,745

	Note	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
8. PROPERTY, PLANT AND EQUIPMENT (cont'd)					
Buses					
Owned buses					
At valuation		369,865	394,273	369,865	371,941
Less accumulated depreciation		240,457	245,390	240,457	232,975
		129,408	148,883	129,408	138,966
At cost		95,068	56,463	95,068	56,463
Less accumulated depreciation		6,190	1,339	6,190	1,339
		88,878	55,124	88,878	55,124
Total owned buses	8(ii)	218,286	204,007	218,286	194,090
Leased buses					
At valuation		55,895	55,895	55,895	55,895
Less accumulated amortisation		45,783	43,472	45,783	43,472
Total leased buses	8(ii)	10,112	12,423	10,112	12,423
Total buses		228,398	216,430	228,398	206,513
Motor vehicles (other than buses)					
At valuation		573	664	573	652
Less accumulated depreciation		498	529	498	528
		75	135	75	124
At cost		64	28	64	28
Less accumulated depreciation		14	8	14	8
		50	20	50	20
Total motor vehicles	8(ii)	125	155	125	144
Ferries					
Owned ferries					
At valuation		98,200	98,200	98,200	98,200
Less accumulated depreciation		73,514	69,558	73,514	69,558
		24,686	28,642	24,686	28,642
At cost		20,095	-	20,095	-
Less accumulated depreciation		825	-	825	-
		19,270	-	19,270	-
Total owned ferries	8(ii)	43,956	28,642	43,956	28,642
Leased ferries					
At valuation		24,500	24,500	24,500	24,500
Less accumulated amortisation		21,657	21,386	21,657	21,386
Total leased ferries	8(ii)	2,843	3,114	2,843	3,114
Total ferries		46,799	31,756	46,799	31,756
Work in progress (at cost)	8(ii)	6,307	17,500	6,307	17,500
Total property, plant and equipment		392,759	387,086	392,759	376,271

8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(i) Valuations

(a) Property, plant and equipment were revalued in accordance with the basis of valuation set out in Note 1(g)(i).

(b) The following non-current assets were independently valued by registered valuers:

Class of assets	Date of valuation	Registered Valuers
Freehold commercial land and buildings	30 June 1999	Edward Rushton Australia Pty Ltd.
Operating land and buildings	30 June 1999	Edward Rushton Australia Pty Ltd.
Wharves	30 June 1999	Edward Rushton Australia Pty Ltd.
Wharf improvements	30 June 1999	Edward Rushton Australia Pty Ltd.
Ferries	30 June 1999	Rodney Hyman Asset Services Pty Ltd.

(c) Plant and equipment, buses and motor vehicles were valued as at 30 June 1999 by the Board.

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

(d) Major items of works in progress include buses $3.995`M and computer systems $0.444M.

	Note	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
(ii) Reconciliations of the 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:					
Freehold operating land					
Opening balance		64,326	60,294	64,326	60,294
Additions		-	7,540	-	6,272
Disposals		(25)	(2,240)	(25)	(2,240)
Transfer to other asset type		(59)	-	(59)	-
Transfer to commercial land		(10,987)	(1,268)	(10,987)	-
Closing balance		53,255	64,326	53,255	64,326
Freehold commercial land					
Opening balance		1,560	15,660	1,560	15,660
Additions		-	20,000	-	20,000
Transfer from operating land		10,987	1,268	10,987	-
Disposals		(18)	(34,100)	(18)	(34,100)
Transfer to assets held for sales		(11,602)	(1,268)	(11,602)	-
Closing balance		927	1,560	927	1,560
Buildings					
Opening balance		31,446	31,335	31,446	31,335
Additions		523	1,846	523	1,674
Transfer from other asset class		119	-	119	-
Disposals		(69)	(289)	(69)	(289)
Depreciation		(1,317)	(1,274)	(1,317)	(1,274)
Transfer to assets held for sale		(1,517)	(172)	(1,517)	-
Closing balance		29,185	31,446	29,185	31,446

	Note	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
8. PROPERTY, PLANT AND EQUIPMENT (cont'd)					
(ii) Reconciliations of the carrying amounts (cont'd)					
Wharves					
Opening balance		1,281	1,827	1,281	1,827
Additions		944	-	944	-
Disposals		-	(1)	-	(1)
Depreciation		(350)	(545)	(350)	(545)
Closing balance		1,875	1,281	1,875	1,281
Plant and equipment					
Opening balance		22,632	18,047	21,745	18,047
Additions		10,561	10,634	9,737	9,672
Transfer from subsidiaries		-	-	1,356	-
Transfer to buildings		(59)	-	(59)	-
Disposals		(160)	(285)	(52)	(285)
Depreciation		(7,086)	(5,764)	(6,839)	(5,689)
Closing balance		25,888	22,632	25,888	21,745
Buses					
Owned buses					
Opening balance		204,007	153,047	194,090	153,047
Additions		38,603	67,462	38,611	56,465
Transfer from leased buses		-	945	-	945
Transfer from subsidiaries		-	-	6,814	-
Transfer to assets held for sale		(2,110)	-	(2,110)	-
Disposals		(2,717)	(1,275)	(270)	(396)
Depreciation		(19,497)	(16,172)	(18,849)	(15,971)
Closing balance		218,286	204,007	218,286	194,090
Leased buses					
Opening balance		12,423	15,683	12,423	15,683
Transfer to owned buses		-	(945)	-	(945)
Amortisation		(2,311)	(2,315)	(2,311)	(2,315)
Closing balance		10,112	12,423	10,112	12,423
Motor vehicles (other than buses)					
Opening balance		155	218	144	218
Additions		35	39	36	28
Transfer from subsidiaries		-	-	10	-
Disposals		(27)	(53)	(27)	(53)
Depreciation		(38)	(49)	(38)	(49)
Closing balance		125	155	125	144

	Note	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
8. PROPERTY, PLANT AND EQUIPMENT (cont'd)					
(ii) Reconciliations of the carrying amounts (cont'd)					
Ferries					
Owned ferries					
Opening balance		28,642	32,833	28,642	32,833
Additions		20,095	-	20,095	-
Depreciation		(4,781)	(4,191)	(4,781)	(4,191)
Closing balance		43,956	28,642	43,956	28,642
Leased ferries					
Opening balance		3,114	4,037	3,114	4,037
Amortisation		(271)	(923)	(271)	(923)
Closing balance		2,843	3,114	2,843	3,114
Work in progress					
Opening balance		17,500	14,576	17,500	14,576
Additions		59,401	72,096	59,401	72,096
Capitalisations		(69,960)	(67,170)	(69,960)	(67,170)
Transferred to expense		(634)	(2,002)	(634)	(2,002)
Closing balance		6,307	17,500	6,307	17,500

(iii) As at balance date, the gross value of fully depreciated non current assets was $146.338M, mainly made up of passenger buses, computer software and hardware.

9. INTANGIBLES

	Note	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
Service contract rights		9,355	9,355	6,722	6,722
Transfer from subsidiaries		-	-	2,633	-
		9,355	9,355	9,355	6,722
Less accumulated amortisation		4,367	1,438	4,367	936
Total intangibles		4,988	7,917	4,988	5,786

10. PAYABLES

	Note	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
Trade creditors	10(i)	12,873	13,572	12,873	13,572
Other creditors and accruals		24,077	22,222	24,077	21,724
Goods and services tax		1,315	-	1,315	-
Total payables		38,265	35,794	38,265	35,296

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

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	Note	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
11. INTEREST BEARING LIABILITIES					
Current					
Borrowings – unsecured		4,800	-	4,800	-
Finance lease		2,167	2,076	2,167	2,076
Total current		6,967	2,076	6,967	2,076
Non-current					
Borrowings secured by NSW Government guarantee		100,945	101,128	100,945	101,128
Finance lease		17,727	19,894	17,727	19,894
Total non-current		118,672	121,022	118,672	121,022
12. PROVISIONS					
Current					
Employee leave entitlements		23,902	21,764	23,902	21,764
Workers' compensation		6,672	6,333	6,672	6,333
Public risk		915	960	915	960
Others		2,363	4,313	2,363	4,313
Total current		33,852	33,370	33,852	33,370
Non-current					
Employee leave entitlements		29,847	28,224	29,847	28,224
Retirement benefits		37,441	33,133	37,441	33,133
Workers' compensation		18,150	18,758	18,150	18,758
Public risk		140	140	140	140
Others		3,936	3,115	3,936	3,115
Total non-current		89,514	83,370	89,514	83,370

(i) Retirement benefits

The defined benefits schemes relating to employees of 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 administered by the Superannuation Administration Corporation. The liability for employees' retirement benefits under each scheme was determined by the Corporation's actuary, based on the full requirements of AAS25 as at 30 June 2001.

The financial assumptions that have been applied for the calculation are:

	2001-2002 % pa	2002-2003 % pa	2003-2004 % pa
Rate of investment return	7.0	7.0	7.0
Rate of salary increase	3.0	6.5	4.0
Rate of increase in Consumer Price Index	2.5	2.5	2.5

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2001

12. PROVISIONS (cont'd)

(i) Retirement Benefits (cont'd)

The assessed liability as at 30 June 2001 and funds held in Reserve Account with the Superannuation Administration Corporation are as follows:

	SASS $ 000	SANC $ 000	SSS $ 000	Total $ 000
Gross liability	134,484	19,777	4,690	158,951
Less investment reserve balance	103,891	12,929	5,056	121,876
Unfunded liability/(prepaid contributions)*	30,593	6,848	(366)	37,075

* Prepaid superannuation contributions are recognised as an asset.

	Note	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
Non-current liability					
Retirement benefits		37,441	33,133	37,441	33,133
(ii) Components of retirement benefit expenditure:					
Increase in balance of provision*		19,992	4,285	19,992	4,285
Interest received		(4,990)	(11,998)	(4,990)	(11,998)
Superannuation guarantee charge		8,810	6,455	8,810	6,387
Tax expense - 2000		-	2,685	-	2,685
Tax expense - 2001		3,080	-	3,080	-
Expenditure for the year		26,892	1,427	26,892	1,359

*Calculation of 30 June 2001 retirement benefit liability is based on actuarial assumptions stated in 12(i) above, revised from assumptions used in previous years.

13. OTHER LIABILITIES

	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
Current				
Deferred revenue	339	645	339	645
Revenue received in advance	9,605	11,496	9,605	11,496
Gain on foreign exchange contracts	1,316	1,058	1,316	1,058
Total current	11,260	13,199	11,260	13,199
Non-current				
Deferred revenue	1,106	1,280	1,106	1,280
Total non-current	1,106	1,280	1,106	1,280

14. RESERVES

	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
Asset revaluation reserve:				
Opening balance	76,723	91,819	76,723	91,819
Realised increment on property, plant and equipment sold during the year transferred to retained profits	(396)	(15,096)	(396)	(15,096)
Closing balance	76,327	76,723	76,327	76,723

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	Note	Consolidated 2001 $000	Consolidated 2000 $000	State Transit 2001 $000	State Transit 2000 $000
15. RETAINED PROFITS					
Retained profits at the beginning of the financial year		67,288	51,493	69,982	51,493
Transfer from reserves		396	15,096	396	15,096
Net (loss)/profit for the year		(4,313)	699	(7,007)	3,393
Retained profits at the end of financial year		63,371	67,288	63,371	69,982
16. COMMITMENTS					
(i) Interest bearing borrowings					
Payable:					
Not later than 1 year		4,800	-	4,800	-
Later than 1 year and not later than 5 years		71,384	80,018	71,384	80,018
Later than 5 years		29,561	21,110	29,561	21,110
Total borrowings		105,745	101,128	105,745	101,128
Current liability		4,800	-	4,800	-
Non-current liability		100,945	101,128	100,945	101,128
		105,745	101,128	105,745	101,128
(ii) Finance lease commitments					
Payable :					
Not later than 1 year		2,550	3,012	2,550	3,012
Later than 1 year and not later than 5 years		19,561	21,506	19,561	21,506
		22,111	24,518	22,111	24,518
Less future finance charges		2,217	2,548	2,217	2,548
Total lease liability		19,894	21,970	19,894	21,970
Current liability		2,167	2,076	2,167	2,076
Non-current liability		17,727	19,894	17,727	19,894
		19,894	21,970	19,894	21,970
(iii) Operating lease commitments					
Payable:					
Not later than 1 year		2,179	2,507	2,179	2,507
Later than 1 year and not later than 5 years		3,873	6,127	3,873	6,127
Later than 5 years		37,329	44,490	37,329	44,490
Total operating lease commitments		43,381	53,124	43,381	53,124
(iv) Capital expenditure commitments					
Payable:					
Not later than 1 year		46,066	45,065	46,066	45,065
Later than 1 year and not later than 5 years		9,796	47,523	9,796	47,523
Total capital expenditure commitments		55,862	92,588	55,862	92,588

These capital expenditure commitments relate primarily to contracts for the purchase of buses.

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17. CONTROLLED ENTITIES

The consolidated financial statements at 30 June 2001 include the following controlled entities. The financial years of all controlled entities are the same as that of the parent entity.

Name of controlled entity	Place of incorporation/ formation	% of shares/units held 2001	2000
ACN 090 845 097 Pty Limited (in liquidation)	Australia	100%	100%
North & Western Coaches Pty Limited (in liquidation)	Australia	100%	100%
Riverside Bus & Coach Services Pty Limited (in liquidation)	Australia	100%	100%
Riverside Bus & Coach Services Unit Trust (terminated)	Australia	100%	100%

State Transit Authority acquired these subsidiaries during 1999/2000 financial year for the purpose of effecting Government policy to extend its services to the North Western suburbs of Sydney.

State Transit's intention was to rationalise the business operations of the group upon acquisition by transferring the assets and liabilities from the subsidiaries to State Transit. The carrying value of assets and liabilities for each subsidiary was transferred on 31 May 2001.

On 29 June 2001, the subsidiaries were placed into voluntary liquidation. Consequently, State Transit recognised a net write down in the carrying value of its investment in subsidiaries of $2.807M following the distribution of capital totalling $4.983M from the subsidiaries to State Transit. In addition, State Transit forgave debt in its subsidiaries totalling $3.184M. Services formerly provided by the subsidiaries are now part of State Transit's integrated services.

The principal activity of the wholly owned group was the provision of public transport.

18. RELATED PARTY DISCLOSURES

(i) Transactions with related parties in wholly owned group

During the year State Transit Authority entered into the following transactions with the subsidiaries:

- loans were advanced and repayments received on short term inter company accounts; and
- management fees were received from subsidiaries

(ii) Accounts due and receivable from the wholly owned group

- these amounts are set out in the respective notes

(iii) Ultimate controlling entity

The ultimate controlling entity of the company is the State Transit Authority of New South Wales.

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2001

19. FINANCIAL INSTRUMENTS

(i) Interest rate risk

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

	Floating Interest rate $000	Fixed interest rate maturing in: 1 year or less $000	Fixed interest rate maturing in: Over 1 to 5 years $000	Fixed interest rate maturing in: More than 5 years $000	Non-Interest bearing $000	Total Carrying amount $000	Weighted average effective interest rate Floating %	Weighted average effective interest rate Fixed %
2001								
Financial Assets								
Cash	2,666	-	-	-	2,038	4,704	6.07	-
Receivables – Trade	-	-	-	-	8,511	8,511	N/A	N/A
Currency:								
Options	-	-	-	-	988	988	N/A	N/A
Total financial assets	2,666	-	-	-	11,537	14,203		
Financial Liabilities								
Trade creditors & accruals	-	-	-	-	38,265	38,265	N/A	N/A
Borrowings	4,800	-	83,599	17,346	-	105,745	5.10	7.70
Finance lease	19,894	-	-	-	-	19,894	3.72	-
Total financial liabilities	24,694	-	83,599	17,346	38,265	163,904		
2000								
Financial Assets								
Cash	8,899	-	-	-	2,515	11,414	6.68	-
Receivables – Trade	-	-	-	-	10,924	10,924	N/A	N/A
Currency:								
Options	-	-	-	-	642	642	N/A	N/A
Total financial assets	8,899	-	-	-	14,081	22,980		
Financial Liabilities								
Trade creditors & accruals	-	-	-	-	35,794	35,794	N/A	N/A
Borrowings	-	-	87,882	13,246	-	101,128	4.09	7.70
Finance lease	21,970	-	-	-	-	21,970	5.78	-
Total financial liabilities	21,970	-	87,882	13,246	35,794	158,892		

19. FINANCIAL INSTRUMENTS (cont'd)

(ii) Net fair values

The aggregate net fair values of financial assets and liabilities, both recognised and unrecognised, at balance date are as follows:

	Total carrying amount		Aggregate net fair value	
	2001 $000	**2000 $000**	**2001 $000**	**2000 $000**
Financial Assets				
Cash	4,704	11,414	4,704	11,414
Receivables – Trade	8,511	10,924	8,511	10,924
Currency:				
Options	988	642	1,577	532
Swaps	-	-	-	635
Commodity:				
Options	-	-	742	545
Swaps	-	-	1,512	734
Total financial assets	14,203	22,980	17,046	24,784
Financial Liabilities				
Trade creditors & accruals	38,265	35,794	38,265	35,794
Borrowings	105,745	101,128	106,653	103,363
Finance lease	19,894	21,970	20,309	21,309
Total financial liabilities	163,904	158,892	165,227	160,466

(iii) Credit risk exposures

The credit risk exposures at balance date represents the extent of credit related losses in relation to derivative financial instruments.

Credit related losses arise from the non-performance of counter parties to meet the obligations under the derivative financial instruments. It is not expected any counter parties to fail to meet their obligations given State Transit Authority's credit rating policy criteria.

The following tables summarise the credit exposures on derivative financial instruments held at balance date.

(a) Currency contracts

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

Currency options in United States dollars are undertaken to reduce the risk of unfavourable fuel price movements. The contracts expire monthly over the period from July 2001 to December 2003.

	2001		2000	
Financial Instruments	**Face Value $000**	**Market Value $000**	**Face Value $000**	**Market Value $000**
Forward Exchange Contracts:				
Not later than 1 year	-	-	27,581	27,291

19. FINANCIAL INSTRUMENTS (cont'd)

(a) Currency contracts (cont'd)

Financial Instruments	2001 Net Fair Value $000	2000 Net Fair Value $000
Currency options:		
Not later than 1 year	957	297
Later than 1 year but not later than 2 years	462	188
Later than 2 years but not later than 3 years	158	47
	1,577	532
Currency swaps:		
Not later than 1 year	-	635

(b) Commodity contracts

Tapis Crude Oil and Gasoil denominated in United States dollars are undertaken to reduce the risk of unfavourable fuel price movements. The contracts expire monthly over the period from July 2001 to December 2003.

The following table sets out the financial instruments held at balance date:

Commodity swaps:		
Not later than 1 year	1,220	289
Later than 1 year but not later than 2 years	530	217
Later than 2 years but not later than 3 years	(238)	228
	1,512	734
Commodity options:		
Not later than 1 year	659	198
Later than 1 year but not later than 2 years	83	347
	742	545

20. SEGMENT INFORMATION

	Notes	Sydney Buses $000	Newcastle Services $000	Sydney Ferries $000	Business Support $000	State Transit Authority $000
2001						
Operating revenue from outside the consolidated entity:						
Passenger Revenue		207,537	6,257	41,694	-	255,488
Reimbursement for:						
Concessional travel		113,234	16,071	8,368	-	137,673
Community service obligations		32,874	4,444	18,685	-	56,003
Interest		-	-	-	988	988
Other		19,284	491	11,421	1665	32,861
Total revenue		372,929	27,263	80,168	2,653	483,013
Segment result	20(i)	(5,118)	(7,701)	6,067	2,439	(4,313)
Segment assets		326,360	19,673	73,389	19,912	439,334
2000						
Operating revenue from outside the consolidated entity:						
Passenger Revenue		181,825	6,448	37,154	-	225,427
Reimbursement for:						
Concessional travel		105,904	15,605	7,900	-	129,409
Community service obligations		29,545	4,028	16,650	-	50,223
Interest		-	-	-	763	763
Other		13,943	606	482	41,153	56,184
Total revenue		331,217	26,687	62,186	41,916	462,006
Segment result	20(ii)	15,434	(4,114)	(8,281)	(2,340)	699
Segment assets		329,741	22,291	61,579	20,511	434,122

The segment results for Sydney bus and ferry services in 2000/01 show significant variation from last year for two major reasons:

(i) The result for Sydney ferry services in 2000/01 included a grant of $10.9M under the New South Wales Government's Action for Transport 2010 program.

(ii) The result for Sydney bus services in 1999/00 included a decrease in superannuation expense of $16.7M resulting from a triennial review of the gross superannuation liability as at 30 June 2000.

21. CONTINGENT LIABILITIES

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

END OF AUDITED FINANCIAL STATEMENTS.

PAUL DUNN
GENERAL MANAGER, FINANCE & BUSINESS SERVICES | SYDNEY

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Statement by Members of the Board

FOR THE YEAR ENDED 30 JUNE 2001

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 and its subsidiaries 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 and its subsidiaries as at 30 June 2001; and
2. The financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2000 and the Treasurer's Directions.

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

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

David Herlihy
CHAIRMAN

John Stott PSM
CHIEF EXECUTIVE

SYDNEY | 27 September 2001

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Independent Audit Report

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

To Members of the New South Wales Parliament and Members of the Board of the State Transit Authority of New South Wales

Scope

I have audited the accounts of the State Transit Authority of New South Wales for the year ended 30 June 2001. The financial report includes the consolidated financial statements of the consolidated entity comprising the Authority and the entities it controlled at the year's end or from time to time during the financial year. The members of the Board of the Authority are responsible for the financial report consisting of the accompanying statements of financial position, statements of financial performance and statements of cash flows, together with the notes thereto and the information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament and members of the Board of the Authority based on my audit as required by sections 34 and 41C(1) of the *Public Finance and Audit Act 1983* (the Act).

My audit has been conducted in accordance with the provisions of the Act and Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the requirements of the Act, Accounting Standards and other mandatory professional reporting requirements, in Australia, so as to present a view which is consistent with my understanding of the Authority's and the consolidated entity's financial position, the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report of the State Transit Authority of New South Wales complies with section 41B of the Act and presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of the Authority and the consolidated entity as at 30 June 2001 and the results of their operations and their cash flows for the year then ended.

A T Whitfield FCA

DEPUTY AUDITOR-GENERAL

SYDNEY | 27 September 2001

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North & Western Coaches Pty Limited

ACN 001 527 528 (IN LIQUIDATION)

Financial Statements

FOR THE YEAR ENDED 30 JUNE 2001

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Directors' Report

NORTH AND WESTERN COACHES PTY LIMITED (In Liquidation)

The Board of Directors of North & Western Coaches Pty Limited have pleasure in submitting its report in respect of the financial year ended 30 June 2001.

Directors

The name and details of the Directors in office during or since the end of the financial year are:

Director	Qualifications and experience	Period of directorship
David James Herlihy	Chairman - State Transit Authority of NSW	13/12/99 to date
John Douglas Stott PSM	Chief Executive - State Transit Authority of NSW	13/12/99 to date

Principal activities

The principal activity of the company during the financial year was the provision of public transport.

The company was placed in liquidation on 29 June 2001 and is no longer trading as a going concern.

Significant changes in the state of affairs

On 31 May 2001, the Directors resolved to transfer the assets and liabilities of the company to its parent entity, State Transit Authority of New South Wales, as a result of which the business ceased to operate.

Results

The net loss after providing for income tax amounted to $665,993 (2000: $2,217,363 loss).

Distribution on Liquidation

The winding up of the company has resulted in the following distribution:

Distribution Type	$
Issued capital	2
Net assets realised	4,983,105
Total distribution	**4,983,107**

Directors' meetings

The number of meetings of the Board of Directors held during the year were:

Director	Number of meetings held while a Director	Number of meetings attended
David James Herlihy	4	4
John Douglas Stott PSM	4	4

Directors' benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the director or with a firm of which the director is a member or a company in which the director has a substantial financial interest.

Indemnifying officer

During or since the financial year, the company has not in respect of any person who is or has been an officer of the company:

(a) Indemnified or made any relevant agreement for indemnifying any person against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or

(b) Paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses of defending legal proceedings.

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

David James Herlihy
DIRECTOR

John Douglas Stott PSM
DIRECTOR

Sydney | 27 September 2001

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Statement of Financial Performance

FOR THE YEAR ENDED 30 JUNE 2001

NORTH AND WESTERN COACHES PTY LIMITED (In Liquidation)

	Note	2001 $	2000 $
Revenue from ordinary activities	2(i)	9,531,303	9,640,486
Expenses from ordinary activities	2(ii)	10,197,296	11,270,321
Borrowing costs	2(iii)	-	587,528
Loss from ordinary activities before income tax		**(665,993)**	**(2,217,363)**
Income tax relating to ordinary activities	3	-	-
Loss from ordinary activities after income tax		**(665,993)**	**(2,217,363)**
Increase/(Decrease) in asset revaluation reserve	11(ii)	(4,819,090)	4,819,090
Total adjustments recognised directly in equity		**(4,819,090)**	**4,819,090**
Total changes in equity other than those resulting from transactions with owners as owners		**4,153,097**	**(7,036,453)**

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

Statement of Financial Position

AS AT 30 JUNE 2001

NORTH AND WESTERN COACHES PTY LIMITED (In Liquidation)

	Note	2001 $	2000 $
CURRENT ASSETS			
Cash		-	323,862
Receivables	4	-	342,943
Inventories	5	-	185,983
Other	6	-	230,345
TOTAL CURRENT ASSETS		**-**	**1,083,133**
NON-CURRENT ASSETS			
Property, plant and equipment	7	-	8,586,946
TOTAL NON-CURRENT ASSETS		**-**	**8,586,946**
TOTAL ASSETS		**-**	**9,670,079**
CURRENT LIABILITIES			
Payables	8	-	3,559,552
Other	9	-	461,427
TOTAL CURRENT LIABILITIES		**-**	**4,020,979**
TOTAL LIABILITIES		**-**	**4,020,979**
NET ASSETS		**-**	**5,649,100**
EQUITY			
Contributed equity	10	-	2
Reserves	11	-	5,004,252
Retained profits	11	-	644,846
TOTAL EQUITY		**-**	**5,649,100**

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

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2001

NORTH AND WESTERN COACHES PTY LIMITED (In Liquidation)

	Note	2001 $ Inflows (Outflows)	2000 $ Inflows (Outflows)
Cash flows from operating activities:			
Passenger revenue:			
Fares, charters and tourists services		3,842,972	4,765,969
Reimbursement for:			
free travel by school students	2(vi)(a)	1,754,788	3,350,015
concessional travel	2(vi)(a)	2,543,845	659,760
community service obligations	2(vi)(b)	471,829	-
Total passenger revenue		8,613,434	8,775,744
Income tax (paid)/refund		12,950	(179,899)
Other income		330,010	102,575
Interest received		10,062	41,967
Payments to suppliers & employees		(7,974,366)	(9,127,416)
Interest and other finance costs		-	(590,605)
Net cash provided by/ (used in) operating activities	**(i)**	**992,090**	**(977,634)**
Cash flows from investing activities:			
Payments for property, plant and equipment		(799,951)	(157,038)
Proceeds from sale of property, plant and equipment		627,100	853,000
Net cash (used in)/ provided by investing activities		**(172,851)**	**695,962**
Cash flows from financing activities:			
Loan from parent entity		-	3,522,096
Repayment of loan by parent entity		3,840,004	-
Distribution of net assets realised		(4,983,105)	-
Repayment of loan to parent entity		-	(1,253,300)
Repayment of finance lease principal		-	(3,973,433)
Payments of loans by parent entity		-	1,702,440
Net cash used in financing activities		**(1,143,101)**	**(2,197)**
Net decrease in cash held		**(323,862)**	**(283,869)**
Cash held at beginning of the financial year		323,862	607,731
Cash at the end of the financial year	**(ii)**	**-**	**323,862**

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

Notes to the Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2001

NORTH AND WESTERN COACHES PTY LIMITED (In Liquidation)

		2001 $	2000 $
(i)	**Reconciliation of Net loss after tax to net cash provided by operating activities:**		
	Net loss after income tax	(665,993)	(2,217,363)
	Adjustments to reconcile net operating result to net cash provided by operating activities:		
	Depreciation and amortisation	814,862	984,393
	Net loss on sale of non-current assets	568,832	885,087
	Equipment write-off	14,000	-
	Changes in assets and liabilities:		
	(Increase)/Decrease in inventory	185,983	(10,248)
	(Increase)/Decrease in other liabilities	(498,882)	389,432
	(Increase)/Decrease in other assets	230,345	(16,977)
	(Increase)/Decrease in receivables	342,943	(269,583)
	Increase/(Decrease) in trade creditors	-	(233,744)
	Increase/(Decrease) in provision for income tax	-	(177,883)
	Increase/(Decrease) in provision for employee entitlement	-	(310,748)
	Net cash provided by operating activities	**992,090**	**(977,634)**

(ii) Reconciliation of cash

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

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:

	2001 $	2000 $
Cash at bank	-	323,862
Total cash	**-**	**323,862**

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

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Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2001

NORTH AND WESTERN COACHES PTY LIMITED (In Liquidation)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared as a general purpose financial report which complies with the requirements of the Corporations Act 2001, Public Finance and Audit Act 1983, 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.

The financial statements have been prepared on a liquidation basis following the resolution of the board of directors to liquidate the company. All assets have been disclosed at their realisable amount and liabilities have been provided in full.

The accounting policies adopted are consistent with those of the previous year except as noted below.

The financial statements have adopted the presentation and disclosure requirements of Accounting Standards AASB 1018 "Statement of Financial Performance", AASB 1034 "Financial Report Presentation and Disclosure" and AASB 1040 "Statement of Financial Position" for the first time. In accordance with the requirements of these Standards, comparative amounts have been reclassified in order to comply with the new presentation format. The reclassification of comparative amounts has not resulted in a change to the aggregate amounts of current assets, non-current assets, current liabilities, non-current liabilities or equity, or the net profit/loss of the company as reported in the prior year financial statements.

(b) Cash

Cash is carried at principal amount and is subject to an insignificant risk of changes in value. Cash includes cash on hand and at bank

(c) Revenue Recognition

Revenue is recognised when a service is rendered and the associated income can be reliably measured.

Government contributions and social program revenues are recognised when control of the cash or the asset (or the right to receive it) is gained.

Interest is recognised as it accrues.

(d) Receivables

Trade debtors are recognised at nominal amounts due, less any provision for doubtful debts.

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.

A provision for doubtful debts is recognised when the collection of the full nominal amount is no longer probable. Bad debts are written off when they are determined to be irrecoverable. The carrying amount approximates fair value.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value.

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

(f) Property, Plant and Equipment

The following policies apply to property, plant and equipment:

(i) Basis of Valuation

In accordance with NSW Treasury policy; North & Western Bus & Coach Services Pty Ltd has applied AAS38 "Revaluation of Non-Current Assets" transitional provisions for the public sector and has elected to apply the same revaluation basis as the preceding reporting period, while the relationship between fair value and the existing valuation basis in the NSW public sector is further examined. It is expected, however, that in most instances the current valuation methodology will approximate fair value. Property, plant and equipment are stated at current cost in accordance with a policy of regular revaluation under which all property, plant and equipment is revalued at least once every five years.

In applying the current cost basis of valuation, all property, plant and equipment, except freehold land and works in progress, are valued at estimated written down replacement cost of the most appropriate modern equivalent replacement facility having a similar service potential to the existing asset. Written down replacement cost is based on the ratio of remaining useful life to total useful life to the entity, except for buses where the ratio of remaining service potential to total service potential has been applied.

Freehold commercial land is valued at market selling value and freehold operating land is valued at market value for the existing use. These land values, and the written down replacement values of buildings, are determined by independent valuation. Works in progress are stated at cost.

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

Conversely, where assets are revalued to market value, and not by reference to current prices for assets newer than those being revalued, any balances of accumulated depreciation existing at revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are increased or decreased by the revaluation increments or decrements.

Where the current cost valuation of total non-current assets exceeds the total recoverable amount, the assets are revalued to their recoverable amount. Recoverable amount is determined by the net present value of the cash flows expected to be generated from the continued use and eventual disposal of the assets. The expected net cash flows are discounted to present value using the real weighted average cost of capital (after tax).

Revaluation increments are credited directly to the asset revaluation reserve, unless they are reversing a previous decrement charged to the statement of financial performance, in which case the increment is credited to the statement of financial performance.

Revaluation decrements are debited directly to the statement of financial performance, unless they are reversing a previous increment credited to the asset revaluation reserve account, in which case the decrement is debited to the asset revaluation reserve.

Where assets have been revalued, the potential effect of the capital gains tax on disposal has not been taken into account in the determination of the revalued carrying amount.

(ii) Depreciation

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

	Life	Method
Plant and equipment	3 to 20 years	Straight Line
Buses	20 years	In line with the pattern of expiry of service potential

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

(f) Property, Plant and Equipment (cont'd)

(iii) Capitalisation Policy

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

(g) Payables

These amounts represent liabilities for goods and services acquired prior to the end of the financial year and which are unpaid, whether billed or not. The amounts are unsecured and are usually paid within 30 days of recognition. The carrying amount approximates fair value.

(h) 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.

(i) Insurance

Appropriate insurances are purchased to cover the liability, physical damage, business interruption, and other exposures arising out of normal business operations. Financial responsibilities for minor and predictable losses, which are not cost effective to insure, are retained.

(j) Income Tax

Tax effect accounting is adopted whereby the income tax expense in the statement of financial performance is matched with the accounting profit after allowing for permanent differences. The future income tax benefit relating to tax losses is not carried forward as an asset unless the benefit is virtually certain of realisation. Income tax on cumulative timing differences is set aside 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.

(k) Recoverable Amounts of Non-Current Assets

Non-Current assets are not carried at an amount above their recoverable amount, and where carrying values exceed this recoverable amount assets are written down. Recoverable amount is determined using net cash flows discounted at 4.7% to present value.

(l) Borrowings

(i) Inter-Entity Loans

The company has borrowed funds from the parent entity. These funds are unsecured and repayable at call. No interest is charged on these borrowings.

(ii) Borrowing costs

Borrowing costs were recognised as expenses in the period in which they were incurred and include:

- interest on bank overdrafts and short term and long term borrowing;
- amortisation of discounts or premiums relating to borrowings; and
- finance lease charges

(m) Comparatives

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

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	Note	2001 $	2000 $
2. REVENUE AND EXPENDITURE			
(i) Revenue from ordinary activities			
Passenger revenue:			
Fares, charters and tourists services		3,845,570	4,716,905
Reimbursement for:			
free travel by school students	2(vi)(a)	2,029,478	2,937,278
concessional travel by:			
pensioners	2(vi)(a)	1,656,354	936,350
other community groups	2(vi)(a)	610,900	-
community service obligations:			
pricing	2(vi)(b)	471,829	-
Total passenger revenue		8,614,131	8,590,533
Interest from third parties		10,062	44,379
Advertising		275,881	99,183
Management fees		-	25,914
Gross proceeds from sale of non current assets		627,100	853,000
Other		4,129	27,477
Total revenue from ordinary activities		9,531,303	9,640,486
(ii) Expenditure from ordinary activities			
Wages and salaries		-	4,915,377
Provision for employee entitlements:			
annual leave		-	81,745
long service leave		-	76,236
Superannuation		-	125,665
Workers' compensation		-	159,659
Payroll tax		-	284,052
Fuel and fleet maintenance		-	1,652,729
General operating expenses		(16,192)	1,360,671
Depreciation		814,862	333,051
Amortisation of non-current assets		-	651,342
Fixed assets sold or written off		1,209,932	1,629,794
Management fees	2(iv)	8,188,694	-
Total expenses from ordinary activities		10,197,296	11,270,321
(iii) Borrowing Costs			
Interest paid or payable to:			
Interest paid to third parties		-	603
Finance lease		-	586,925
Total borrowing costs		-	587,528

	Note	2001 $	2000 $

2. REVENUE AND EXPENDITURE (cont'd)

(iv) Management fees paid to parent entity

During the year the company entered into an arrangement with the parent entity to manage and to provide operational, maintenance and administrative services on a cost recovery basis.

(v) Audit fee

	Note	2001 $	2000 $
Audit fees paid or payable to NSW Audit Office for the audit of annual financial statements		17,000	-

(vi) New South Wales Government reimbursements

(a) Free & Concessional Travel

Free and concessional travel is provided to a range of community groups. The extent to which these groups are entitled to free and concessional travel is determined by government policy. Reimbursement is provided for free school travel on the basis of percentage of the number of passes on issue in the current year. In the case of pensioners, the passenger pays for an all-day concession ticket ($1, $2 or $3) and the Government pays the balance of the full fare for all travel consumed. Other free and concessional travel is reimbursed on the basis of the Government paying the balance between the full fare applicable for each journey and the fare paid by the passenger.

(b) Community Service Obligations (CSO)

Reimbursements were received from NSW Government in accordance with the Government's social policy programs designed to promote the accessibility and availability of public transport services. CSO payments comprise Pricing CSO and Service Level CSO.

Pricing CSO – Fares charged by the company are in line with State Transit Authority of New South Wales (ultimate parent entity) fare scale as determined by the Independent Pricing and Regulatory Tribunal (IPART). Since the take over of the company by State Transit, fares have been kept below the equivalent commercial fares charged by the private sector bus operators as set by the New South Wales Department of Transport. Consequently, the company is reimbursed the difference between the two sets of fares in form of a Pricing CSO.

3. INCOME TAX

(i) Income tax expense

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

	Note	2001 $	2000 $
Loss from ordinary activities		(665,993)	(2,217,363)
Prima facie tax on operating loss at 34% (2000 at 36%)		(226,437)	(798,251)
Tax effect of permanent and other differences (net)		259,731	(138)
Transfer (from)/to FITB		(33,294)	798,389
Income tax attributable to operating loss		-	-

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

	Note	2001 $	2000 $
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		22,290	51,667

The company tax rate has been reduced from 34% to 30% on 1 July 2001. Future income tax benefits have been restated to reflect the new rate. The effect of this restatement is a reduction in future income tax benefits of $3,917.

	Note	2001 $	2000 $
4. RECEIVABLES			
Current			
Trade Debtors		-	990
Sundry Debtors		-	341,953
Total receivables		-	342,943
5. INVENTORIES			
Current			
Fuel, parts, spares and tyres – at cost		-	185,983
Total inventories		-	185,983
6. OTHER ASSETS			
Current			
Prepayments		-	230,345
Total other assets		-	230,345
7. PROPERTY, PLANT AND EQUIPMENT			
Owned buses – at valuation		-	18,943,825
Less accumulated depreciation		-	11,189,175
Total buses		-	7,754,650
Motor vehicles (other than buses) - at valuation		-	12,103
Less accumulated depreciation		-	1,724
Total motor vehicles		-	10,379
Furniture & Office Equipment - at cost		-	55,808
Less accumulated depreciation		-	5,873
Total furniture & office equipment		-	49,935
Garage Equipment - at valuation		-	343,480
Less accumulated depreciation		-	10,422
Total garage equipment		-	333,058
Miscellaneous Equipment - at valuation		-	481,543
Less accumulated depreciation		-	42,619
Total miscellaneous equipment		-	438,924
Total property, plant and equipment		-	8,586,946

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2001

NORTH AND WESTERN COACHES PTY LIMITED (In Liquidation)

	Note	2001 $	2000 $
7. PROPERTY, PLANT AND EQUIPMENT (cont'd)			
(i) Reconciliation's of the carrying amounts			
Owned buses			
Opening balance		7,754,650	4,382,769
Transfer		(6,026,115)	-
Disposals		(1,146,552)	(1,610,000)
Revaluation increment		-	5,929,895
Depreciation		(581,983)	(948,014)
Closing balance		-	7,754,650
Motor vehicles (other than buses)			
Opening balance		10,379	30,239
Transfer		(8,737)	-
Disposals		-	(32,320)
Revaluation increment		-	17,217
Depreciation		(1,642)	(4,757)
Closing balance		-	10,379
Plant and Equipment			
Opening balance		821,917	387,730
Additions		799,951	137,112
Disposals/Write off		(79,048)	-
Revaluation increment		-	404,535
Transfer		(1,311,583)	-
Depreciation		(231,237)	(107,460)
Closing balance		-	821,917
8. PAYABLES			
Unsecured creditors		-	37,455
Non-trade amount owing to parent entity	12	-	3,522,097
Total payables		-	3,559,552
9. OTHER LIABILITIES			
Current			
Deposits received in advance		-	48,690
School student Transport Scheme revenue accrued		-	412,737
Total other liabilities		-	461,427
10. CONTRIBUTED EQUITY			
Paid up capital			
2 Ordinary shares		-	2
Total contributed equity		-	2

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	Note	2001 $	2000 $

11. RESERVES / RETAINED PROFITS

	Note	2001 $	2000 $
(i) Capital profits reserve:			
Opening balance		185,162	185,162
Transfer to retained profits		(185,162)	-
Closing balance		-	185,162
(ii) Asset revaluation reserve:			
Opening balance		4,819,090	-
Revaluation increment			
Buses		-	5,929,895
Motor vehicles		-	17,217
Plant and equipment		-	404,535
Realised increment on property, plant and equipment sold during the year transferred to retained profits		(4,819,090)	(1,532,557)
Closing balance		-	4,819,090
(iii) Retained profits at the beginning of the financial year		644,846	1,329,652
Transfer from reserves		5,004,252	1,532,557
Net loss for the year		(665,993)	(2,217,363)
Distribution of net assets on liquidation		(4,983,105)	-
Retained profits at the end of financial year		-	644,846

12. RELATED PARTY DISCLOSURES

(i) Transactions with related parties in wholly owned group

During the year North & Western Coaches Pty Limited entered into the following transactions with its parent entity State Transit Authority:

- loans were received and repayments made on short-term intercompany accounts; and
- loans are interest free and are at call.

(ii) Accounts due and receivable from the wholly owned group

- these amounts are set out in the respective notes

(iii) Ultimate controlling entity

The ultimate controlling entity of the company is the State Transit Authority of New South Wales.

13. FINANCIAL INSTRUMENTS

(i) Interest rate risk

The company's financial assets and liabilities as at 30 June 2001 are not exposed to interest rate risk as they are not interest bearing.

	Total carrying amount as per balance sheet		Average net fair value	
	2001 $	2000 $	2001 $	2000 $
Financial Assets				
Cash on hand and in the bank	-	323,862	-	323,862
Receivables – Trade	-	342,943	-	342,943
Total financial assets	-	666,805	-	666,805
Financial Liabilities				
Trade creditors and accruals	-	498,882	-	498,882
Non-trade amounts owing to related parties				
Parent entity	-	3,522,097	-	3,522,097
Total financial liabilities	-	4,020,979	-	4,020,979

(ii) Credit risk exposures

The maximum credit risk exposure at balance date in relation to financial instruments is the carrying amount of those assets as indicated in the balance sheet.

Directors' Declaration

NORTH AND WESTERN COACHES PTY LIMITED (In Liquidation)

The Board of Directors of North & Western Coaches Pty Limited have prepared the financial statements as a general purpose financial report which complies with the requirements of the Public Finance and Audit Act (1983), Public Finance and Audit Regulation 2000, Corporations Act (2001), Australian Accounting Standards, Urgent Issues Group Consensus View, other authoritative pronouncements of the Australian Accounting Standards Board and applicable Treasurer's Directions and Treasury Circulars.

In the opinion of the Directors of the company:

(a) the accompanying statement of financial performance is drawn up so as to give a true and fair view of the result of the company for the year ended 30 June 2001.

(b) the accompanying statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the company as at 30 June 2001.

(c) the directors have resolved to liquidate the company. Consequently the assets have been stated at their realisable value, and all liabilities have been provided in full in the financial statements.

This statement is made in accordance with a resolution of the Board of Directors:

David James Herlihy
DIRECTOR

John Douglas Stott PSM
DIRECTOR

SYDNEY | 27 September 2001

AUDITOR-GENERAL
NEW SOUTH WALES

To Members of the New South Wales Parliament and Members of North & Western Coaches Pty Limited (In liquidation)

Scope

I have audited the accounts of North & Western Coaches Pty Limited (In liquidation) for the financial year ended 30 June 2001. The company's directors are responsible for the financial report consisting of the statement of financial performance, statement of financial position, statement of cash flows and accompanying notes, and the directors' declaration, and the information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament and members of the company based on my audit as required by sections 34 and 41C(1) of the *Public Finance and Audit Act 1983* (the Act).

My audit has been conducted in accordance with Australian Auditing Standards and statutory requirements to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements, in Australia, so as to present a view which is consistent with my understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report of North & Western Coaches Pty Limited (In liquidation) complies with section 41B of the Act and presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of the company for the year ended on that date and the results of its operations and its cash flows for the period then ended.

A. T. Whitfield

A T Whitfield FCA
DEPUTY AUDITOR-GENERAL

SYDNEY | 27 September 2001

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ACN 090 845 097 Pty Limited

(IN LIQUIDATION)

Financial Statements

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Directors' Report

ACN 090 845 097 PTY LIMITED (In Liquidation)

The Board of Directors of ACN 090 845 097 Pty Limited have pleasure in submitting its report in respect of the financial year ended 30 June 2001.

Directors

The name and details of the Directors in office during or since the end of the financial period are:

Director	Qualifications and experience	Period of directorship
David James Herlihy	Chairman, State Transit Authority	9/12/99 to date
John Douglas Stott PSM	Chief Executive, State Transit Authority	9/12/99 to date

Principal activities

The company was incorporated on 8 December 1999 for the specific purpose of acquiring shares in Riverside Bus & Coach Services Pty Limited and units in Riverside Bus & Coach Services Unit Trust.

During the year, the investment in Riverside Bus & Coach Services Unit Trust and Riverside Bus & Coach Services Pty Limited were realised.

Significant changes in the state of affairs

On 31 May 2000, the Directors resolved to transfer the assets and liabilities of the company to its parent entity, State Transit Authority of New South Wales, as a result of which the business ceased to operate.

Upon the realisation of its investment in Riverside Bus & Coach Services Unit Trust and Riverside Bus & Coach Services Pty Limited, the company was placed in liquidation on 29 June 2001.

The company owed its parent entity, State Transit Authority of New South Wales, a sum of $3,184,469, prior to the winding up. The repayment of this inter-company loan was waived by the parent entity and the amount recognised as revenue in the statement of financial performance.

Results

The net profit after providing for income tax amounted to $502,527 for the period ended 30 June 2001.

Distribution on Liquidation

The winding up of the company has resulted in the following distribution:

Distribution Type	$
Issued Capital	1
Total distribution	**1**

Directors' meetings

The number of meetings of the Board of directors held during the period were:

Director	Number of meetings held while a Director	Number of meetings attended
David James Herlihy	4	4
John Douglas Stott PSM	4	4

Directors' benefits

Since incorporation, no director has received or become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the director or with a firm of which the director is a member or a company in which the director has a substantial financial interest.

Indemnifying officer

Pursuant to Clause 94 of its constitution the company has the authority to indemnify an officer of the company. During or since the financial period, the company has not in respect of any person who is or has been an officer of the company or a subsidiary of the company:

(a) indemnified or made any relevant agreement for indemnifying any person against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or

(b) paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses of defending legal proceedings.

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

David James Herlihy
DIRECTOR

John Douglas Stott PSM
DIRECTOR

Sydney | 27 September 2001

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Statement of Financial Performance

FOR THE YEAR ENDED 30 JUNE 2001

ACN 090 845 097 PTY LIMITED (In Liquidation)

	Note	2001 $	2000 $
Revenue from ordinary activities	2(i)	3,184,469	-
Expenses from ordinary activities	2(ii)	2,681,942	502,527
Profit/(Loss) from ordinary activities before income tax		**502,527**	**(502,527)**
Income tax relating to ordinary activities	3	-	-
Net Profit/(Loss)		**502,527**	**(502,527)**
Loss from extraordinary items after income tax		-	-
Net Profit/(Loss)		**502,527**	**(502,527)**
Increase/(Decrease) in asset revaluation reserve		-	-
Total adjustments recognised directly in equity		**-**	**-**
Total changes in equity other than those resulting from transactions with owners as owners		**502,527**	**(502,527)**

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

Statement of Financial Position

AS AT 30 JUNE 2001

ACN 090 845 097 PTY LIMITED (In Liquidation)

	Note	2001 $	2000 $
NON-CURRENT ASSETS			
Investment	5	-	2,207,531
Intangibles	4	-	2,130,550
Other		-	-
TOTAL NON-CURRENT ASSETS		**-**	**4,338,081**
TOTAL ASSETS		**-**	**4,338,081**
CURRENT LIABILITIES			
Payables	6	-	4,840,607
Other		-	-
TOTAL CURRENT LIABILITIES		**-**	**4,840,607**
TOTAL LIABILITIES		**-**	**4,840,607**
NET ASSETS		**-**	**(502,526)**
EQUITY			
Contributed Equity	7	-	1
Retained profits/(losses)	8	-	(502,527)
TOTAL EQUITY		**-**	**(502,526)**

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

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2001

ACN 090 845 097 PTY LIMITED (In Liquidation)

	Note	2001 $ Inflows (Outflows)	2000 $ Inflows (Outflows)
Cash flows from operating activities:			
Net cash provided by operating activities	**(i)**	**-**	**-**
Cash flows from investing activities:			
Purchase of controlled entities, net of cash acquired		-	(1,977,402)
Payment for service contract rights	4	-	(2,633,077)
Net cash used in investing activities		**-**	**(4,610,479)**
Cash flows from financing activities:			
Loans from parent entity		-	4,610,478
Proceeds from distribution		915,153	-
Repayment of loan to parent entity		(915,152)	-
Distribution of capital on liquidation		(1)	-
Proceeds from share issue		-	1
Net cash provided by financing activities		**-**	**4,610,479**
Net increase/(decrease) in cash held		**-**	**-**
Cash held at beginning of the financial year		-	-
Cash at the end of the financial year		**-**	**-**

(i)	**Reconciliation of net (loss)/profit after tax to net cash provided by operating activities:**		
	Net (loss)/profit after income tax	502,527	(502,527)
	Adjustments to reconcile net operating result to net cash provided by operating activities:		
	Amortisation of service contract rights	1,389,564	502,527
	Intercomapny debt waived by parent entity	(3,184,469)	-
	Investment write off	2,207,531	-
	Distribution from related party	(915,153)	-
	Net cash provided by operating activities:	**-**	**-**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared as a general purpose financial report which complies with the requirements of the Corporations Act (2001), Public Finance and Audit Act (1983), 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.

The financial statements have been prepared on a liquidation basis following the resolution of the board of directors to liquidate the company. All assets have been disclosed at their realisable amount and liabilities have been provided in full.

The accounting policies adopted are consistent with those of the previous year except as noted below.

The financial statements have adopted the presentation and disclosure requirements of Accounting Standards AASB 1018 "Statement of Financial Performance", AASB 1034 "Financial Report Presentation and Disclosure" and AASB 1040 "Statement of Financial Position" for the first time. In accordance with the requirements of these Standards, comparative amounts have been reclassified in order to comply with the new presentation format. The reclassification of comparative amounts has not resulted in a change to the aggregate amounts of current assets, non-current assets, current liabilities, non-current liabilities or equity, or the net profit/loss of the company as reported in the prior year financial statements.

(b) Intangibles – Service Contract Rights

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

(c) Recoverable Amounts of Non-Current Assets

Non-Current assets are not carried at an amount above their recoverable amount, and where carrying values exceed this recoverable amount assets are written down. Recoverable amount is determined using net cash flows discounted at 4.7% to present value.

(d) Income Tax

Tax effect accounting is adopted whereby the income tax expense in the statement of financial performance is matched with the accounting profit after allowing for permanent differences. The future income tax benefit relating to tax losses is not carried forward as an asset unless the benefit is virtually certain of realisation. Income tax on cumulative timing differences is set aside 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.

(e) Borrowings

The company has borrowed funds from its parent entity. These funds are unsecured and repayable at call. No interest is charged on these borrowings. The company has not incurred any costs to raise these loans.

(f) Comparatives

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

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2001

ACN 090 845 097 PTY LIMITED (In Liquidation)

	Note	2001 $	2000 $
2. REVENUE AND EXPENDITURE			
(i) Other revenue			
Forgiveness of liability owing to parent entity		3,184,469	-

This amount represents the inter-company loan owing to the parent entity, the repayment of this loan was forgiven (tax effect of $1,082,719).

	Note	2001 $	2000 $
(ii) Expenditure			
Amortisation of service contract rights		1,389,564	502,527
Write down of investment	5	1,292,378	-
Total expenses from ordinary activities		2,681,942	502,527

3. INCOME TAX

(i) Income tax expense

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

	2001 $	2000 $
Profit/(Loss) from ordinary activities	502,527	(502,527)
Prima facie tax on operating profit/(loss) at 34% (2000 at 36%)	170,858	(180,910)
Tax effect of permanent and other differences (net)	140,292	180,910
Prior year adjustment	-	-
Transfer from FITB – parent	(311,150)	-
Income tax attributable to operating profit/(loss)	-	-

4. INTANGIBLES

	2001 $	2000 $
Service contract rights	2,130,550	2,633,077
Accumulated amortisation	(1,389,564)	(502,527)
	740,986	2,130,550
Transfer to parent entity*	(740,986)	-
Total intangibles	-	2,130,550

* The Service Route Rights operated by Riverside Bus and Coach Services Unit Trust was transferred to the parent entity on 31 May 2001.

5. INVESTMENTS

	2001 $	2000 $
Investments carried at cost:		
Securities not quoted on prescribed stock exchange		
Shares and units in subsidiaries	-	2,207,531
Total investments	-	2,207,531

During the financial year, shares held in fully owned subsidiaries as listed in Note 8 were realized $915,153. The difference between the carrying value of the investment and net distribution on liquidation of $1,292,378 was recognised in the Statement of Financial Performance.

6. PAYABLES

	2001 $	2000 $
Unsecured		
Non-Trade amount owing to parent entity	-	4,840,607
Total payables	-	4,840,607

back to contents

	Note	2001 $	2000 $
7. CONTRIBUTED EQUITY			
Paid up capital			
1 ordinary share		-	1
Total contributed equity		-	1
8. RETAINED PROFITS			
Accumulated loss at the beginning of the financial year		(502,527)	-
Net profit/(loss) for the year		502,527	(502,527)
Accumulated loss at the end of the financial year		-	(502,527)

9. CONTROLLED ENTITIES

Name of controlled entity	Place of Incorporation/ Formation	% of shares/ units held
Riverside Bus & Coaches Services Pty Limited (In Liquidation)	Australia	100%
Riverside Bus & Coaches Services Unit Trust (Terminated)	Australia	100%

The above mentioned entities were placed in liquidation on 29 June 2001.

10. RELATED PARTY DISCLOSURES

(i) Transactions with related parties in the wholly-owned group

During the year ACN 090 845 097 Pty Limited entered into the following transactions with its parent entity State Transit Authority:

- loans were received and repayments made on short-term intercompany accounts
- loans are interest free and are at call.

(ii) Accounts due to related parties in the wholly owned group

- these amounts are set out in the respective notes to the financial statements.

(iii) Ultimate controlling entity

The ultimate controlling entity of the company is the State Transit Authority of New South Wales.

Directors' Declaration

ACN 090 845 097 PTY LIMITED (In Liquidation)

The Board of Directors of ACN 090 845 097 Pty Limited have prepared the financial statements as a general purpose financial report which complies with the requirements of the Public Finance and Audit Act (1983), the Public Finance and Audit Regulation 2000, Corporations Act (2001), Australian Accounting Standards, Urgent Issues Group Consensus View, other authoritative pronouncements of the Australian Accounting Standards Board and applicable Treasurer's Directions and Treasury Circulars.

In the opinion of the Directors of the company:

(a) the accompanying statement of financial performance is drawn up so as to give a true and fair view of the result of the company for the year ended 30 June 2001.

(b) the accompanying statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the company as at 30 June 2001.

(c) the directors have resolved to liquidate the company. Consequently the assets have been stated at their realisable value, and all liabilities have been provided in full in the financial statements.

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

David James Herlihy
DIRECTOR

John Douglas Stott PSM
DIRECTOR

Sydney | 27 September 2001

Independent Audit Report

ACN 090 845 097 PTY LIMITED (IN LIQUIDATION)

To Members of the New South Wales Parliament and Members of ACN 090 845 097 Pty Limited (In liquidation)

Scope

I have audited the accounts of ACN 090 845 097 Pty Limited (in liquidation) for the financial year ended 30 June 2001. The company's directors are responsible for the financial report consisting of the statement of financial performance, statement of financial position, statement of cash flows and accompanying notes, and the directors' declaration, and the information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament and members of the company based on my audit as required by sections 34 and 41C(1) of the *Public Finance and Audit Act 1983* (the Act).

My audit has been conducted in accordance with Australian Auditing Standards and statutory requirements to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements, in Australia, so as to present a view which is consistent with my understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report of ACN 090 845 097 Pty Limited (in liquidation) complies with section 41B of the Act and presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of the company for the year ended on that date and the results of its operations and its cash flows for the period then ended.

A T Whitfield FCA

DEPUTY AUDITOR-GENERAL

SYDNEY | 27 September 2001

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Riverside Bus & Coach Services Pty Limited

(IN LIQUIDATION)

Financial Statements

FOR THE YEAR ENDED 30 JUNE 2001

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Directors' Report

RIVERSIDE BUS & COACH SERVICES PTY LIMITED (In Liquidation)

The Board of Directors of Riverside Bus & Coach Services Pty Limited have pleasure in submitting its report in respect of the financial year ended 30 June 2001.

Directors

The name and details of the Directors in office during or since the end of the financial period are:

Director	Qualifications and experience	Period of directorship
David James Herlihy	Chairman, State Transit Authority	9/12/99 to date
John Douglas Stott PSM	Chief Executive, State Transit Authority	9/12/99 to date

Principal activities

The principal activity of the company during the financial year was acting as trustee for the Riverside Bus & Coach Services Unit Trust.

The company acts as a trustee and did not trade in its own right during the period.

Significant changes in the state of affairs

On 31 May 2001, the Directors resolved to transfer the assets and liabilities of the company to its parent entity, State Transit Authority of New South Wales, as a result of which the business ceased to operate. The resolution was part of the planned transfer of operations to the parent entity and the subsequent winding up of the company on 29 June 2001.

Results

The net result after providing for income tax amounted to nil.

Distribution on liquidation

The winding up of the company has resulted in the following distribution:

Distribution Type	$
Issued Capital	4

Directors' meetings

The number of meetings of the Board of directors held during the period were:

Director	Number of meetings held while a Director	Number of meetings attended
David James Herlihy	6	6
John Douglas Stott PSM	6	6

Directors' benefits

Since incorporation, no director has received or become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the director or with a firm of which the director is a member or a company in which the director has a substantial financial interest.

Indemnifying officer

Pursuant to Clause 94 of its constitution the company has the authority to indemnify an officer of the company. During or since the financial period, the company has not in respect of any person who is or has been an officer of the company or a subsidiary of the company:

(a) indemnified or made any relevant agreement for indemnifying any person against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or

(b) paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses of defending legal proceedings.

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

David James Herlihy
DIRECTOR

John Douglas Stott PSM
DIRECTOR

Sydney | 27 September 2001

Statement of Financial Performance

FOR THE YEAR ENDED 30 JUNE 2001

RIVERSIDE BUS & COACH SERVICES PTY LIMITED (In Liquidation)

	2001 $	2000 $
Revenue from ordinary activities	-	-
Expenses from ordinary activities	-	-
(Loss)/Profit from ordinary activities before income tax	**-**	**-**
Income tax relating to ordinary activities	-	-
(Loss)/Profit from ordinary activities after income tax	**-**	**-**
Loss from extraordinary items after income tax	-	-
Net (Loss)/Profit	**-**	**-**
Increase/(Decrease) in asset revaluation reserve	-	-
Total adjustments recognised directly in equity	**-**	**-**
Total changes in equity other than those resulting from transactions with owners as owners	**-**	**-**

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

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Statement of Financial Position

AS AT 30 JUNE 2001

RIVERSIDE BUS & COACH SERVICES PTY LIMITED (In Liquidation)

	2001 $	2000 $
CURRENT ASSETS		
Cash	-	4
TOTAL NON-CURRENT ASSETS	**-**	**4**
TOTAL ASSETS	**-**	**4**
NET ASSETS	**-**	**4**
EQUITY		
Contributed equity	-	4
TOTAL EQUITY	**-**	**4**

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

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2001

RIVERSIDE BUS & COACH SERVICES PTY LIMITED (In Liquidation)

	2001 $ Inflows (Outflows)	2000 $ Inflows (Outflows)
Cash flows from financing activities:		
Proceeds from issues of shares	-	4
Distribution of capital on liquidation	(4)	-
Net cash (used in)/provided by financing activities	**(4)**	**4**
Net increase/(decrease) in cash held	**(4)**	**4**
Cash held at beginning of the financial year	4	-
Cash at the end of the financial year	**-**	**4**

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

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2001

RIVERSIDE BUS & COACH SERVICES PTY LIMITED (In Liquidation)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared as a general purpose financial report which complies with the requirements of the Corporation Act (2001), Public Finance and Audit Act (1983), 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.

The financial statements have been prepared on a liquidation basis following the resolution of the board of directors to liquidate the company. All assets have been disclosed at their realisable amount and liabilities have been provided in full.

The accounting policies adopted are consistent with those of the previous year.

The financial statements have adopted the presentation and disclosure requirements of Accounting Standards AASB 1018 "Statement of Financial Performance", AASB 1034 "Financial Report Presentation and Disclosure" and AASB 1040 "Statement of Financial Position" for the first time. In accordance with the requirements of these Standards, comparative amounts have been reclassified in order to comply with the new presentation format. The reclassification of comparative amounts has not resulted in a change to the aggregate amounts of current assets, non-current assets, current liabilities, non-current liabilities or equity, or the net profit/loss of the company as reported in the prior year financial statements.

(b) Assets and Liabilities of Trust for which the Company is Trustee

Riverside Bus and Coach Services Pty Limited, as trustee for Riverside Bus and Coach Services Unit Trust, has a right of indemnity from the trust's assets. Details of the underlying assets and liabilities are as follows:

	Note	2001 $	2000 $
CURRENT ASSETS			
Cash		-	24,413
Receivables		-	74,420
TOTAL CURRENT ASSETS		**-**	**98,833**
NON-CURRENT ASSETS			
Property, plant and equipment		-	3,666,788
TOTAL NON-CURRENT ASSETS		**-**	**3,666,788**
TOTAL ASSETS		**-**	**3,765,621**
CURRENT LIABILITIES			
Payables		-	1,609,075
TOTAL CURRENT LIABILITIES		**-**	**1,609,075**
TOTAL LIABILITIES		**-**	**1,609,075**

2. COMPARATIVES

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

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Directors' Declaration

RIVERSIDE BUS & COACH SERVICES PTY LIMITED (In Liquidation)

The Board of Directors of Riverside Bus and Coach Services Pty Limited has prepared the financial statements as a general purpose financial report which complies with the requirements of the Public Finance and Audit Act (1983), the Public Finance and Audit Regulation 2000, Corporations Act (2001), Australian Accounting Standards, Urgent Issues Group Consensus View, other authoritative pronouncements of the Australian Accounting Standards Board and applicable Treasurer's Directions and Treasury Circulars.

In the opinion of the Directors of the company:

(a) the accompanying statement of financial performance is drawn up so as to give a true and fair view of the result of the company for the year ended 30 June 2001.

(b) the accompanying statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the company as at 30 June 2001.

(c) the directors have resolved to liquidate the company. Consequently the assets have been stated at their realisable value, and all liabilities have been provided in full in the financial statements.

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

David James Herlihy
DIRECTOR

John Douglas Stott PSM
DIRECTOR

Sydney | 27 September 2001

AUDITOR-GENERAL
NEW SOUTH WALES

To Members of the New South Wales Parliament and Members of Riverside Bus & Coach Services Pty Limited (In liquidation)

Scope

I have audited the accounts of Riverside Bus & Coach Services Pty Limited (In liquidation) for the financial year ended 30 June 2001. The company's directors are responsible for the financial report consisting of the statement of financial performance, statement of financial position, statement of cash flows and accompanying notes, and the directors' declaration, and the information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament and members of the company based on my audit as required by sections 34 and 41C(1) of the *Public Finance and Audit Act 1983* (the Act).

My audit has been conducted in accordance with Australian Auditing Standards and statutory requirements to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements, in Australia, so as to present a view which is consistent with my understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report of Riverside Bus & Coach Services Pty Limited (In liquidation) complies with section 41B of the Act and presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of the company for the year ended on that date and the results of its operations and its cash flows for the period then ended.

A. T. Whitfield

A T Whitfield FCA
DEPUTY AUDITOR-GENERAL

SYDNEY | 27 September 2001

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Riverside Bus & Coach Services Unit Trust

(TERMINATED)

Financial Statements

FOR THE PERIOD ENDED 28 JUNE 2001

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Statement of Financial Performance

FOR THE PERIOD ENDED 28 JUNE 2001

RIVERSIDE BUS & COACH SERVICES UNIT TRUST (Terminated)

	Note	2001 $	2000 $
Revenue from ordinary activities	2(i)	4,115,870	2,981,439
Expenses from ordinary activities	2(ii)	5,357,268	2,883,204
Borrowing costs	2(iii)	-	157,410
Loss from ordinary activities before income tax		**(1,241,398)**	**(59,175)**
Income tax relating to ordinary activities	3	-	-
Loss from ordinary activities after income tax		**(1,241,398)**	**(59,175)**
Increase/(Decrease) in asset revaluation reserve		(2,132,499)	770,053
Total adjustments recognised directly in equity		**(2,132,499)**	**770,053**
Total changes in equity other than those resulting from transactions with owners as owners		**891,101**	**(829,228)**

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

Statement of Financial Position

AS AT 28 JUNE 2001

RIVERSIDE BUS & COACH SERVICES UNIT TRUST (Terminated)

	Note	2001 $	2000 $
CURRENT ASSETS			
Cash		-	24,413
Receivables	4	-	74,420
TOTAL CURRENT ASSETS		**-**	**98,833**
NON-CURRENT ASSETS			
Property, plant and equipment	5	-	3,666,788
TOTAL NON-CURRENT ASSETS		**-**	**3,666,788**
TOTAL ASSETS		**-**	**3,765,621**
CURRENT LIABILITIES			
Payables	6	-	1,609,075
TOTAL CURRENT LIABILITIES		**-**	**1,609,075**
TOTAL LIABILITIES		**-**	**1,609,075**
NET ASSETS		**-**	**2,156,546**
EQUITY			
Trust capital	7	-	191,000
Reserves	8	-	2,132,499
Accumulated losses	9	-	(166,953)
TOTAL EQUITY		**-**	**2,156,546**

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

Statement of Cash Flows

FOR THE PERIOD ENDED 28 JUNE 2001

RIVERSIDE BUS & COACH SERVICES UNIT TRUST (Terminated)

	Note	2001 $ Inflows (Outflows)	2000 $ Inflows (Outflows)
Cash flows from operating activities:			
Passenger revenue:			
Fares, charters and tourists services		1,066,259	2,376,410
Reimbursement for:			
free travel by school students	2(vi)(a)	168,303	284,116
concessional travel by pensioners	2(vi)(a)	341,181	307,641
community service obligations (pricing)	2(vi)(b)	267,673	-
Total passenger revenue		1,843,416	2,968,167
Other income		9,799	12,888
Interest received		825	-
Payments to suppliers		(44,497)	(1,205,789)
Payments for management fees		(2,453,473)	(1,440,617)
Interest and other finance costs		-	(157,410)
Net cash (used in)/provided by operating activities	**(i)**	**(643,930)**	**177,239**
Cash flows from investing activities:			
Payments for property, plant and equipment		(16,079)	(20,513)
Proceeds from sale of property, plant and equipment		2,336,250	12,701
Net cash provided by/(used in) investing activities		**2,320,171**	**(7,812)**
Cash flows from financing activities:			
Loans from parent entity		-	1,493,031
Repayment of loans to parent entity		(785,506)	(543,526)
Repayment of finance lease principal		-	(697,251)
Payments to beneficiary		(915,148)	(414,470)
Net cash used in financing activities		**(1,700,654)**	**(162,216)**
Net increase/(decrease) in cash held		**(24,413)**	**7,211**
Cash held at beginning of the financial year		24,413	17,202
Cash at the end of the financial year	**(ii)**	**-**	**24,413**

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

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Notes to the Statement of Cash Flows

FOR THE PERIOD ENDED 28 JUNE 2001

RIVERSIDE BUS & COACH SERVICES UNIT TRUST (Terminated)

	2001 $	2000 $
(i) Reconciliation of net (loss)/profit after tax to net cash provided by operating activities:		
Net loss after income tax	(1,241,398)	(59,175)
Adjustments to reconcile net operating result to net cash provided by operating activities:		
Depreciation and amortisation	85,339	203,039
Net loss/(profit) on sale of non-current assets	428,209	5,725
Bad and doubtful debts	-	2,050
Equipment write-off	9,500	-
Provision for employee entitlements	-	(26,925)
Changes in assets and liabilities:		
(Increase)/Decrease in inventory	-	75,250
(Increase)/Decrease in prepayments	-	2,556
(Increase)/Decrease in receivables	74,420	12,317
Increase/(Decrease) in trade creditors	-	(37,598)
Net cash provided by operating activities	**(643,930)**	**177,239**

(ii) Reconciliation of cash

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

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:

	2001 $	2000 $
Cash at bank	-	24,413
Total cash	**-**	**24,413**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared as a general purpose financial report which complies with the requirements of the Public Finance and Audit Act 1983, 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.

The financial statements have been prepared on a termination basis following the resolution of the board of directors of the trustee company to terminate the trust. All assets have been disclosed at their realisable amount and all liabilities have been provided in full.

The accounting policies adopted are consistent with those of the previous year, except as noted below.

The financial statements have adopted the presentation and disclosure requirements of Accounting Standards AASB 1018 "Statement of Financial Performance", AASB 1034 "Financial Report Presentation and Disclosure" and AASB 1040 "Statement of Financial Position" for the first time. In accordance with the requirements of these Standards, comparative amounts have been reclassified in order to comply with the new presentation format. The reclassification of comparative amounts has not resulted in a change to the aggregate amounts of current assets, non-current assets, current liabilities, non-current liabilities or equity, or the net loss of the trust as reported in the prior year financial statements.

(b) Cash

Cash is carried at principal amount and is subject to an insignificant risk of changes in value. Cash includes cash on hand and at bank

(c) Receivables

Trade debtors are recognised at nominal amounts due, less any provision for doubtful debts.

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.

A provision for doubtful debts is recognised when the collection of the full nominal amount is no longer probable. Bad debts are written off when they are determined to be irrecoverable. The carrying amount approximates fair value.

(d) Revenue Recognition

Revenue is recognised when a service is rendered and the associated income can be reliably measured.

Government contributions and reimbursement for social policy programs are recognised as revenues upon the receipt of cash.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value.

(f) Property, Plant and Equipment

The following policies apply to property, plant and equipment:

(i) Basis of Valuation

In accordance with NSW Treasury policy, Riverside Bus & Coach Services Unit Trust has applied AAS38 "Revaluation of Non-Current Assets" transitional provisions for the public sector and has elected to apply the same revaluation basis as the preceding reporting period, while the relationship between fair value and the existing valuation basis in the NSW public sector is further examined. It is expected, however, that in most instances the current valuation methodology will approximate fair value. Property, plant and equipment are stated at current cost in accordance with a policy of regular revaluation under which all property, plant and equipment is revalued at least once every five years.

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

(f) Property, Plant and Equipment (cont'd)

(i) Basis of Valuation (cont'd)

In applying the current cost basis of valuation, all property, plant and equipment, except freehold land and works in progress, are valued at estimated written down replacement cost of the most appropriate modern equivalent replacement facility having a similar service potential to the existing asset. Written down replacement cost is based on the ratio of remaining useful life to total useful life to the entity, except for buses where the ratio of remaining service potential to total service potential has been applied.

Freehold commercial land is valued at market selling value and freehold operating land is valued at market value for the existing use. These land values, and the written down replacement values of buildings, are determined by independent valuation. Works in progress are stated at cost.

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

Conversely, where assets are revalued to market value, and not by reference to current prices for assets newer than those being revalued, any balances of accumulated depreciation existing at revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are increased or decreased by the revaluation increments or decrements.

Where the current cost valuation of total non-current assets exceeds the total recoverable amount, the assets are revalued to their recoverable amount. Recoverable amount is determined by the net present value of the cash flows expected to be generated from the continued use and eventual disposal of the assets. The expected net cash flows are discounted to present value using the real weighted average cost of capital (after tax).

Revaluation increments are credited directly to the asset revaluation reserve, unless they are reversing a previous decrement charged to the statement of financial performance, in which case the increment is credited to the statement of financial performance.

Revaluation decrements are debited directly to the statement of financial performance, unless they are reversing a previous increment credited to the asset revaluation reserve account, in which case the decrement is debited to the asset revaluation reserve.

Where assets have been revalued, the potential effect of the capital gains tax on disposal has not been taken into account in the determination of the revalued carrying amount.

(ii) Depreciation

Property, plant and equipment, excluding freehold land are depreciated over their estimated useful lives as follows:

	Life	Method
Plant and equipment	3 to 20 years	Straight Line
Freehold Buildings	40 yrs	Straight Line
Buses	20 years	In line with the pattern of expiry of service potential

(iii) Capitalisation Policy

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

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

(g) Payables

These amounts represent liabilities for goods and services acquired prior to the end of the financial year and which are unpaid, whether billed or not. The amounts are unsecured and are usually paid within 30 days of recognition. The carrying amount approximates fair value.

(h) 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.

(i) Insurance

Appropriate insurances are purchased to cover the liability, physical damage, business interruption, and other exposures arising out of normal business operations. Financial responsibilities for minor and predictable losses, which are not cost effective to insure, are retained.

(j) Recoverable Amounts of Non-Current Assets

Non-current assets are not carried at an amount above their recoverable amount, and where carrying values exceed this recoverable amount assets are written down. Recoverable amount is determined using net cash flows discounted at 4.7% to present value.

(k) 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 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.

(l) Borrowings

The trust has borrowed funds from its parent entity. These funds are unsecured and repayable at call. No interest is charged on these borrowings. The trust has not incurred any costs to raise these loans.

(m) Comparatives

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

2. REVENUE AND EXPENDITURE

	Note	2001 $	2000 $
(i) Revenue from ordinary activities			
Passenger revenue:			
Fares, charters and tourists services		1,066,259	2,289,673
Reimbursement for:			
free travel by school students	2(vi)(a)	108,976	358,536
concessional travel by pensioners	2(vi)(a)	326,088	307,641
community service obligations (pricing)	2(vi)(b)	267,673	-
Total passenger revenue		1,768,996	2,955,850
Interest from third parties		825	-
Rent and advertising		-	9,096
Gross proceeds from sale of non-current assets		2,336,250	12,701
Other		9,799	3,792
Total revenue from ordinary activities		4,115,870	2,981,439
(ii) Expenditure from ordinary activities			
Wages and salaries		-	1,556,661
Management fees	2(iv)	2,453,473	-
Provision for employee entitlements:			
Annual leave		-	22,881
Retirement benefits		-	65,348
Long service leave		-	15,875
Workers' compensation		-	57,484
Payroll tax		-	71,745
Fuel and fleet maintenance		-	659,174
General operating expenses		44,497	210,522
Depreciation:			
Plant and equipment		81,392	161,324
Buildings		3,947	-
Amortisation of leased plant and equipment		-	41,715
Fixed assets sold or written off		2,773,959	18,425
Provision for doubtful debts		-	2,050
Total expenses from ordinary activities		5,357,268	2,883,204
(iii) Borrowing costs			
Interest paid or payable to:			
interest paid to third parties		-	46,958
finance lease		-	110,452
Total borrowing costs		-	157,410
(iv) Management fees paid to related parties:			
Parent entity		2,453,473	-
Total management fees		2,453,473	-

During the period the trust entered into an arrangement with the parent entity to manage and to provide operational, maintenance and administrative services on a cost recovery basis.

Notes to and forming part of the Financial Statements

FOR THE PERIOD ENDED 28 JUNE 2001

RIVERSIDE BUS & COACH SERVICES UNIT TRUST (Terminated)

	2001 $	2000 $
2. REVENUE AND EXPENDITURE (cont'd)		
(v) Audit fee		
Audit fees paid or payable to NSW Audit Office for the audit of annual financial statements	3,000	-

(vi) New South Wales Government reimbursements

(a) Free & concessional travel

Free and concessional travel is provided to a range of community groups. The extent to which these groups are entitled to free and concessional travel is determined by government policy. Reimbursement is provided for free school travel on the basis of percentage of the number of passes on issue in the current year. In the case of pensioners, the passenger pays for an all-day concession ticket ($1,$2 or $3) and the Government pays the balance of the full fare for all travel consumed. Other free and concessional travel is reimbursed on the basis of the Government paying the balance between the full fare applicable for each journey and the fare paid by the passenger.

(b) Community Service Obligations (CSO)

Reimbursements were received from NSW Government in accordance with the Government's social policy programs designed to promote the accessibility and availability of public transport services.

Pricing CSO – Fares charged by the trust are in line with State Transit Authority of New South Wales (ultimate parent entity) fare scale as determined by the Independent Pricing and Regulatory Tribunal (IPART). Since the take over of the trust by State Transit, fares have been kept below the equivalent commercial fares charged by the private sector bus operators as set by the New South Wales Department of Transport. Consequently, the trust is reimbursed the difference between the two sets of fares in form of a Pricing CSO.

3. INCOME TAX

Any excess of revenue over expenditure will be distributed as income to ACN 090 845 097 Pty Limited, the sole beneficiary of the trust. Accordingly any income tax liability arising from such income distribution will be assessed on that company.

4. RECEIVABLES

	2001 $	2000 $
Trade Debtors	-	74,420
Total receivables	-	74,420

5. PROPERTY, PLANT AND EQUIPMENT

	2001 $	2000 $
Land and Buildings		
Land		
Freehold commercial land – at valuation	-	1,268,000
Buildings - at valuation	-	172,000
Total land and buildings	-	1,440,000
Plant and Equipment - at valuation	-	80,898
Less accumulated depreciation	-	7,827
Total plant and equipment	-	73,071
Buses - at valuation	-	3,388,838
Less accumulated depreciation	-	1,235,121
Total buses	-	2.153,717
Total property plant and equipment	-	3,666,788

Notes to and forming part of the Financial Statements

FOR THE PERIOD ENDED 28 JUNE 2001

RIVERSIDE BUS & COACH SERVICES UNIT TRUST (Terminated)

	2001 $	2000 $
5. PROPERTY, PLANT AND EQUIPMENT (cont'd)		
(i) Reconciliation's of the carrying amounts		
Freehold commercial land		
Opening balance	1,268,000	1,350,000
Disposals	(1,268,000)	-
Revaluation decrement	-	(82,000)
Closing balance	-	1,268,000
Buildings		
Opening balance	172,000	650,000
Disposals	(168,053)	-
Depreciation	(3,947)	(478,000)
Closing balance	-	172,000
Plant and equipment		
Opening balance	73,071	105,675
Additions	16,079	898
Disposals	(29,088)	-
Transfer	(44,735)	-
Depreciation	(15,327)	(16,459)
Revaluation increment/(decrement)	-	(17,043)
Closing balance	-	73,071
Buses		
Opening balance	2,153,717	972,012
Additions	-	-
Disposals/Write off	(1,299,317)	(15,000)
Transfer	(788,334)	-
Depreciation	(66,066)	(112,304)
Revaluation increment/(decrement)	-	1,309,009
Closing balance	-	2,153,717

6. PAYABLES

	2001 $	2000 $
Non-Trade amounts owing to related parties:		
Parent entity	-	1,609,075
Total payables	-	1,609,075

7. TRUST CAPITAL

	2001 $	2000 $
191,000 Trust units	-	191,000
Total trust capital	-	191,000

	2001 $	2000 $
8. RESERVES		
Asset revaluation reserve:		
Opening balance	2,132,499	1,362,446
Revaluation increment/(decrement):		
Land	-	(82,000)
Buildings	-	(478,000)
Plant & Equipment	-	1,350,053
Goodwill	-	(20,000)
Realised increment on property, plant & equipment sold and transferred to retained profits	(2,132,499)	-
Closing balance	-	2,132,499
9. RETAINED PROFITS		
Balance at the beginning of the year	(166,953)	(78,091)
Net (loss)/profit for the year	(1,241,398)	(59,175)
Realised increment on property, plant and equipment transferred from reserves	2,132,499	-
Repayment of capital	191,000	-
Distribution to beneficiaries	(915,148)	(29,687)
Balance at the end of the year	-	(166,953)

10. TRUSTEE

The trustee of the Riverside Bus and Coach Services Unit Trust is Riverside Bus and Coach Services Pty Limited.

11. FINANCIAL INSTRUMENTS

(i) Interest rate risk

The trust's financial assets and liabilities as at 28 June 2001 are not exposed to interest rate risk as they are not interest bearing.

(ii) Net fair values

The aggregate net fair values of financial assets and liabilities, both recognised and unrecognised, at balance date are as follows:

	Total carrying amount As per balance sheet		Aggregate net fair value	
	2001 $	2000 $	2001 $	2000 $
Financial Assets				
Cash	-	24,413	-	24,413
Receivables – Trade	-	74,420	-	74,420
Total financial assets	-	98,833	-	98,833
Financial Liabilities				
Non-Trade amounts owing to related parties:				
Parent entity	-	1,609,075	-	1,609,075
Total financial liabilities	-	1,609,075	-	1,609,075

(iii) Credit risk exposures

The trust's maximum exposure to credit risk at balance date in relation to financial instruments is the carrying amount of those assets as indicated in the balance sheet.

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Declaration by Directors' of the Trustee Company

(TRUSTEE - RIVERSIDE BUS & COACH SERVOCES PTY LIMITED ACN 001 333 553)

RIVERSIDE BUS & COACH SERVICES UNIT TRUST (Terminated)

The Board of Directors of the trustee company have prepared the financial statements as a general purpose financial report which complies 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.

The directors' of the trustee company declare that:

(a) the accompanying statement of financial performance is drawn up so as to give a true and fair view of the result of the trust for the period ended 28 June 2001.

(b) the accompanying statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the trust as at 28 June 2001.

(c) the directors have resolved to terminate the trust. Consequently the assets have been stated at their realisable value, and all liabilities have been provided in full in the financial statements.

This declaration is made in accordance with a resolution of the Board of Directors' of the trustee company.

Riverside Bus and Coach Services Pty Limited

David James Herlihy
DIRECTOR

John Douglas Stott PSM
DIRECTOR

Sydney | 27 September 2001

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Independent Audit Report

RIVERSIDE BUS & COACH SERVICES UNIT TRUST (TERMINATED)

To Members of the New South Wales Parliament and Unit Holders of the Riverside Bus & Coach Services Unit Trust (Terminated)

Scope

I have audited the accounts of the Riverside Bus & Coach Services Unit Trust (Terminated) for the period ended 28 June 2001. The trustees of the Unit Trust are responsible for the financial report consisting of the accompanying statement of financial position, statement of financial performance and statement of cash flows, together with the notes thereto, and the information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament and unit holders of the Unit Trust based on my audit as required by sections 34 and 41C(1) of the *Public Finance and Audit Act 1983* (the Act).

My audit has been conducted in accordance with the provisions of the Act and Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the requirements of the Act, Accounting Standards and other mandatory professional reporting requirements, in Australia, so as to present a view which is consistent with my understanding of the Unit Trust's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report of the Riverside Bus & Coach Services Unit Trust (Terminated) complies with section 41B of the Act and presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of the Unit Trust as at 28 June 2001 and the results of its operations and its cash flows for the period then ended.

A T Whitfield FCA
DEPUTY AUDITOR-GENERAL

SYDNEY | 27 September 2001

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Statutory Information

1. Summary Of Land

In accordance with Section 41B(1)(d) of the public Finance and Audit Act, 1983, stated below is a summary of the Authority's land holding as at 30 June 2001 classified according to actual use of the land.

Land use Classification	Market Value $000
Bus depots	49,579
Shipyard	4,000
Minor operational and infrastructure assets	10,662
Commercial properties	1,543
Total	**65,784**

Disposal of property

During the year, one property that was surplus to operational requirements were sold by public auction for $1.505 million. The sale proceeds were used to fund the capital works program.

A small parcel of land, formerly a bus layover, located at the corner of Ramsay and Fairlight Street, Five Dock was transferred to the Drummoyne Council at book value of $18,000.

There were no family connection or business association between any property purchaser and the person responsible for approving the disposal of the property.

2. Capital Works Expenditure

Major Works	Completion Date	2001 $000
Bus replacement program		
150 Mercedes CNG buses	April 2001	21,651
Additional 150 Mercedes CNG buses	December 2002	14,591
SuperCat Ferries (four vessels)	June 2001	7,836
Refit Manly ferry - "Collaroy"	August 2000	5,539
Refit Manly ferry - "Narrabeen"	September 2001	1,352
CCTV Cameras on wharves	October 2001	3,404

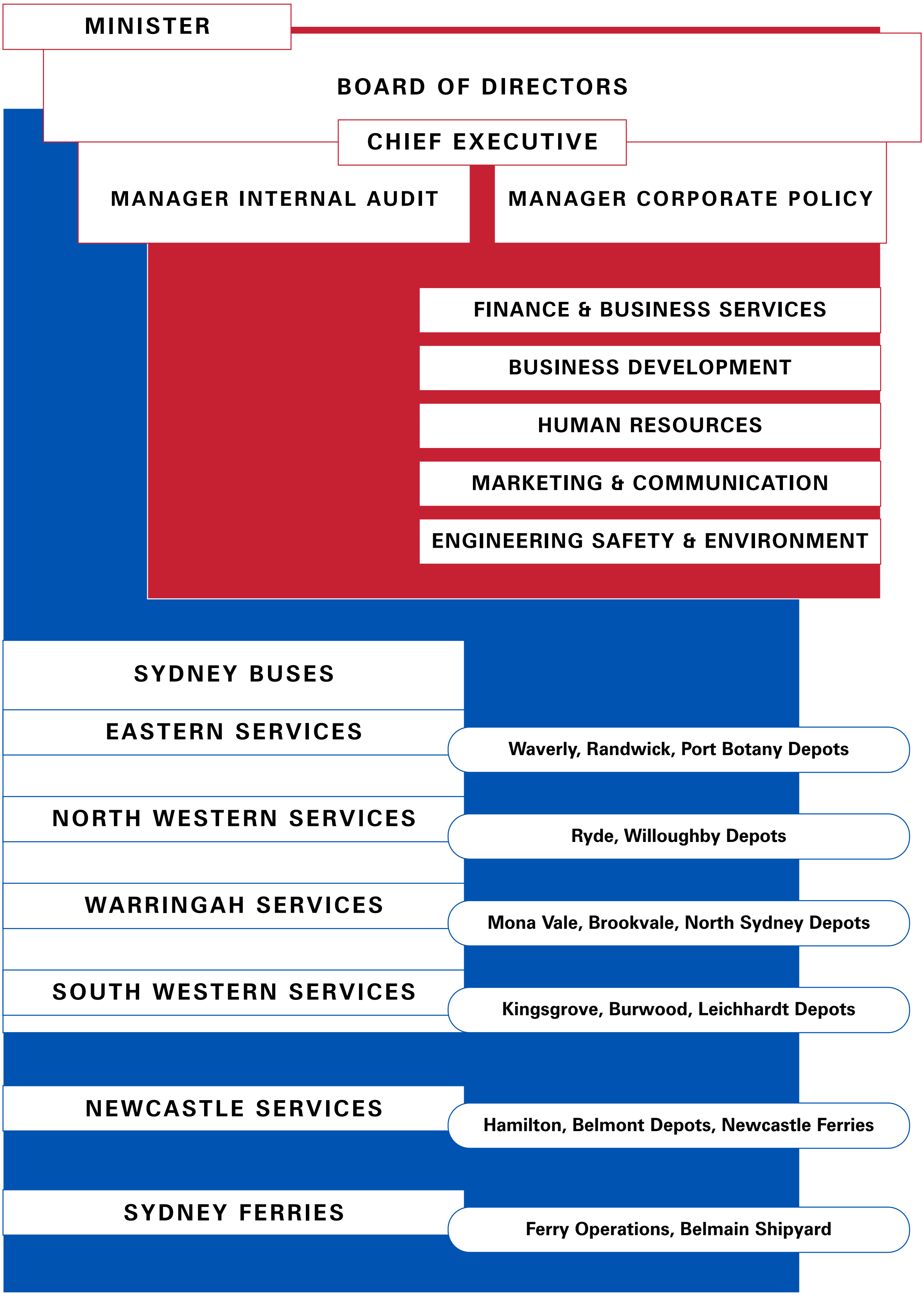
3. Consolidated Income And Expenditure Statements

COMPARISON BETWEEN ACTUAL AND BUDGET
FOR THE YEAR ENDED 30 JUNE 2001

	1999/00 Actual $000	2000/01 Actual $000	2000/01 Budget $000	Variance $000	Variance %	2001/02 Budget $000
INCOME:						
Passenger revenue	231,212	255,488	251,543	3,945	1.6%	249,383
Social program funding	179,632	193,676	193,453	223	0.1%	198479
Capital and other government grants	-	15,511	13,862	1,649	11.9%	10,802
Rent and advertising	8,940	11,097	9,914	1,183	11.9%	15,630
Interest	763	988	26	962	3700.0%	410
Proceed from sale of assets	40,385	3,304	10,421	(7,117)	(68.3%)	16,039
Other revenue	1,074	2,949	1,652	1,297	78.5%	5,367
Total Income	**462,006**	**483,013**	**480,871**	**2,142**	**0.4%**	**496,110**
Expenditure:						
Payroll and related costs	244,545	296,740	294,314	(2,426)	(0.8%)	290,274
Depreciation and amortisation	32,879	38,583	39,164	581	1.5%	41,397
Cost of fixed assets sold or written-off	38,239	4,390	10,421	6,031	57.9%	15,229
Operating leases	2,613	4,043	3,557	(486)	(13.7%)	2,929
Other operating costs	139,291	133,901	124,867	(9,034)	(7.2%)	135,751
Borrowing costs	5,740	9,669	11,907	2,238	18.8%	9,750
Total Expenditure	**461,307**	**487,326**	**484,230**	**(3,096)**	**(0.6%)**	**495,330**
Profit/(loss) before tax	**699**	**(4,313)**	**(3,359)**	**(954)**	**(28.4%)**	**780**

Organisational Items

4. Structure



5. Board Of Directors

The Board's role in the corporate governance of State Transit, includes setting the overall strategic direction, monitoring the performance of management, and oversighting significant financial matters. State Transit's corporate governance practices ensure a high standard of accountability and independent monitoring throughout the Authority.

Corporate Governance

State Transit Board members are appointed by the Minister for Transport for terms of up to three years. There can be up to eight members of the Board, one of whom is the Chief Executive of the Authority.

The Board meets monthly and is responsible for setting State Transit's major policies and overall strategic direction. The Board also monitors the performance of management, major capital expenditure and significant financial matters.

Board members

David Herlihy ■ CHAIRMAN

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

Currently, Mr Herlihy is Chairman of Lafarge Aluminates Australia, a subsidiary of Lafarge France, and Executive Chairman of Fraser Range Holdings Ltd. He is also a life member of the Australian Institute of Political Science. Mr Herlihy was first appointed to the Board of State Transit in January 1996 and became Chairman in January 1997.

John Stott ■ CHIEF EXECUTIVE

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

Geoff Ashton

Mr Ashton was formerly Managing Director of Monier Limited and later Clyde Industries Limited. He is currently a Member of the Board of the Australian National Training Authority and a Non Executive Director of Leighton Holdings Limited, Evans Deakin Industries Limited, and Savings Australia Pty Ltd, the trustee for Superannuation Trust of Australia. He is also Chairman of ETRS Pty Limited, ACIRL Pty Ltd, Bridgeport Advisers and Asset Managers Pty Ltd and HRL Services Pty Ltd. He is National President of the Australian Industry Group.

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.

Julie Walton

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

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.

Tony Shepherd

Mr. Shepherd was Chief Executive of Transfield Project Development, a specialist division dedicated to the development of major projects and, particularly projects financed by the private sector. Successes included the Melbourne City Link Project, the Walsh Bay Urban Development and the acquisition of ADI. Mr Shepherd oversaw the public listing of Transfield Services Limited. He then left his position as CEO of Transfield Project Development to take the position of Deputy Chairman of Transfield Services. Mr Shepherd was appointed to the Board in August 2001.

Attendance at board meetings

The Board met on 11 occasions during 2000/2001 and attendance was as follows:

Name	Meetings Attended
D J Herlihy	11
J D Stott	10
G J Ashton	10
M R R Lennon	10
J Walton	10
S Gray	11
P Dunn (A/Chief Executive)	1

Audit Committee

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

The Audit Committee's role, set out in the Audit Committee Charter, is to have regard to assuring the independence of the Audit function, monitoring of corporate risk assessment and internal controls, reviewing financial and other practices, reviewing the quality and integrity of financial reports and overseeing the duties and responsibilities of the Manager Internal Audit.

The Committee met on 6 occasions during the year under review.

Committee Members:

July to October 2000	November 2000 to February 2001	April 2001 to 30 June 2001
Mr GJ Ashton (Chairman)	Mr GJ Ashton (Chairman)	Mr GJ Ashton
Mr DJ Herlihy	Mr DJ Herlihy	Mr MRR Lennon
Mr JD Stott	Mr MRR Lennon	Mr JD Stott
	Mr JD Stott	

Ferries Committee

The Board established a Ferries Committee in August 2001 following the release of the Waterways Report into Sydney Ferries.

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 (Bus Offences) Regulation 1995
- Transport Administration (Ferry Offences) Regulation 1995
- Transport Administration (Staff) Regulation 1995
- Transport Administration (General) Regulation 1995

Each of the above regulations was automatically repealed, effective 1 September 2000, by operation of the Subordinate Legislation Act 1989.

The Transport Administration (Staff) Regulation 1995 and the Transport Administration (General) Regulation 1995, were remade in essentially the same terms, as the:

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

The Transport Administration (Bus Offences) Regulation 1995 and the Transport Administration (Ferry Offences) Regulation 1995, were not remade. The ground covered by these regulations is now covered by the following regulations made under the Passenger Transport Act 1990:

- Passenger Transport (Bus Services) Regulation 2000
- Passenger Transport (Ferry Services) Regulation 2000

which establish a common regulatory regime in respect of the operation of bus and ferry services within New South Wales, regardless of whether the operator is privately or publicly owned.

Orders

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

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

- Gazette No. 103 of 29.6.01

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.

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Commercial Items

7. Government Funding and Social Program Payments

Total government funding for 2000/01 at $193.7m was $14.1m higher than 1999/00.

This increase was mainly due to:

- additional funding of $4.2m arising from the first full year of ownership by State Transit of North Western Coaches Pty Ltd and Riverside Bus and Coach Services Pty Ltd, and
- increases in both patronage and the Metropolitan Standard Bus Scale which forms the basis of the calculation for both Concession and Pricing CSO reimbursements.

Government funding consists of the following:

Concessional and Free Travel

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

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

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

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

In 2000/01 the reimbursement under this program amounted to $137.7m compared to $129.4m in 1999/00.

Service Level Community Service Obligation

The social program payment for non commercial services is a payment made by Government to reimburse State Transit for operating a number of services that are not commercially justifiable by normal industry benchmarks. As part of this payment, State Transit's Parramatta River service and the Stockton ferry in Newcastle are deficit funded to a level of $6.9m. Bus services in the Sydney area do not receive any funding for non commercial services. Funding for non commercial services amounted to $19.3m in 2000/01 compared to $18.3m in 1999/00.

Pricing Community Service Obligation

The social program payment for non commercial fares is a payment made by Government in recognition of the fact that State Transit's fares (which are regulated by the Independent Pricing and Regulatory Tribunal) are held below commercial fare levels charged by most private sector operators. Funding for this area amounted to $36.7m in 2000/01 compared to $31.9m in 1999/00.

8. Implementation Of 2000/01 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 30 June 2000, was made by order published in Government Gazette No 81 of 30 June 2000 effective 1 July 2000.

The following table summarises the determination made by the Independent Pricing and Regulatory Tribunal and the fare changes implemented by State Transit.

TICKET	IPART Determination	Implementation
Single ride bus and ferry tickets	Single journey bus fares will increase by between 10 and 40 cents per journey. Inner Zone single ferry fares will increase by 30 cents per journey. Rydalmere and Manly fares will increase by 40 cents per journey. Parramatta single ferry and Manly JetCat fares will increase by 50 cents per journey.	All changes to Single Ride bus & ferry fares were within the Tribunal's guidelines.
TravelTens and FerryTens	Bus TravelTen tickets will increase by between 90cents and $3 FerryTens tickets will increase by between $2.30 and $4.	All changes to TravelTen and FerryTen fares were within the Tribunal's guidelines.
TravelPasses	Weekly TravelPass tickets will increase by between $2 and $5.	All changes to TravelPass fares were within the Tribunal's guidelines.
BusTripper	The maximum price of the BusTripper ticket will increase to $9.00.	The price of the BusTripper ticket increased to $9.00.
Bus/Ferry DayPass	The maximum price of the Bus/Ferry DayPass ticket will increase to $13.00.	The price of the Bus/Ferry DayPass ticket increased to $13.00
Time-based tickets – Newcastle	The 1 hour time-based fare will increase by 20 cents. The 4 hour and Daily fares will increase by 40 and 60 cents respectively. The TimeTen fare will rise by $1.00. The Stockton ferry Single Ride fare may increase by 10 cents.	All changes to bus and ferry fares in Newcastle were within the Tribunal's guidelines.
School Term Pass	The price of the School Term Pass must not exceed $36.00	The price of the School Term Pass increased to $36.00

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 which 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 2000/2001:

(a) New South Wales State Taxes and Charges

Classification	$000
Payroll Tax	16,650
Land Tax	1,109
Financial Institutions Duty	301
Registration charges and stamp duty for the bus fleet and commercial vehicles	1,862
Total	**19,922**

(b) Federal Taxes and Charges

Classification	$000
Excise Duty on Distillate	17,846
Fringe Benefits tax	310
Bank Debit tax	28
Total	**18,184**

10. Funds Granted to Non- Government Community Organisations

There were no payments made by State Transit to non-government community organisations.

11. Liability Management Performance

In the year ended 30 June 2001, the generalised cost of funds of State Transit's long-term debt portfolio was 7.7%. During the same period the generalised cost of funds of the risk neutral benchmark portfolio was 7.3%.

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 2001, State Transit's rate of return on the investment was 6.07%. As a comparable benchmark NSW Treasury Corporation 'Hour Glass' Investment - Cash Facility rate of return was 6.01%.

13. Performance in Paying Accounts

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

Quarter	Total Accounts Paid on Time			Total Amount Paid
	Target %	Actual %	$000	$000
September 2000	85	81.1	111,957	141,745
December 2000	85	89.3	138,430	155,086
March 2001	85	88.9	112,875	126,998
June 2001	85	94.6	125,581	132,691

Of the number of accounts processed during the year, 88.5% were paid within the trading terms. There were no penalty interest payments made under clause 18 of the Public Finance and Audit Regulation 2000.

14. Risk Management And Insurance

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

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

During August 2000, due to market speculation regarding the stability of HIH Insurance, State Transit developed insurance contingency plans with our broker, subject to position monitoring and commercial ratings. Whilst suffering reported exposure losses, State Transit was not subjected to significant premium escalation reportedly experienced by the insured community.

Risk Management initiated Project Bus Safe during May, 2001. The primary objective of the project is to implement an integrated best practice fleet safety program with a continuous improvement focus. The expected benefits include:

- improved care of passengers and affected public
- market impact - demonstrate preferred safety standards for bus fleet
- improved synergy - linkage to existing programs (and good practices) such as bus changeover project, learning and development, engineering policy and standards, occupational health, safety and rehabilitation, business management systems and risk management.
- cost effectiveness - reduced premiums and lower "hidden costs".

During the past year, response to major bus and ferry incidents demonstrated the robust capability of the Emergency Notification and Response System. This resulted in smooth transition to routine operations.

Implementation of the Business Management System (BMS), modelled on the requirements of the International Standards for Quality Management Systems ISO 9001:2000, consolidates risk control through standardised work practices within State Transit and its external interfaces. Implementation of the new risk based OH&S legislation will be enhanced by these initiatives.

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

There were no significant issues in the 2000/2001 Outgoing Audit Report that required the Authority's attention.

16. Overseas Travel

During the year, officers undertook the following overseas trip on behalf of State Transit.

1. Mr John Stott ■ **CHIEF EXECUTIVE**

Date: 19 May 2001 to 18 June 2001

Destination: London

Purpose: To attend the International Union of Public Transport (UITP) Congress

2. Ms Meg Nicholls ■ **TOURISM BRAND MANAGER**

Date: 29 March 2001 to 31 March 2001

Destination: New Zealand

Purpose: To attend the Oztalk 2001 Forum for Tourism Promoters

17. Freedom of Information

During the financial year 2000/2001, State Transit received twenty-three (23) applications for information under the Freedom of Information Act 1989, compared with eighteen (18) in 1999/2000.

Section A - FOI Applications	**Personal**	**Other**	**Total**
New (including transferred in)	9	13	22
Brought forward (incomplete requests from previous year)	0	1	1
Total to process	**9**	**14**	**23**
Complete	9	14	23
Transferred out	0	0	0
Withdrawn	0	0	0
Total processed	**9**	**14**	**23**
Unfinished (carried forward)	0	0	0

Section B - Result of FOI Applications	**Personal**	**Other**	**Total**
Granted in full	6	12	18
Granted in part	2	2	4
Refused	1	0	1
Deferred	0	0	0
Completed	9	14	23

Section C - Reason for not providing access	Personal	Other
S25(1)(a) - exempt	1	0
S28(1)(b) - documents not held	2	2
Total	3	2

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
	$ 1,840.00	$615.00

Section I - Discount allowed on Fee Charged	Personal	Other
Financial Hardship - pensioner/child	0	1
Financial Hardship - non profit organisation	0	0
Other - Personnel records etc	2	0
Total	2	1

Section J - Days to process

Elapsed Time	Personal	Other
0-21 days	9	14

Section K - Hours to process

Processing hours	Personal	Other
0-10 hours	9	14

Section L - Reviews and Appeals	Personal	Other
	0	1

18. Consultants' Fees

(a) Where fees exceeded $30,000

Name of consultant	$'000
Deloitte Touche Tohmatsu - 10 Year Financial Forecasting and modelling	40
Booz, Allen and Hamilton - Ferries Development Study	180

(b) Where fees paid were less than $30,000

	$'000
Fees paid to 1 consulting agency	20

19. Committees (Internal and External)

Internal Committees

Audit Committee

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

Tender Review Committee

The Tender Review Committee considers tenders in respect of projects which will result in a contract with a value of $100,000 or more. The endorsement of the Tender Review Committee is required at two stages of the tendering process. Firstly, prior to the advertising of a tender and secondly, prior to acceptance of a tender. The primary role of the Tender Review Committee is to ensure that State Transit tendering guidelines are complied with and that probity is maintained throughout the tendering process. The Tender Review Committee met on 16 occasions during the year under review and approved the advertising of 12 tenders during this period.

Environment Committee

This management committee ensures that strategic planning by State Transit gives adequate prominence to environmental management issues. It monitors State Transit's environmental performance and ensures that any required corrective measures are carried out. The committee reviews each site's environmental management program to ensure that it conforms with the overall policy and philosophy of State Transit.

Information Technology Committee

This management committee commissions and approves development of Information Technology (IT) strategies for State Transit. It oversees management of the strategic plan for the control, development, acquisition and implementation of IT facilities and computer systems throughout State Transit and establishes priorities. The committee ensures that the application of IT and systems is in accordance with State Transit's Business Unit and Corporate requirements.

Capital Works Committee

This management committee is responsible for ensuring that capital works initiatives undertaken by State Transit are appropriate to the organisation's objectives. The committee also takes into account State Transit's statutory, environmental and community obligations in relation to each project and ensures adherence to government guidelines. The committee monitors each project from inception through to completion and post-implementation review.

Occupational Health and Safety Committee

This management committee reviews compliance with State Transit's OHS&R policies, procedures and systems. The committee plays a strategic role in improving State Transit's overall OHS&R performance by managing the development of strategic programs to drive the improvement of workplace safety based on performance targets developed in consultation with the workforce and endorsed by the Board of State Transit.

External Committees

- Public Transport Authority
- Transport Co-ordination Committee
- UITP Australia and New Zealand
- Centennial Park/Moore Park Transport Committee
- City of Sydney Transport Committee
- Olympic Coordination Authority - Events Coordination Committee
- City of Sydney Development Committee
- Police Service Transit Police Working Committee
- Department of Transport Major Events Coordination Unit
- Public Transport Authority Integrated Ticketing Working Group
- ITIS Committee
- RTA Bus Priority Committees
- Local Council Traffic Committees
- Hunter Region Transport Forum
- Hunter Regional Development Organisation
- Inner Metropolitan Transport forum

20. Annual Environmental Report

State Transit's Environment Performance for the year 2000/01 is summarised as follows:

Environmental Policy and Management System

State Transit's Environmental Policy commits it to the principles of ecologically sustainable development, legislative compliance, best practice, and continuous improvement. The Policy was updated in November, 1999.

State Transit's Environment Management System (EMS) provides the Management Framework by which the Environment Policy is implemented. The EMS is available electronically on the State Transit Corporate Document Database and is subject to regular review.

Management Review

Quarterly Environmental Executive Committee meetings were held to monitor and review the effectiveness of Environmental management and address Corporate wide environmental issues.

Environmental Resources

State Transit has a full time Safety Manager, with functional responsibilities for environmental management. In relation to environmental property management, the Properties Manager is responsible for this function. Each Depot has a nominated Environmental Coordinator to facilitate the implementation of the EMS within the Depots. State Transit utilises external consultancy resources for specialist advice on environmental monitoring and management as required.

Environmental Compliance

During 2000/2001 State Transit received five Environmental Penalty Notices, four for visible smoke emissions, one for littering, to a total value of $848. Each Notice was investigated by State Transit and corrective action was instituted.

Environmental Incidents

Twelve internal environmental incident reports were recorded during the financial year. All incidents were investigated and preventative and corrective actions taken.

Environmental Complaints Handling

The Environment office received two public complaints referred from the NSW Environment Protection Authority Pollution Line, one relating to emissions from idling buses at a terminus and the other from JetCat vessel emissions at East Circular Quay. Each matter was investigated and controls put in place to resolve the complaint.

An environmental complaint was also received from the NSW Environment Protection Authority (EPA) regarding a fuel leakage from Port Botany Depot. A small leak in a fuel line was detected and the affected area is currently under remediation.

Air

State Transit has made a significant contribution to the reduction of greenhouse gas emissions through the introduction of its CNG gas buses, which currently comprise some 15% of the fleet. The CNG powered Mercedes-Benz buses produce 50% less greenhouse gas exhaust emissions than that of diesel powered buses.

Water

Each Bus Depot holds Trade Waste Agreements for the discharge of wastewater to the sewer with Sydney Water or Hunter Water. These agreements reflect the new load based fee licensing arrangements with the relevant Water Authority.

Lands

Remediation works have been conducted at Burwood Depot, and at the non-operational site at Ermington to meet EPA requirements.

A Phase 2 Contaminated Site Assessment was conducted at North Sydney Depot, at the request of the EPA, after pollution to stormwater was detected on an offsite stormwater pit. The assessment found no subsoil pollution at the Depot.

Waste

State Transit completed its submission to the EPA on its Waste Purchasing and Reduction Plan. This report detailed significant contributions to the recycling of metals, aluminium, oil, batteries, steel drums, concrete and paper.

Licenses

All Bus Depots are now EPA licensed for the collection, transport, and disposal of Group A liquid wastes. Licenses are no longer required for JetCat and Freshwater class ferries due to changed legislative and regulatory requirements.

Pollution Control

New Penstock valve installations were installed and commissioned at Brookvale and Port Botany Depots to prevent stormwater pollution. All Depot sites are provided with strategically placed emergency spill kits to contain and mop up any spills before they reach stormwater drains.

A first flush system was installed at Burwood to prevent stormwater pollution. Other sites were assessed as being suitably protected by using yard scrubbers to clean the depot hardstands. All Depots have pollution control systems and are generally in compliance with their trade waste licenses. The First Flush system at Kingsgrove was upgraded for pollution prevention and to meet Sydney Water requirements.

Environmental Capital Works in Progress

A new trade waste facility, being installed to treat waste water at Balmain Shipyard facility, is due for completion by October, 2001. An upgrade of the trade waste facility is underway at Kingsgrove Bus Depot, which is due for completion by late November 2001.

21. Mobile Telephones

Issue of mobile telephones to staff is outlined in State Transit's Telephone and Mobile Telephones Policy and Procedures 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 2000/01 there were 173 mobile telephones in usage (159 in 1999/2000).

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Operational Items

22. Service Changes in Response to Community Consultation

Better Buses Program

- The Better Buses program was implemented in the North West operational area of Sydney, and the program began in Newcastle and in the Eastern operational area of Sydney. There is a full report in the chapter on Convenience in the first section of this Annual Report.

Improvements to current services

- Timetabled wheelchair accessible services were added to another 35 routes throughout Sydney in 2000/01 bringing the total to 70 routes with these services.
- Routes 408, 409 and 414 which operate between Hurlstone Park and Flemington were redesigned to develop the local area network to focus on Burwood as the primary centre for the area and to provide a night time service for local residents.
- Route 343 was adjusted in the Sydney CBD to avoid traffic congestion to improve the reliability of the service.
- The L88 limited stop express service from the Mona Vale to Wynyard was introduced on weekends.
- Weekend services were introduced on Route 370 between Leichhardt and Coogee.
- Additional evening services were introduced on Route 178 between Wynyard and Dee Why to meet increased demand.
- Additional evening services were introduced on Route 246 servicing Military Road between the City and Spit Junction to meet increased demand.
- Increased services on Routes 412 and 413 were introduced between Earlwood and the City seven days a week as well as Sunday evening services.
- Coogee morning express services to the City were rerouted to travel via the Eastern Distributor saving 10 minutes on peak hour trips.

Adjustment of services

- The Airport Express services, Routes 352, 300 and 350, were adjusted to meet the changes in demand for airport services following the opening of the Airport Rail Link.
- The service frequency of Route 305 from Railway Square and Redfern to the Airport was adjusted as it largely paralleled the route of the Airport Rail Link.
- Route 100 services from Dee Why to the Airport were replaced by L78 services from Dee Why to North Sydney due to very low patronage to the Airport.
- Route 530 from Chatswood to Parramatta was replaced by the Route 545 service from Parramatta to Chatswood.

23. Customer response

Number of Complaints	1999/2000	2000/2001
written	1,535	1,134
phone/verbal	13,217	14,132

Number of Commendations		
written	352	338
phone/verbal	403	494

Main features of complaints were:

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

24. 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.

25. Disability Plans

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 2000/2001 includes:

- Purchase of fully accessible SuperCat ferries;
- Purchase of 89 new wheelchair accessible buses;
- Increase in the number of low floor buses in the fleet to 492 (25% of the fleet) of which 381 are fitted with a ramp for wheelchair access (19%);
- Wheelchair accessible services have been timetabled on more than 70 routes across Sydney;
- Circular Quay wharves refurbished with improved disability access;
- Provision of disability awareness training to Bus Operators and other front-line staff.

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Human Resource Items

26. Human Resource Statistics

Comparison of permanent staff by classification (full time equivalent) over the four year period from June 1997 to June 2001 is outlined in the table below:

Category	June 1997	June 1998	June 1999	June 2000	June 2001
Operations (Wages)	3361	3380	3496	3745	3767
Maintenance & Support (Wages)	385	381	369	373	381
Salaried Officers	542	530	548	559	593
SES & CES	16	14	14	13	13
TOTAL	**4304**	**4305**	**4427**	**4690**	**4754**

27. Equal Employment Opportunity

Actual Number of Women in the Workforce by Income – as at June 2001

Salary Band* $	Total Staff**	Number of Women	Percentage ofWomen %
<$26, 802	263	65	24.7
$26,802-$35,202	3,548	304	8.6
$35,203-$39,354	246	39	15.9
$39,355-$49,799	570	57	10.0
$49,800-$64,400	119	24	20.2
$64,401-$80,499	61	7	11.5
>$80,499 (non-SES)	20	1	5.0
>$80,499 (SES)	13	1	7.7
TOTAL	**4,840**	**498**	**10.3**

Actual Number of Women In Workforce (1996/97-2000/01)

Year	Total Staff**	Number of Women	Percentage of Women (%)
1996/97	4356	441	10.1
1997/98	4355	450	10.3
1998/99	4427	460	10.4
1999/2000	4875	530	10.9
2000/2001	**4840**	**498**	**10.3**

* This represents base salary levels only. The actual remuneration of Shift workers is higher than that indicated in salary bands.

** These are actual staff numbers, not full time equivalent.

28. Action Plan for Women

In May 2001 State Transit joined a Department of Women group in a Centenary of Federation project to reach out to women in rural communities with information and opportunities not easily accessible on those areas.

State Transit contributed a bus with a team of four women drivers, two liaison personnel and a support group of three engineering staff.

The bus transported 16 tonnes of printed information for the Department of Women, which was distributed across western and southern rural New South Wales over an intensive two week period.

The project included workshops, recruitment information, health advice and training on how to use the internet to access information concerning employment opportunities, women's health and related women's issues.

During 200/2001 State Transit continued to strengthen its contribution to the NSW Premier's Department Spokewomen's program.

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

29. Ethnic Affairs Priorities Statement and Agreements

Achievements in State Transit's commitment to the principles of equity and diversity were:

- establishment of a new position of Manager, Equity and Diversity graded at Senior Officer Level C,
- a graduate trainee recruitment program realized a 50% intake of female graduates,
- advertising for apprenticeships, administrative and maritime trainees was undertaken for the Koori Mail.

The plans for 2001/2002 include the following initiatives:

(a) a strategic equity and diversity program for the whole of State Transit will be developed,

(b) up to twenty senior managers will undertake training delivered by the NSW Anti-Discrimination Board in the investigation and resolution of discrimination complaints,

(c) a major policy review will be undertaken to ensure all State Transit policies and procedures are equity compliant,

(d) training modules in equity and diversity for senior and middle management will be developed and delivery commenced.

30. EEO Target Groups

The following table outlines the number of employees falling within Equal Employment Opportunity reporting categories based on the number of responses received from employees:

	June 1999 (No.)	June 1999 (% staff)	June 2000 (No.)	June 2000 (% staff)	June 2001 (No.)	June 2001 (% staff)
Women	460	10.4	530	10.9	498	10.3
Aboriginal People*	24	1.2	27	1.2	55	1.1
People from Non-English Speaking Background	794	39.3	906	36	1473	30.0
People with a Physical Disability	112	5.5	131	6	240	5.0

* In previous years, the percentage of staff was calculated on the basis of total number of staff. For 1998/99 and thereafter, however, the percentage of staff figure has been calculated on the basis of the number of respondents to an EEO questionnaire (figures for 1997/98 have been recalculated on this basis), using the weighted estimate determined by the Office of the Director of Equal Opportunity in Public Employment (ODEOPE).

31. Occupational Health, Safety and Rehabilitation

During 2000/2001 significant improvements were achieved in relation to providing a safe work place for State Transit staff.

Of note:

- The total number of incidents reduced by 7%, from 1764 to 1644.
- Total days lost reduced by 14.7%, from 5128 to 4375.
- The Frequency Rate fell by 34.4%.
- The Incident Rate fell by 33.7%.

Other achievements during 2000/2001 included:

- a new OHS&R System began to be implemented in all work locations;
- a strategy to reduce days lost due to work related injuries and illnesses by 30 September 2000 endorsed by the Board resulted in a 27.6% reduction in days lost;
- programs designed to reduce injuries associated with bus seats and destination rollers were implemented;
- the personal safety training program continued and over 3000 bus and ferry operations staff have now been trained;
- all buses are now equipped with closed circuit TV's;

- operation bus stop has been extended;
- free vaccination against influenza were again provided to staff;
- a "Safety Alert" notification system was introduced to provide staff with a rapid response advice on potential and known risks and hazards and how they should be managed.

32. Code of Conduct and Discipline Policy

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

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

The Discipline Policy has also been reviewed with the aim of ensuring that it reflects contemporary practice in the conduct of disciplinary investigations and provides fairness and consistency in disciplinary outcomes. Consultation is now underway with relevant unions prior to finalisation and publication in 2001/2002.

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 in the process of being streamlined to make it more efficient and effective. Once the enhanced system is approved all nominated disclosure officers will be trained as to their responsibilities within the process in the first half of 2002.

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

During 2002 an ethical awareness program (incorporating the Code of Conduct) is to be implemented across State Transit to continue the promotion and communication of ethical conduct to all staff levels.

33. 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.

34. CES/SES Bands

Band 1998	June 1998	Band 1999	June 1999	Band 2000	June 2000	Band 2001	June 2001
Level 6	1	Level 6	1	Level 6	1	Level 6	1
Level 5	0	Level 5	0	Level 5	0	Level 5	0
Level 4	3	Level 4	3	Level 4	2	Level 4	2
Level 3	1	Level 3	1	Level 3	3	Level 3	3
Level 2	6	Level 2	6	Level 2	6	Level 2	6
Level 1	3	Level 1	3	Level 1	1	Level 1	1
Total	14	Total	14	Total	13	Total	13

35. Senior Executives Qualifications

NAME	POSITION	QUALIFICATION
John Stott	Chief Executive	B. Sc (Technology)
Wayne Butler	General Manager, South Western Services	Mec.C, C.TM
Paul Dunn	General Manager, Finance & Business Services	B. Comm, MBA, ACA
Bruce Eldridge	General Manager, Eastern Services	M. TM, Dip. TM, C.TM
Terry Garrett	General Manager, Newcastle Services	C. TM
Egle Garrick	General Manager, Marketing & Communications	B.A, Dip.Lib, M.ScSoc,C.TM
Alan Hollway	General Manager, Human Resources	B.A, Grad.Dip, MBA
Lyall Kennedy	General Manager, Business Development	B.Ec, M.Tec, C.TM
Colin Menzies	General Manager, Sydney Ferries	B.E, MBA, CTM
Rod Robey	General Manager, Warringah Services	M.TM, MNIA

36. SES Performance Review

John Stott, Chief Executive, SES Level 6

Period in position 1 July 2000 – 30 June 2001

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 maintained and improved State Transit's services in 2000/01, despite major constraints on funding and in the face of significant cost increases. Full year revenues were above budget by 1.3% and costs were held within 1.8% of budget despite a number of significant costs from unpredictable events such the strong pressures on costs from State Transit's expanded Olympic commitments.

In terms of service performance, there was significant patronage growth with new services introduced to meet demand and other services adjusted to ensure optimum allocation of resources.

Enterprise agreements were concluded with almost all sectors and unions, laying the foundation for improved financial performance and enhanced customer service.

Significantly, the workplace change program was achieved with minimal industrial disruption.

Key achievements for 2000/01 include:

- The successful delivery of the Olympic bus transport task.
- The full integration of North & Western and Riverside bus services into State Transit's North West area of operations.
- The development of an efficient cost model and the pursuit of efficiencies.
- The Better Buses program introduced a new sophistication in community consultation on public transport services.
- Introduced 89 low floor fully wheelchair accessible, CNG powered buses.
- The rapid and positive response to the findings of the Waterways Authority report into Sydney Ferries.
- Extensive improvements to safety and security on board buses and ferries for both passengers and employees. Installation completed of closed circuit television cameras on the wharves used by Sydney Ferry services.
- Progressed the development of the New South Wales integrated ticketing strategy.

The Board of State Transit and the Minister for Transport have indicated that they are satisfied that the performance targets specified in Mr Stott's performance contract have been achieved and exceeded and particularly commended him for his contribution to the Olympics.

SES Remuneration

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

I.	Chief Executive	John Stott
	Total Remuneration Package	$205,410
	Performance Payment 2000/2001	No payment made in report year
II.	General Manager, Finance & Business Services	Paul Dunn
	Total Remuneration package	$169,420
	Performance Payment 2000/2001	No payment made in report year

Other

37. List of Publications

In 2000/2001 State Transit produced and distributed:

- 1999/2000 Annual Report
- 2000/2001 Corporate Plan
- Bus and Ferry Timetables (various)
- Various brochures and flyers, including for a number of tourist products, new and special tickets, service changes, safety material and guides to Sydney Harbour, Newcastle and ferries
- Transit Time (24 editions)

38. Annual report publication details

The State Transit Annual Report was designed and produced by Infographic Design, Sydney at a cost of $17,325.

39 Electronic Service Delivery (ESD) Status

Electronic delivery (ESD) of State Government services is a key factor for improved service delivery, business development and corporate reform in New South Wales. In March 1999, the NSW Government made a commitment for all appropriate government services to be available electronically via the Internet by December 2001.

During 2000/2001 State Transit consistently met all the ESD deadlines set down in the framework established by the Office of Information Technology for provision of information or the establishment of electronic services as listed below:

- June 2000 - ESD Survey completed. This survey ascertained State Transit's overall readiness and progress in ESD.
- July 2000 - ESD Assessment Audit. This self assessment process was designed to help agencies to identify services appropriate for the Interent and other ESD channels.
- December 2000 - Tender Information on the Internet. This initiative allowed State Transit to provide information on advertised and awarded tenders on the Internet.
- December 2000 - All appropriate government publications on the Internet. To accompany the already extensive ticketing and travel planning data on the STA Website information about the School Student Transport Scheme (SSTS) was added during 2000. The scheme provides free and subsidised travel to both public, private school and TAFE students and information is now easily accessed on the STA Website.

State Transit has always been well advanced in the development and deployment of ESD and Internet based information and passenger assistance services. Our early adoption and commitment to the use of leading edge technologies to improve customer service will continue into the future.

40 Letter of submission to the Minister

Level 29
100 Miller Street
North Sydney NSW 2060
PO Box 1327
North Sydney NSW 2059
Telephone (02) 9245 5777
Facsimile (02) 9245 5710

The Hon PC Scully MP
Minister for Transport
Minister for Roads
Level 34
Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

Dear Mr Scully

On behalf of the State Transit Authority of New South Wales, it is my pleasure to present to you the Annual Report for the year ended 30 June 2001. This report has been prepared in accordance with the Annual Reports (Statutory Bodies) Act 1984 and the Public Finance and Audit Act 1983. The financial statements have been audited by the NSW Audit Office and the Auditor-General's report is included.

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

Yours sincerely

John Stott PSM
CHIEF EXECUTIVE

41. Key Performance Indicators

State Transit Key Performance Indicators
IN 2000/01 Dollars

	1997/98	1998/99	1999/00	2000/01
Consolidated State Transit				
Total revenue ('000)	$412,616	$425,891	$448,415	$481,508
Total expenses ('000)	$417,591	$441,837	$451,092	$485,886
Patronage ('000)	210,143	211,839	217,825	222,565
Kilometres ('000)	80,379	81,962	85,449	88,650
Staff	4,305	4,369	4,690	4,754
Total revenue per passenger	$1.96	$2.01	$2.06	$2.16
Total revenue per Km	$5.13	$5.20	$5.25	$5.43
Passengers per vehicle Km	2.61	2.58	2.55	2.51
Cost per passenger	$1.99	$2.09	$2.07	$2.18
Cost per vehicle Km	$5.20	$5.39	$5.28	$5.48
Passengers per employee	48,814	48,487	46,445	48,816
Vehicle Km per employee	18,671	18,760	18,219	18,647
Fleet size - buses	1,705	1,719	1,906	1,926
Fleet size - ferries	28	30	30	34
Sydney Bus Services				
Total revenue ('000)	$319,825	$329,429	$351,791	$371,424
Total expenses ('000)	$314,307	$329,639	$335,425	$376,607
Patronage ('000)	183,792	185,762	191,855	195,380
Kilometres ('000)	69,317	70,979	74,502	77,444
Staff	3,302	3,330	3,620	3,638
Total revenue per passenger	$1.74	$1.77	$1.83	$1.90
Total revenue per Km	$4.61	$4.64	$4.72	$4.80
Passengers per vehicle Km	2.65	2.62	2.58	2.52
Cost per passenger	$1.71	$1.77	$1.75	$1.93
Cost per vehicle Km	$4.53	$4.64	$4.50	$4.86
Passengers per employee	55,661	55,784	52,999	53,705
Vehicle Km per employee	20,992	21,315	20,581	21,288
Changeovers per 100,000 Kms	19.5	19.2	18.0	16.4
Average bus vehicle age	11.3	11.9	11.8	12.2
Bus service reliability (on time)	97.2%	97.1%	97.4%	96.1%
Fleet size - buses	1,532	1,546	1,724	1,755

State Transit Key Performance Indicators
IN 2000/01 Dollars

	1997/98	1998/99	1999/00	2000/01
Newcastle Bus & Ferry Services				
Total revenue ('000)	$27,732	$28,333	$28,347	$27,263
Total expenses ('000)	$34,133	$34,139	$32,686	$34,964
Patronage ('000)	13,283	12,997	12,712	12,273
Kilometres ('000)	9,724	9,685	9,614	9,868
Staff	381	377	381	376
Total revenue per passenger	$2.09	$2.18	$2.23	$2.22
Total revenue per Km	$2.85	$2.93	$2.95	$2.76
Passengers per vehicle Km	1.4	1.3	1.3	1.2
Cost per passenger	$2.57	$2.63	$2.57	$2.85
Cost per vehicle Km	$3.51	$3.52	$3.40	$3.54
Passengers per employee	34,864	34,475	33,365	32,641
Vehicle Km per employee	25,522	25,690	25,234	26,245
Changeovers per 100,000 Kms	17.3	15.3	17.4	17.5
Average bus vehicle age	11.8	12.8	13.3	13.7
Bus service reliability (on time)	99.2%	97.9%	95.1%	95.5%
Fleet size - buses	173	173	182	171
Fleet size - ferries	2	2	2	2
Sydney Ferry Services				
Total revenue ('000)	$62,771	$62,977	$66,054	$80,168
Total expenses ('000)	$67,433	$71,308	$74,765	$74,101
Patronage ('000)	13,068	13,080	13,258	14,912
Kilometres ('000)	1,338	1,298	1,333	1,338
Staff	418	433	457	489
Total revenue per passenger	$4.80	$4.81	$4.98	$5.38
Total revenue per Km	$46.91	$48.52	$49.55	$59.92
Passengers per vehicle Km	9.8	10.1	9.9	11.1
Cost per passenger	$5.16	$5.45	$5.64	$4.97
Cost per vehicle Km	$50.40	$54.94	$56.09	$55.38
Passengers per employee	31,263	30,208	29,011	30,495
Vessel Km per employee	3,201	2,998	2,917	2,736
Ferry service reliability (on time)	98.6%	98.4%	99.5%	99.4%
Fleet size - ferries	26	28	28	32

Note: The Total Revenue and Total Expenditure amounts exclude the proceeds (and Written Down Value) of properties sold.

42. Contact details

Hours of service

8.30am to 5.00pm, Monday to Friday

Sydney Bus & Ferry and Newcastle Bus & Ferry information

131 500, 6.00am to 10.00pm daily.

Head Office

Level 29, Northpoint, 100 Miller Street, North Sydney NSW 2060

Telephone: (02) 9245 5777

Please note: State Transit Head Office is moving to
Level 1, 219-241 Cleveland Street, Strawberry Hills NSW 2010 in December 2001.
The telephone number will stay the same.

Sydney Bus depots

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

Newcastle Bus Depots

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

Newcastle Ferry services

(02) 4974 1160

Sydney Ferry services

(02) 9207 3166

Balmain Shipyard

(02) 9246 9661

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