

State Rail Authority New South Wales Annual Report 2004-05



StateRail

Contents

Contents

Letter to the Minister 1

Our charter 1

Our structure 2

**Message from the
Acting Chief Executive** 3

Performance review 4

Financial statements 6

Appendices 37

Index 44

31 October 2005

The Hon John Watkins,
Deputy Premier
Minister for Transport
Minister for State Development
Level 30, Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Minister,

I have pleasure in submitting, for your information and presentation to Parliament, the State Rail Authority of New South Wales Annual Report for the year ended 30 June 2005.

The report has been prepared in accordance with the *Annual Reports (Statutory Bodies) Regulation 2005*, the *Annual Reports (Statutory Bodies) Act 1984*, the *Public Finance and Audit Act 1983*, and exemptions under those acts.

Yours sincerely



Vince Graham
Acting Chief Executive

About StateRail

As part of the restructure of the NSW rail industry, and in accordance with amendments to the *Transport Administration Act 1988*, StateRail's passenger functions, most of its metropolitan assets, rights, liabilities and staff have been progressively transferred to the new RailCorp since 1 January 2004.

The objectives of the State Rail Authority are now as follows:

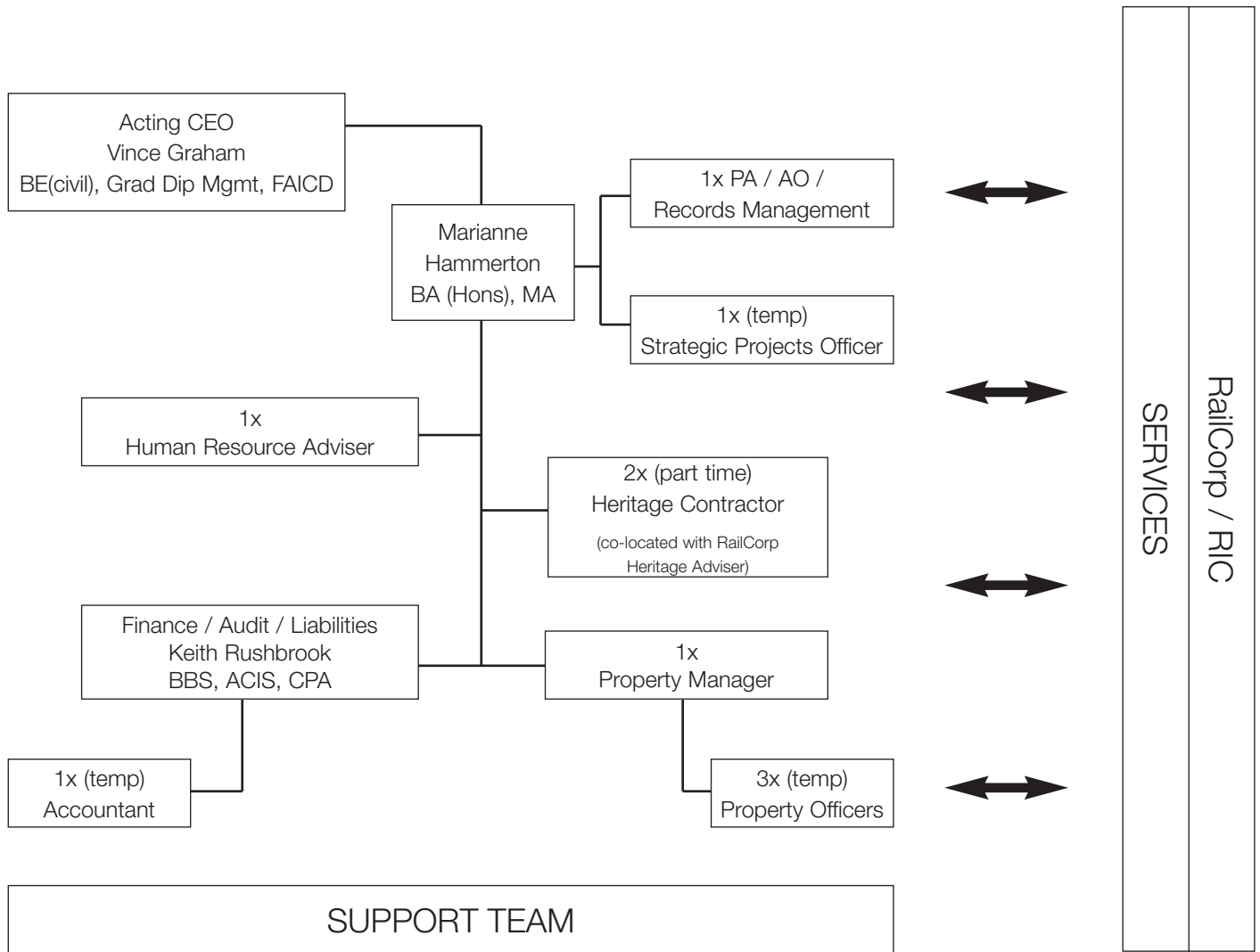
- (a) to manage its assets, rights and liabilities effectively and responsibly,
- (b) to minimise the risk exposure of the State arising from its activities,
- (c) to achieve the efficient and timely winding up of residual business activities.

Note about this report

The rail system in NSW is undergoing significant structural change. Accordingly, duplications will exist between the content of this report and that of Rail Corporation New South Wales. Information on such areas as human resources and industrial relations policies and procedures, and disability plans, should be sourced from the 2004-05 RailCorp annual report.

Our organisation

Our Structure



Message from Acting Chief Executive

The consolidation of the rail industry in New South Wales has continued throughout the year. The transfer to RailCorp of the delivery of rail passenger services previously provided by the State Rail Authority (StateRail) and ownership and management of all metropolitan rail infrastructure previously owned by Rail Infrastructure Corporation (RIC) is nearing completion.

StateRail has had three main areas of focus in its transition activity during the year. Firstly, all assets and liabilities have been identified, categorised and relevant strategies put in place. Secondly, StateRail staff were provided to work under RailCorp direction to ensure continuity of operations while the integration and transition process takes place. Thirdly, StateRail has maintained a focus on meeting statutory requirements during the gradual winding down of operations.

Further to the appointment of the General Manager of StateRail in July, a residual management team was established to plan and guide StateRail through the necessary transition activities.

In relation to workforce transition, the major achievement was the vesting of 3262 staff to RailCorp in 2004-05, with a further 351 to be vested on 1 July 2005. As RailCorp progresses the filling of positions, the shared challenge is to identify all StateRail staff surplus to requirements and plan their entry to the Career Transition Centre.

Overall, I am confident that the transition process is progressing smoothly, and that the transition and winding down of StateRail will be largely advanced in the coming year.



Vince Graham
Acting Chief Executive Officer

Performance review

Residual management

Under the direction of the State Rail General Manager, Marianne Hammerton, a residual management group was formed in the second half of the year. The priority for the group was to identify all residual assets and liabilities and surplus workforce projections, and develop strategies in response. These were reflected in the StateRail Residuals Management Plan, against which implementation progress has been monitored. Additional support resources were drawn from RailCorp and RIC as required, ranging from corporate services, environmental and legal to career transition services.

To ensure appropriate governance of StateRail, the A/CEO and General Manager joined with Residual StateRail Finance, Property and HR Managers for periodic StateRail Management group meetings. The General Manager was also part of the RailCorp Executive Committee and the Executive Transition Committee to facilitate collaborative approaches to rail integration and transition.

Assets and liabilities

The main categories of StateRail assets are:

- Property
- Heritage
- Receivables

Property

A comprehensive review of the Metropolitan Property Portfolio was undertaken, and a total of 103 individual land parcels and items of disused infrastructure were identified for possible disposal. Of these, five land parcels were sold and one was dedicated for a public purpose during the 2004/05 financial year. Sale proceeds have been set aside to fund the sustainable heritage management strategy going forward into 2005-06

In preparation for future disposals from this portfolio, work has commenced on land surveys, utility service searches, site evaluation and environmental assessment. These activities, as well as the commissioning of legal advice, consultation with stakeholders and negotiation with prospective purchasers, will take place in the coming financial year.

Non-metropolitan

StateRail's non-metropolitan land holdings make up the Country Regional Network and the Leased Network, which are managed by the Australian Rail Track Corporation (ARTC) partly under lease and partly under agreement. Sale of 11 properties from that portfolio were completed during the 2004/05 financial year.

Heritage

StateRail supported the workings of the Heritage Asset Management Steering Committee [convened by the CEO of RailCorp] and participated in its deliberations during the financial year. The purpose was to develop a strategy for the management of rail heritage assets into the future. Of immediate interest was the need to review StateRail's moveable heritage collection. This led to the formation of a Rolling Stock Review Committee which assessed all heritage rollingstock owned by StateRail and identified items to remain within the core collection. Surplus items were recommended for disposal in accordance with approved policy. The Small Artefacts Selection Committee to be convened in the first half of 2005/06 will complete the identification of the core collection.

An important development during the course of the year was the announcement of the Redfern Waterloo Authority, with the mandate for an urban renewal program in the Redfern area. StateRail, as the current owner of the North and South Eveleigh sites, agreed to vest the land to the Redfern Waterloo Authority so as to give effect to Government's intentions for the area. This has required consideration of options for relocation of the moveable heritage assets currently stored in the Large Erecting Shop, the Paint Shop and Carriage Works, and the associated tracks.

A range of activities and projects were undertaken during the year in preparation for the sesquicentenary of rail in NSW in September 2005. These included preparation of rollingstock and repairs and maintenance of heritage items of state significance. The latter was undertaken in partnership with rail preservation groups.

Work continued on the development of the Australian Railway Monument at Werris Creek. This project commemorates those staff and contractors who were killed while in the course of their duty on the NSW rail system. It is anticipated that the monument will be opened in October 2005.

StateRail also continued to meet its obligations to manage those items on its S. 170 Heritage and Conservation Register.

Receivables

Receivables totalling \$228.3 million are owing to StateRail, with \$94.8 million anticipated to be recovered in the next 12 months. The main categories include:

- Workers compensation recoveries of \$138.1 million. This amount is owing by NSW Treasury and is equal to the Pre-1.7.1996 Worker's Compensation liability included in provisions. Total liability and related case management is being undertaken on behalf of NSW Treasury. Future claims and injury management arrangements are being developed in collaboration with the rail entities, WorkCover and Treasury.

- Trade and other debtors of \$81.2 million.

The main categories of liabilities totalling \$856.5 million in StateRail include:

- Employee-related provisions of \$354.3 million. The majority of these amounts will be vested to RailCorp/Rail Infrastructure Corporation, with the vesting of employees. The remainder will be taken over by the Crown on the dissolution of StateRail.
- Interest bearing liabilities of \$186.1 million will be taken over by the Crown on the dissolution of StateRail.
- Payables of \$88.4 million, these will be paid in the next twelve months.

Workforce

As part of the ongoing consolidation of the rail industry, passenger rail services previously provided by StateRail have been transferred to RailCorp. To achieve the necessary continuity of service, most of the remaining StateRail workforce has worked under the direction of RailCorp during the year.

State Rail Authority workforce at the commencement of financial year was 6,451 employees, mostly in CountryLink, Customer Services [Station Operations], Train Services and Corporate Services. By close of the financial year residual StateRail staff had reduced to 2,530 employees. Exiting workforce movements were as follows:

Vested to other rail entities	3262
Seconded to ARTC	258
Transfers/Promotion into RailCorp	273
Resignations or Retirements	28
Voluntary Redundancy	100
Total	3921

During the year, 130 employees elected to take up redeployment and were supported by the RIC Career Transition Centre.

Further activity to finalise RailCorp's approved structure will continue into the 2005/06 financial year. Transition strategies are being developed for surplus employees whose circumstances are complex or who have special requirements, for example employees who are medically restricted.

In the 2005/06 financial year it is anticipated that more than 600 StateRail employees will be declared surplus. Estimates indicate that of that number, 400 will accept voluntary redundancy with the remaining employees seeking redeployment through the Career Transition Centre. A further 1,500 employees are expected to be vested either to RailCorp or RIC during the next financial year.

Statutory compliance and management

StateRail continued to meet its statutory requirements as a Government agency. Where relevant and appropriate, StateRail employees working to the direction of RailCorp did so under that organisation's framework of occupational health and safety, risk management, workers compensation, audit and finance and industrial agreements.

Finance and audit

StateRail's net deficit from ordinary activities after income tax equivalent for the year ended 30 June 2005 was \$22.5 million. Total revenues from ordinary activities was \$473.5 million, mainly comprising \$292.6 million of services to other NSW rail entities and \$156.4 million of Capital and other Government contributions. Total expenses of \$490.7 million mainly comprising labour related costs of \$349.7 million, assets written off or sold of \$63 million and non-capital grants to Rail Infrastructure Corporation of \$54.8 million.

An unqualified audit opinion on StateRail's 04/05 annual financial report was provided by the Deputy Auditor-General of New South Wales.

StateRail's negative equity of \$341 million and its statutory objective to wind up its residual business activities indicate that it is no longer a going concern. The Treasury has advised that the Government clearly recognises its responsibility for ensuring the capacity of the residual business to meet its financial obligations and ensuring the integrity and viability of those operations.

Financial Statements

Independent Audit Report	7
Statement of financial performance	8
Statement of financial position	9
Statement of cash flows	10
Note 1 Summary of accounting policies	11
Note 2 Revenues	19
Note 3 Expenses	19
Note 4 Cash assets	20
Note 5 Receivables	21
Note 6 Other financial assets	21
Note 7 Property, plant and equipment	22
Note 8 Other assets	25
Note 9 Payables	25
Note 10 Interest-bearing liabilities	25
Note 11 Provisions	26
Note 12 Reserves	30
Note 13 Accumulated funds	30
Note 14 Expenditure commitments	31
Note 15 Contingent liabilities and contingent assets	32
Note 16 Financial instruments	32
Note 17 Legal form	35
Note 18 Principal activities	35
Note 19 Event occurring after reporting date	35
Statement by the State Rail Authority	36



GPO BOX 12
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT
STATE RAIL AUTHORITY OF NEW SOUTH WALES

To Members of the New South Wales Parliament

Audit Opinion

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

- (a) presents fairly the Authority's financial position as at 30 June 2005 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with section 41B of the Public Finance and Audit Act 1983 (the Act).

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

The Chief Executive's Role

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

The Auditor's Role and Audit Scope

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

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

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

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

My opinion does not provide assurance:

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

Audit Independence

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

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

A T Whitfield FCA
Deputy Auditor-General

Financial Report

(Start of audited financial statements)

Statement of financial performance for the year ended 30 June 2005

	Note	2004-05 \$000	2003-04 \$000
Revenues	2		
Passenger services	2.2	0	270 659
Social program funding	2.2	0	413 616
Capital and other Government contributions	2.1	156 373	350 719
Services to other NSW rail entities	2.2	292 552	292 336
Rents		8 839	30 985
Asset disposals		0	3
Interest		2 864	2 249
Other (non operating)		12 918	39 801
Total revenues from ordinary activities		473 546	1 400 368
Expenses	3		
Payroll costs		220 532	485 786
Employee benefits	3.2	104 694	171 544
Severance payments		18 080	1 958
Workers' compensation	11.5	6 403	21 096
Operating lease rentals	3.1	90	239 582
Contract and general expenses		9 170	208 959
Consultants		0	428
Depreciation		634	93 422
Assets written-off or sold		62 986	12 513
Borrowing costs		13 042	14 305
Audit fees	3.1	190	390
Board members' emoluments		0	111
Doubtful debts expense		158	51
Non-capital grants		54 768	25 232
Capital grants		0	20 404
Total expenses from ordinary activities		490 747	1 295 781
Net surplus/(deficit) from ordinary activities before income tax equivalent expense		(17 201)	104 587
Income tax equivalent expense	1.18	5 295	0
Net surplus/(deficit) from ordinary activities after income tax equivalent expense	13.1	(22 496)	104 587
Direct non-owner adjustments of equity			
Increase/(decrease) in Asset Revaluation Reserve	12	(64 398)	1 816 854
Total direct non-owner adjustments of equity		(64 398)	1 816 854
Total changes in equity other than those resulting from transactions with owners as owners		(86 894)	1 921 441

The accompanying notes form an integral part of these financial statements.

Statement of financial position as at 30 June 2005

	Note	30.6.2005 \$000	30.6.2004 \$000
Current assets			
Cash assets	4	147 577	117 178
Receivables	5	94 811	77 215
Other financial assets	6	14 633	16 545
Inventories		255	260
Other	8	531	944
Total current assets		257 807	212 142
Non-current assets			
Receivables	5	133 526	138 016
Property, plant and equipment	7	124 080	415 613
Total non-current assets		257 606	553 629
Total assets		515 413	765 771
Current liabilities			
Payables	9	88 378	125 231
Interest-bearing liabilities	10	86 794	66 135
Provisions	11	91 688	119 576
Tax liabilities		10 713	11 047
Total current liabilities		277 573	321 989
Non-current liabilities			
Interest-bearing liabilities	10	99 266	123 262
Provisions	11	476 403	692 023
Tax liabilities		3 211	4 864
Total non-current liabilities		578 880	820 149
Total liabilities		856 453	1 142 138
Net liabilities		(341 040)	(376 367)
Equity			
Reserves	12	121 414	326 657
Accumulated deficit	13	(462 454)	(703 024)
Total equity		(341 040)	(376 367)

The accompanying notes form an integral part of these financial statements.

Financial Report

Statement of cash flows for the year ended 30 June 2005

	Note	2004-05 \$000	2003-04 \$000
Operating activities			
<i>Cash received</i>			
Receipts from customers and others		331 484	848 440
Social program receipts from government		0	413 616
Government contributions received		156 373	306 172
Funding for pre-1.7.1996 workers' compensation		10 608	13 094
Interest received		2 864	2 249
Total cash received		501 329	1 583 571
<i>Cash used</i>			
Payments to suppliers, employees and others		375 914	1 360 709
Payment of grants		80 032	32 686
Borrowing costs		12 675	13 785
Total cash used		468 621	1 407 180
Net cash from operating activities	4.1	32 708	176 391
Investing activities			
<i>Cash received</i>			
Plant and equipment disposals		0	3
Investments redeemed		1 912	4 632
Total cash received		1 912	4 635
<i>Cash used</i>			
Property, plant and equipment acquisitions		923	176 447
Total cash used		923	176 447
Net cash from (used by) investing activities		989	(171 812)
Financing activities			
<i>Cash used</i>			
Interest-bearing liabilities repaid		3 298	2 500
Total cash used		3 298	2 500
Net cash from (used by) financing activities		(3 298)	(2 500)
Net increase (decrease) in cash held		30 399	2 079
Cash at the beginning of the year		117 178	148 547
Cash transferred to RailCorp as a result of rail industry restructuring		0	(33 448)
Cash at the end of the year	1.5	147 577	117 178

The accompanying notes form an integral part of these financial statements.

Notes to and forming part of the financial report

Note 1 Summary of accounting policies

1.0 Industry restructuring

The NSW rail industry was restructured on 1 January 2004 pursuant to amendments to the Transport Administration Act 1988. Further restructuring occurred progressively during 2004-05. StateRail's passenger functions, most of its metropolitan assets, rights and liabilities, and about two thirds of its staff have been transferred to a new entity, RailCorp. StateRail continues with reduced functions and staffing and, after further restructuring, will eventually be dissolved. The transactions and cash flows for 2004-05 and the assets, liabilities and equity items at 30 June 2005 are therefore not directly comparable with those of the previous year. See note 13.

1.1 Bases of accounting

The financial statements have been prepared as a general purpose financial report in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group consensus views, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2005, and specific directions issued by the Treasurer.

Generally, the historical cost basis of accounting has been adopted and the financial statements do not take into account changing money values or current valuations. However, most items of property, plant and equipment (and associated depreciation expenses) are measured at their current value, and certain provisions (and associated revenues and expenses) are measured at their present value. See notes 1.8 and 1.11.

The accrual basis of accounting has been adopted in the preparation of the financial statements.

StateRail's negative equity and its statutory objective to wind up its residual business activities indicate that it is no longer a going concern. However, as the assets and liabilities remaining after the completion of the restructuring are to be taken over by the Crown, it is considered unnecessary to alter the values reported in the statement of financial position from those reported under the going concern basis. In addition, the Treasury has advised that the Government clearly recognises its responsibility for ensuring the capacity of the residual business to meet its financial obligations and ensuring the integrity and viability of those operations.

1.2 Consistency of accounting policies

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

1.3 Transition to new accounting standards

New, Australian equivalents to International Financial Reporting Standards (AIFRS) apply from 1 July 2005.

The transition to the new standards is being managed by a senior accountant who has analysed the new standards and interpretations and identified the key policy, procedure, system and financial impacts. Implementation is well advanced.

The significant accounting policy differences between AIFRS and existing AASB requirements (AGAAP) have been identified. Where AIFRS permit optional accounting treatments, NSW Treasury has indicated it is likely to mandate particular options to ensure consistency in the NSW Public Sector.

Had the 2004-05 financial statements been prepared under AIFRS, only two new requirements would have had a financial impact on the operating result or equity:

- AASB 119 *Employee Benefits* requires defined benefit obligations to be discounted using the government bond rate as at each reporting date rather than the long-term expected rate of return on plan assets. In 2004-05 this would have increased the amount of the unfunded superannuation liability and employee benefits expense.
- AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* requires the expected reimbursement of a provision by a third party to be recognised as an asset only when the reimbursement is virtually certain, rather than merely probable as required by the superseded standard. In 2004-05 this would have necessitated the derecognition of any recoveries where reimbursement was not virtually certain.

Financial Report

Note 1 Summary of accounting policies (continued)

Management's best estimate of the 2004-05 financial impact of these requirements is as follows:

Reconciliation of equity	Standard	30.6.2005 \$000	1.7.2004 \$000
Total negative equity under AGAAP		(341 040)	(376 367)
Increase in superannuation provision	AASB 119	(50 530)	(41 640)
Decrease in receivables	AASB 137	(312)	(654)
Total negative equity under AIFRS		(391 882)	(418 661)

Reconciliation of operating result	Standard	2004-05 \$000
Net deficit under AGAAP		(22 496)
Increase in employee benefits expense	AASB 119	(8 890)
Increase in public liability claim recovery revenue	AASB 137	342
Net deficit under AIFRS		(31 044)

However, the actual effects of the transition may differ from these estimates because of pending changes to AIFRS and/or emerging accepted practice in their interpretation and application.

The adoption of AIFRS will also necessitate reclassifying a number of items on the face of the income statement or balance sheet and making certain changes to disclosures in the financial report.

In addition, AASB 139 *Financial Instruments: Recognition and Measurement* requires the recognition of financial instruments that were previously off balance sheet, including derivatives. A mixed measurement model is adopted requiring financial instruments held for trading and available for sale to be measured at fair value (rather than cost) and valuation changes to be recognised in profit or loss or equity respectively. This may increase the volatility of the operating result and balance sheet. The standard also includes stricter rules for the adoption of hedge accounting, and where these are not satisfied, movements in fair value will impact the income statement. AASB 1 permits, and NSW Treasury is likely to mandate, the adoption of AASB 139 to be effectively deferred until 1 July 2005 and the presentation of the comparative information for 2004-05 to be presented on a pre-AIFRS basis.

Accounting policies may also be affected by a proposed standard to harmonise accounting standards with Government Finance Statistics (GFS). However, the impact is uncertain, because it depends on when this standard is finalised and whether it can be adopted in 2005-06.

Accounting policies may also be affected by proposed changes to accounting for grants as set out in Exposure Draft ED 125 *Financial Reporting by Local Governments*. Instead of recognising all grants when they are controlled (as at present), the proposals would in some cases delay revenue recognition until either goods or services are supplied (where grants are in-substance agreements for the provision of goods or services) or conditions are satisfied. However, at this stage, the applicability and impact of these amendments are uncertain.

1.4 Comparative information

Where appropriate and practicable the previous year's comparative information has been adjusted to conform with the current year's presentation.

1.5 Cash

For the purpose of the statement of cash flows, cash includes cash on hand, highly liquid investments with short periods to maturity which are readily convertible into cash on hand at the investor's option and are subject to an insignificant risk of changes in value, and borrowings which are integral to the cash management function and which are not subject to a term facility. See note 4.

Note 1 Summary of accounting policies (continued)

1.6 Receivables

(i) Recoveries

Some settlements of liabilities represented by the Workers' Compensation Provision and the Public Liability Claims Provision are expected to be recovered from third parties. These recoveries are recognised as receivables and are measured and reviewed consistently with the provisions to which they relate. See note 1.11.

(ii) Doubtful debts

An allowance is made for doubtful debts. Receivables are monitored during the year and bad debts are written off against the allowance when they are determined to be irrecoverable.

See note 5.

1.7 Other financial assets

Investments are valued at cost which, because of the nature of the investments, is also the market value.

See note 6.

1.8 Property, plant and equipment

(i) Recognition

An item of property, plant and equipment is recognised as an asset if it is controlled by StateRail, is expected to be used for more than one year, is likely to produce future economic benefits, and possesses a cost or other value that can be measured reliably.

An item of property, plant and equipment ceases to be recognised when it is disposed of or when it is permanently withdrawn from use and there are no probable future economic benefits from its disposal.

Expenditure on the acquisition, replacement or enhancement of property, plant and equipment is capitalised, provided it exceeds the capitalisation threshold or qualifies for recognition as a capital spare. Expenditure on the partial replacement of certain categories of networked assets (such as computer networks) is also capitalised.

Costs incurred on an item of property, plant and equipment subsequent to it being first put into use or held ready for use are added to the asset's carrying value when and only when it is probable that future economic benefits, in excess of the originally assessed standard of performance will arise. All other such costs are expensed in the reporting period in which they are incurred.

The capitalisation threshold for a network of property, plant and equipment items or for an individual (non-networked) item (other than a capital spare) is \$5000. A capital spare is only capitalised if it is part of a pool of rotatable spares, primarily held for the overhaul of the asset to which it relates, and significant enough to warrant being individually tracked. Expenditure below the capitalisation threshold or not qualifying for recognition as a capital spare is charged to operating expenses.

(ii) Valuation

Property, plant and equipment purchased or constructed is initially recorded at its cost of acquisition. Property, plant and equipment acquired by grant is initially recorded at fair value.

Spares purchased specifically for a particular asset, or a class of assets, and which would become redundant if that asset or class was retired or use of that asset or class was discontinued, are considered to form part of the historical cost (or other value) of that asset or class.

As the future economic benefits embodied in property, plant and equipment are not primarily dependent on those assets' ability to generate net cash inflows, no item of property, plant and equipment has been written down to its recoverable amount.

Property plant and equipment is revalued, at least once every five years, to its fair value having regard to its highest and best use. Where existing natural, legal or socio-political restrictions on an asset's use or disposal prevent any alternative use being feasible within the next 5 years, its highest and best use is taken to be its existing use.

Financial Report

Note 1 Summary of accounting policies (continued)

Fair value is the asset's market price, or, if such a price is not observable or estimable from market evidence, its replacement cost (being the written-down cost of an optimised modern equivalent asset).

Revaluations on the basis of replacement cost are accounted for by separately restating the gross amount and the related accumulated depreciation of each asset within the revalued class.

Upon revaluation of a class of property plant and equipment, a net revaluation increment is credited directly to the Asset Revaluation Reserve for that class and a net revaluation decrement is expensed, except that to the extent it reverses a previous increment or decrement it is debited to the Asset Revaluation Reserve or credited to revenue respectively.

(iii) Depreciation

Each item of property, plant and equipment (except land and work in progress) is depreciated on a straight line basis over its estimated useful life commencing when the item is first put into use or held ready for use. A capital spare is depreciated over the useful life of the asset or class of assets to which it relates. An improvement or extension of an existing depreciable asset which becomes an integral part of that asset is depreciated over the remaining useful life of that asset.

The cost of an improvement to or on leasehold property is depreciated over the shorter of the unexpired term of the lease or the estimated useful life of the improvement.

Depreciation rates are reviewed at least annually, and adjusted if necessary, to ensure they continue to reflect the most recent assessments of the useful lives of the respective assets, having regard to such factors as asset usage and the rate of technical and commercial obsolescence.

Depreciation methods are reviewed at least annually, and adjusted if necessary, to ensure they continue to reflect the expected pattern of consumption or loss of future economic benefits.

Effects of any change in depreciation rate or method are recognised in the present and future years affected.

(iv) Disposals

Upon disposal or retirement, the carrying amount of an item of property, plant and equipment is charged to assets written-off and any sale proceeds are credited to asset disposals revenue. Any related revaluation increment remaining in the Asset Revaluation Reserve in respect of the asset at the time of disposal is transferred to accumulated funds.

(v) Assets leased

Assets leased to lessees (ie where StateRail is lessor) are recognised as property, plant and equipment and the associated rent is recognised as rent revenue on a basis reflective of the pattern of benefits provided by the leased asset.

(vi) Work in progress

Work in progress comprises expenditure on incomplete capital works. It also includes expenditure on minor projects completed in the last month of the financial year.

See note 7.

1.9 Interest-bearing liabilities

An interest-bearing liability is recognised after deducting any unamortised discount from, or adding any unamortised premium to, its face value. Any discount or premium is deferred and amortised over the term of the interest-bearing liability on a straight line basis.

The face value of all principal amounts falling due within 12 months after the end of the year, and any unamortised discounts or premiums thereon, are recognised as current liabilities. All other principal amounts, and the related unamortised discounts or premiums are recognised as non-current liabilities.

See note 10.

Note 1 Summary of accounting policies (continued)

1.10 Leases

(i) Details of leasing arrangements

StateRail has granted various operating leases in relation to real property and retains legal title to those properties.

Motor vehicles are obtained under two- or three-year operating leases arising from sale and leaseback arrangements. Rentals were all contingent, being based on floating interest rates.

(ii) Accounting treatment

Minimum lease payment and contingent rental revenue or expense is recognised in the reporting period in which it is earned or incurred, respectively. See Note 3.1.

Where StateRail is the lessor under an operating lease, the asset leased is classified as a non-current asset. See Notes 1.8 and 7.

1.11 Provisions

(i) Provisions generally

Provisions are made for unavoidable liabilities of uncertain amount or uncertain timing of settlement. They comprise employee benefits, workers' compensation claims, public liability claims and litigated (contractual and other) claims.

A provision is recognised when, and only when, it is probable that a future sacrifice of economic benefits will be required and the amount can be measured reliably.

The amount recognised is the best estimate of the consideration required to settle the present obligation as at reporting date, taking into account the risks and uncertainties that surround the events and circumstances that affect the provision, including future events where there is reliable evidence that they will occur. Generally, any measurement based on estimated future cash flows is made using the present value of those cash flows as at reporting date and using a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. However, certain employee benefit liabilities, as detailed below, are measured at their nominal amounts.

The carrying amount of each provision is reviewed as at reporting date and adjusted if necessary to reflect the best estimate of the consideration required to settle the present obligation as at that date. A provision is reversed to the extent that it is no longer probable that a future sacrifice of economic benefits will be required to settle the obligation. A provision is only used for its intended purpose.

(ii) Employee benefits

Employee benefits comprise wages and salaries (including allowances and non-monetary benefits), annual leave (including annual leave loading), award leave (public holidays, bank holidays and picnic days), long service leave, parental leave, sick leave, special leave, severance benefits, superannuation, and post-employment travel passes.

Liabilities for wages and salaries, annual leave, award leave, long service leave, severance benefits, and unfunded superannuation are fully recognised in respect of services provided by employees, or obligations to employees that have arisen, up to the reporting date. Such liabilities are based on the amounts expected to be paid in the future in respect of the unused entitlements accumulated as at the reporting date.

Liabilities for wages and salaries (in the form of allowances or non-monetary benefits), sick leave, parental leave and post-employment travel passes are not recognised. Liabilities for allowances and non-monetary benefits are not recognised because they do not accumulate or do not have any net marginal cost. Sick leave liabilities (which are all non-vesting) are not recognised because experience indicates that, on average, the sick leave taken each year is less than the entitlement accruing in that year and, as this experience is expected to continue, it is considered improbable that existing accumulated entitlements will be used by employees. Parental leave liabilities are not recognised because they do not accumulate. Travel pass liabilities are not recognised because they do not result in material net marginal costs.

Financial Report

Note 1 Summary of accounting policies (continued)

All annual leave, wages and salaries, and any other employee benefit liabilities expected to be settled within twelve months of the reporting date are measured at the nominal amount of the estimated future payments. All other recognised employee benefit liabilities and associated expenses are measured at the present value of the estimated future payments.

The liabilities for superannuation and long service leave are actuarially assessed. All other employee benefit liabilities are assessed by management.

See notes 3 and 11.

1.12 Equity adjustments

A transfer of assets (or liabilities) from StateRail to another NSW public sector entity as a result of a Ministerial order to give effect to industry restructuring is treated as a distribution to (or contribution by) the Government and recognised as a direct adjustment to accumulated funds. See Note 13.

1.13 Revenue

Revenue is measured at the fair value of the consideration or contributions received or receivable. In most cases this is the value of the cash exchanged or exchangeable.

Revenue from the rendering of a service is recognised when a right to be compensated for the service arises, by reference to the stage of completion of the contract. Such revenue is usually recognised in the period the service is rendered. Where the outcome of a contract to provide services cannot be reliably estimated, contract costs are recognised as an expense in the reporting period in which they are incurred; and where it is probable that the costs will be recovered, revenue is only recognised to the extent of the costs incurred.

Contributions are recognised when control of the cash or other asset (or the right to receive it) is gained. If, after being recognised as revenue, a contribution is to be repaid or returned because of a failure to meet specific conditions attaching to it, a creditor and an expense are recognised. See note 2.

Revenue from the sale or disposal of assets is recognised when control of the asset has passed to the buyer.

Any lump-sum rental premium received from a lessee at the beginning of a long-term lease is recognised as asset disposals revenue.

Rent revenue is recognised as outlined in note 1.10(ii).

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield in the financial asset.

Revenue is not recognised unless receipt is probable and the amount is reliably measurable.

1.14 Redundancy

Amounts received during the year to fund payments to employees electing to take voluntary redundancy are recognised as contributions. Severance payments, job search allowances, and payments in lieu of notice are recognised as severance payments expense. Payments for annual leave, long service leave, superannuation and pay in lieu of certain holidays worked which are paid on redundancy are charged to the respective provisions. See notes 2 and 11.

1.15 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the statement of financial position. However, where practicable, an estimate of their estimated potential financial effect is disclosed in the notes. They are measured and reviewed similarly to provisions. See notes 1.11 and 15.

Note 1 Summary of accounting policies (continued)

1.16 Financial instruments

Financial instruments are contracts that give rise to both a financial asset of one entity and a financial liability (or equity instrument) of another entity. They include cash at bank, receivables, investments, payables, interest-bearing liabilities, derivative financial instruments (interest rate swap contracts), and financial guarantees.

(i) Derivative financial instruments

When borrowings have floating interest rates, exposures to fluctuations in interest rates arise. In order to hedge against the adverse effects of such exposures derivative financial instruments, in the form of interest rate swap contracts, are used.

Interest rate swap contracts are used to manage exposures to interest rate risk by enabling a floating rate interest obligation to be swapped into a fixed rate obligation, or vice versa. The difference between the two rates, calculated by reference to an agreed notional principal amount, is exchanged between the parties at specified intervals, usually semi-annually. These contracts entail a right to receive floating rate interest, which is offset by an obligation to pay fixed rate interest or a right to receive fixed rate interest, which is offset by an obligation to pay floating rate interest.

(ii) Financial guarantees and obligations

Financial guarantees have been obtained from other parties to secure contractual payment or performance obligations to StateRail. Such guarantees take the form of deposits or bank guarantees. In the event of the financial guarantee becoming receivable due to the party's non-payment or non-performance, the deposit is retained, or the bank guarantee is collected, by StateRail.

Conversely, financial undertakings have been given to other parties to secure their rights in the event of a contractual default by StateRail.

The due repayment of all borrowings and the due payment of interest and other associated expenses thereon are guaranteed by the Government and are charges on StateRail's income and revenue pursuant to sections 22A and 22C of the Public Authorities (Financial Arrangements) Act 1987. The payments due in respect of derivative financial instruments are also charges on StateRail's income and revenue pursuant to section 22C of that Act.

(iii) Accounting treatment

All financial instruments (other than derivative financial instruments and financial guarantees) are recognised in the statement of financial position when they are received, incurred or issued.

Interest rate swap contracts are not recognised in the statement of financial position because the value of the floating rate component of each contract cannot be measured reliably until settlement date. At that time any realised gain or loss is recognised as revenue or expense respectively.

Financial guarantees receivable or payable are not recognised in the statement of financial position because their realisation is contingent on the happening of future events which have low probabilities. Any realised financial guarantee receivable or payable is recognised as revenue or expense respectively.

(iv) Valuation

Financial instruments recognised in the statement of financial position are measured at their historical cost, which, except in the case of borrowings, also represents their fair value.

The fair value of borrowings, derivative financial instruments, and financial guarantees is determined at reporting date on the following basis:

- A borrowing is valued at the quoted offer price or the risk-adjusted market price of the instrument.
- An interest rate swap contract is valued at the amount quoted by a bank or the NSW Treasury Corporation to realise the contract (if it is favourable) or to settle it (if it is unfavourable).
- A financial guarantee is valued at its contractual amount.

All financial instruments are normally held to maturity rather than being traded. However, for the purpose of determining the fair values of borrowings, derivative financial instruments and financial guarantees, it is assumed that those financial instruments will be realised at reporting date.

See note 16.

Financial Report

Note 1 Summary of accounting policies (continued)

1.17 Private sector participation in the provision of public infrastructure

A privately owned light railway running from Sydney Central to Lilyfield was built on land owned or leased by StateRail. It is to be operated by the private sector until 2028.

StateRail's only involvement in the arrangement is to lease land as lessor at a nominal rental.

1.18 Taxes

(i) Income tax equivalents

StateRail is subject to the Tax Equivalent Regime (TER), under which it is required to pay a taxation equivalent to the NSW Government based on the accounting result in accordance with a methodology agreed with Treasury.

Under the TER, the taxable profit or loss is its accounting surplus or deficit excluding any (i) capital grant revenue and (ii) actuarial adjustment in relation to superannuation. The tax equivalent payable (if any) is calculated by multiplying the taxable profit (if any) by the prevailing company tax rate. No tax is payable if there is a tax loss. A tax loss in one year cannot be carried forward to be offset against a future year's taxable profit.

(ii) Goods and services tax

Revenues, expenses and assets are generally recognised net of the amount of goods and services tax (GST). However, receivables and payables are stated with the amount of GST included, and GST that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of the relevant asset or expense.

The net amount of GST recoverable from (or payable to) the ATO is recognised as a current asset (or current liability). Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of any cash flow arising from investing or financing activities which is recoverable from (or payable to) the ATO is classified as an operating cash flow.

Note 2 Revenues

	Note	2004-05 \$000	2003-04 \$000
2.1 Capital and other Government contributions			
Capital grants from NSW Government			
Funding for capital works		12 781	109 574
Transfer of Epping - Chatswood Rail Link works in progress		0	44 547
Total capital grants		12 781	154 121
NSW Government operating subsidies			
Major periodic maintenance		0	68 600
Employee redundancy funding		122 000	105 500
Industry restructuring transitional funding		21 592	22 006
Training schemes		0	215
Total NSW Government operating subsidies		143 592	196 321
Commonwealth Government operating subsidies			
Employment and training schemes		0	277
Total contributions		156 373	350 719

2.2 Revenue from rendering of services

Passenger services		0	270 659
Social program funding		0	413 616
Ancillary services to other NSW rail entities		292 552	292 336
Total revenue from rendering of services		292 552	976 611

Note 3 Expenses

3.1 Particular expenses

Interest		12 774	12 612
Auditor's fee for auditing services		190	390
Minimum lease payments under operating leases			
Rail access agreements		0	215 040
Other leases		76	23 809
Contingent rentals under operating leases		14	733
Net loss on disposal of non-market-valued property plant and equipment		62 986	12 511

3.2 Components of net superannuation expense (within employee benefits expense)

Accruing liability recognised as payroll oncost		22 714	60 392
Actuarial adjustment		47 632	48 076
Net superannuation expense		70 346	108 468

Financial Report

Note 4 Cash assets

	Note	2004-05 \$000	2003-04 \$000
4.1 Reconciliation of operating result with net cash from operating activities			
Operating surplus/(deficit)		(22 496)	104 587
Government contributions		0	(44 547)
Asset disposals revenue		0	(3)
Airport Line lease premium		0	(1 765)
Amortisation of loan premiums		(406)	(144)
Workers' compensation funding		(8 650)	(28 206)
Accrued grant expense		(25 264)	12 950
Capital WIP expensed		1 321	1 404
Depreciation		634	93 422
Assets written off or sold		62 986	12 513
Amortisation of loan discounts		367	520
Doubtful debts expense		158	51
Tax equivalent expense		5 295	0
Net movements in assets and liabilities applicable to operating activities:			
(Increase)/decrease in receivables		(5 567)	(2 008)
(Increase)/decrease in inventories		5	(436)
(Increase)/decrease in other assets		413	1 857
Increase/(decrease) in net tax liability		(7 282)	13 990
Increase/(decrease) in payables		(11 657)	(47 159)
Increase/(decrease) in provisions		42 851	59 365
Net cash from operating activities		32 708	176 391

4.2 Non-cash financing or investing activities

During 2004-05 the Minister for Transport transferred assets and liabilities between StateRail and RailCorp or Rail Infrastructure Corporation. The net transfer of assets and liabilities represents a non-cash contribution of \$118.021m by the Government. See Note 13.2

4.3 Credit standby arrangements and loan facilities

The credit standby arrangements and unused amounts available on each are:

Tape negotiation authority (Limit \$115.6m)	115 600	115 600
MasterCard (Limit \$15m)	15 000	14 800
Total unused credit limits	130 600	130 400

An unused NSW Treasury Corporation "come and go" loan facility of \$50m [2004: \$50m] is in place and will remain available until December 2005 [December 2004].

4.4 Cash assets

Cash at bank	3 931	475
Cash in hand	0	3
Cash deposits with NSW Treasury Corporation	143 646	116 700
Total cash assets	147 577	117 178

Note 5 Receivables

	Note	30.6.2005 \$000	30.6.2004 \$000
5.1 Analysis of receivables			
Current receivables			
Trade and other debtors		81 248	61 186
Public liability insurance recoveries		4 404	5 274
Workers' compensation recoveries	11.5	11 672	15 970
		97 324	82 430
Less allowance for doubtful debts		2 513	5 215
Total current receivables		94 811	77 215
Non-current receivables			
Workers' compensation recoveries	11.5	126 429	124 090
Public liability insurance recoveries		6 086	12 311
Advances to employees (repayable on exit)		1 011	1 615
Total non-current receivables		133 526	138 016
Total receivables		228 337	215 231

5.2 Minimum lease rentals receivable on non-cancellable operating leases

Not later than 1 year		4 996	5 453
Later than 1 year and not later than 5 years		13 115	15 259
Later than 5 years		20 793	22 867
Total non-cancellable lease rentals receivable		38 904	43 579

No other operating lease commitments were receivable from lessees.

Note 6 Other financial assets

Current other financial assets			
Security deposits		14 633	16 545
Total current other financial assets		14 633	16 545

Financial Report

Note 7 Property, plant and equipment

	Note	30.6.2005 \$000	30.6.2004 \$000
7.1 Property, plant and equipment classes			
Land			
Gross amount		111 889	250 425
Buildings			
Gross amount		25 138	258 443
Less accumulated depreciation		15 771	144 758
Total buildings		9 367	113 685
Rollingstock			
Gross amount		15 976	59 805
Less accumulated depreciation		13 668	26 209
Total rollingstock		2 308	33 596
Plant and machinery			
Gross amount		184	572
Less accumulated depreciation		88	77
Total plant and machinery		96	495
Trackwork and infrastructure			
Gross amount		0	19 216
Less accumulated depreciation		0	12 223
Total trackwork and infrastructure		0	6 993
Capital works in progress		420	10 419
Total property plant and equipment		124 080	415 613

Note 7 Property, plant and equipment (continued)

	Note	30.6.2005 \$000	30.6.2004 \$000
7.2 Analysis of valuation basis			
Land			
At valuation		99 019	194 552
At market selling price		12 870	55 873
Total land		111 889	250 425
Buildings			
At historical cost		0	381
Less accumulated depreciation		0	28
		0	353
At replacement cost		9 503	217 719
Less accumulated depreciation		5 835	119 252
		3 668	98 467
At market selling price		15 634	40 343
Less accumulated depreciation		9 935	25 478
		5 699	14 865
Total buildings		9 367	113 685
Rollingstock			
At replacement cost		15 976	59 805
Less accumulated depreciation		13 668	26 209
		2 308	33 596
Total rollingstock		2 308	33 596
Plant and machinery			
At market selling price		0	388
Less accumulated depreciation		0	0
		0	388
At replacement cost		184	184
Less accumulated depreciation		88	77
		96	107
Total plant and machinery		96	495
Trackwork and infrastructure			
At replacement cost		0	19 216
Less accumulated depreciation		0	12 223
		0	6 993
Total trackwork and infrastructure		0	6 993
Capital works in progress		420	10 419
Total property plant and equipment		124 080	415 613

Financial Report

Note 7 Property, plant and equipment (continued)

7.3 Useful lives

Assets are depreciated over the following useful lives:

	2005 Years	2004 Years
Stations (and related works)	200	200
Trackwork and infrastructure	200	200
Non-station buildings, brick	80	80
Non-station buildings, non-brick	50	50
Rollingstock	20 – 35	20 – 35
Plant and machinery	5 – 30	5 – 30

7.4 Revaluations

Management revalued plant and machinery in 1998-99, and rollingstock, land and non-surplus buildings in 2003-04. Surplus buildings were revalued in 2002-03 by the State Valuation Office. Some land values were adjusted in 2004-05 after a review by the NSW Department of Commerce.

See note 1.8(ii).

7.5 Encumbrance of surplus land

All future net proceeds arising from the sale of surplus real estate, all premiums received from the leasing of surplus real estate, and certain rental revenues have been assigned to the Treasurer in consideration for the injection of equity capital in 1990.

7.6 Asset class movements

	Land \$000	Buildings \$000	Rollingstock \$000	Plant and machinery \$000	Trackwork & infrastructure \$000	Capital works in progress \$000	Total \$000
2004-05							
Carrying amount at start of year	250 425	113 685	33 596	495	6 993	10 419	415 613
Additions	4 200	--	--	--	--	--	4 200
Disposals/write-offs	(34 713)	(8 803)	(6 824)	(388)	(3 470)	(8 788)	(62 986)
Net revaluation (decrements)	(62 208)	--	--	--	(2 190)	--	(64 398)
Transfers to RailCorp or RIC	(45 815)	(95 289)	(24 071)	--	(1 329)	(959)	(167 463)
Depreciation expense	--	(226)	(393)	(11)	(4)	--	(634)
Other movements	--	--	--	--	--	(252)	(252)
Carrying amount at end of year	111 889	9 367	2 308	96	0	420	124 080
2003-04							
Carrying amount at start of year	1 221 850	1 529 988	1 964 906	194 698	79 054	252 571	5 243 067
Additions	18 954	12 032	95 074	6 437	345	--	132 842
Disposals	(10 522)	(1 238)	(698)	(55)	0	--	(12 513)
Net revaluation increments	646 328	490 494	680 032	0	0	--	1 816 854
Transfers to RailCorp or TIDC	(1 626 185)	(1 907 871)	(2 640 526)	(182 436)	(72 045)	(266 376)	(6 695 439)
Depreciation expense	0	(9 830)	(65 270)	(17 961)	(361)	--	(93 422)
Other movements	0	110	78	(188)	0	24 224	24 224
Carrying amount at end of year	250 425	113 685	33 596	495	6 993	10 419	415 613

Note	30.6.2005 \$000	30.6.2004 \$000
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Note 8 Other assets

Other assets

Prepayments	531	944
Total current other assets	531	944

Note 9 Payables

Current payables

Trade creditors	54 342	42 060
Capital works accruals	212	66
Other creditors and accruals	33 824	83 105
Total payables	88 378	125 231

Note 10 Interest-bearing liabilities

Not later than 1 year	86 794	66 135
Later than 1 year and not later than 2 years	0	21 481
Later than 2 years and not later than 5 years	41 279	43 725
Later than 5 years	57 987	58 056
Total interest-bearing liabilities	186 060	189 397

Financial Report

Note 11 Provisions

	Note	30.6.2005 \$000	30.6.2004 \$000
11.1 Total provisions			
Current provisions			
Superannuation (unfunded)	11.3	17 275	25 338
Annual leave		19 181	34 855
Long service leave	11.4	7 681	11 390
Pay in lieu of certain holidays worked		2 789	4 342
Severance payments		5 848	328
Wages and salaries		7 345	3 713
Total current employee benefits		60 119	79 966
Workers' compensation	11.5	9 661	12 384
Pre-1.7.1996 workers' compensation	11.5	11 672	15 970
Public liability claims	11.6	7 173	9 589
Litigated claims	11.7	3 063	1 667
Total current provisions		91 688	119 576
Non-current provisions			
Superannuation (unfunded)	11.3	236 615	415 183
Annual leave		3 929	7 139
Long service leave	11.4	53 687	81 058
Total non-current employee benefits		294 231	503 380
Workers' compensation	11.5	48 570	50 257
Pre-1.7.1996 workers' compensation	11.5	126 429	124 090
Public liability claims	11.6	7 173	14 296
Total non current provisions		476 403	692 023
Total provisions			
Superannuation (unfunded)	11.3	253 890	440 521
Annual leave		23 110	41 994
Long service leave	11.4	61 368	92 448
Pay in lieu of certain holidays worked		2 789	4 342
Severance payments		5 848	328
Wages and salaries		7 345	3 713
Total employee benefits		354 350	583 346
Workers' compensation	11.5	58 231	62 641
Pre-1.7.1996 workers' compensation	11.5	138 101	140 060
Public liability claims	11.6	14 346	23 885
Litigated claims	11.7	3 063	1 667
Total provisions		568 091	811 599

Note 11 Provisions (continued)

	Note	30.6.2005 \$000	30.6.2004 \$000
11.2 Employee benefits and related on-costs			
Current liabilities			
Employee benefits provisions	11.1	60 119	79 966
Accrued wages and salaries		4 369	7 575
Payroll and fringe benefits taxes		3 802	6 227
Total current employee benefits and related on-costs		68 290	93 768
Non-current liabilities			
Employee benefits provisions	11.1	294 231	503 380
Payroll tax		3 211	4 864
Total non-current employee benefits and related on-costs		297 442	508 244
Total employee benefits and related on-costs		365 732	602 012

11.3 Superannuation

Employer contributions are made to three defined-benefit superannuation schemes, the State Authorities Superannuation Scheme (SASS), the State Authorities Non-Contributory Superannuation Scheme (SANCSS), and the State Superannuation Scheme (SSS). Each scheme is administered by the SAS Trustee Corporation.

Employer contributions made to the superannuation schemes to fund emerging liabilities are held in investment reserve accounts maintained by the SAS Trustee Corporation.

The net unfunded superannuation liability to the three schemes comprises:

	SASS \$000	SANCSS \$000	SSS \$000	Total \$000
30.6.2005				
Gross liability	245 948	33 134	8 198	287 280
Plus/(less) investment reserve	(103 023)	76 556	(6 923)	(33 390)
Net unfunded liability	142 925	109 690	1 275	253 890
30.6.2004				
Gross liability	381 162	51 779	8 601	441 542
Plus/(less) investment reserve	(37 515)	43 998	(7 504)	(1 021)
Net unfunded liability	343 647	95 777	1 097	440 521

The gross superannuation liability for each scheme at year end was assessed by a consulting actuary, William Mercer Pty Limited, using membership databases as at 31 March 2005. The actuary assumed an interest rate of 7% (2004: 7%) per annum, a salary growth rate of 4% (2004: 4%), and a Consumer Price Index increase of 2.5% (2004: 2.5%) per annum.

Financial Report

Note 11 Provisions (continued)

11.4 Long service leave

The liability for long service leave was assessed in June 2005 by a consulting actuary, Mr G. Holley FIAA of Mercer Human Resource Consulting. The actuary assumed an interest rate of 5.1% (2004: 5.75%) per annum and a salary growth rate of 4% (2004: 4%) per annum.

11.5 Workers' compensation

The pre-1.7.1996 workers' compensation provision relates to all claims incurred prior to 1 July 1996, the date of a restructuring of the NSW rail industry. The NSW Treasury has undertaken to fund all such claims and this recovery is recognised as a receivable with a corresponding credit to workers' compensation expense. See note 5.

For injuries incurred on or after 1 July 1996, workers' compensation insurance is in place to cover any claim exceeding \$1m and the workers' compensation provision is maintained for smaller claims, for which StateRail is a licenced self-insurer.

The workers' compensation liabilities at year end were assessed by McMahon Actuarial Services using a "central" estimate and assuming an interest rate of 5.8% (2004: 5.8%) per annum and a future wage inflation rate of 4% (2004: 4%) per annum. A superimposed inflation rate of 2% (2004: 2%) has been allowed for asbestos related claims. The liabilities are inherently uncertain due to doubts over the existence and quantum of individual claims and due to time lags between reporting date and settlement date.

The movements in the workers' compensation provisions during the year were as follows:

	Note	30.6.2005 \$000	30.6.2004 \$000
Workers' compensation			
Carrying amount at start of year		62 641	56 591
<i>Additions</i>			
Increases in provision		10 025	24 282
Subtotal		72 666	80 873
<i>Reductions</i>			
Payment of claims		10 813	15 046
Remeasurements and no-cost settlements		3 622	3 186
Carrying amount at end of year		58 231	62 641
Pre 1.7.1996 workers' compensation			
Carrying amount at start of year		140 060	124 948
<i>Additions</i>			
Increases in provision		12 454	31 687
Subtotal		152 514	156 635
<i>Reductions</i>			
Payment of claims		10 609	13 094
Remeasurements and no-cost settlements		3 804	3 481
Carrying amount at end of year		138 101	140 060

Note 11 Provisions (continued)

11.6 Public liability claims

The Public Liability Claims Provision recognises claims against StateRail that arise from personal injuries or property damage occurring on its premises or involving its assets.

Any claim recoverable from StateRail's insurer is also recognised as a receivable or disclosed as a contingent asset, depending on its probability of settlement. See notes 5 and 15.

The liability at year end was assessed by management. The likely amount to be settled was assessed on the basis of past experience. The likely timing of settlement was assessed by reviewing individual claims. The liability is inherently uncertain due to disputes over the existence or quantum of individual claims.

The movement in the Public Liability Claims Provision during the year was as follows:

	Note	30.6.2005 \$000	30.6.2004 \$000
Carrying amount at start of year		23 885	39 507
<i>Additions</i>			
Increases in provision		149	513
Subtotal		24 034	40 020
<i>Reductions</i>			
Payment of claims		6 109	5 324
Remeasurements and no-cost settlements		3 579	10 811
Carrying amount at end of year		14 346	23 885

11.7 Litigated claims

The Litigated Claims Provision recognises claims against StateRail arising from prosecutions or fines in relation to legislative or contractual breaches or other matters.

The liability at year end was assessed by management by reviewing individual claims. The liability is inherently uncertain due to the existence or quantum of individual claims being in dispute.

The movement in the Litigated Claims Provision during the year was as follows:

Carrying amount at start of year		1 667	6 047
<i>Additions</i>			
Increases in provision		1 915	1 572
Subtotal		3 582	7 619
<i>Reductions</i>			
Remeasurements and no-cost settlements		519	5 952
Carrying amount at end of year		3 063	1 667

Financial Report

Note 12 Reserves

	Note	30.6.2005 \$000	30.6.2004 \$000
Asset revaluation reserve			
Balance at start of year		326 657	2 733 767
Net revaluation increments/(decrements)		(64 398)	1 816 854
Vesting adjustment		(101 362)	(4 206 015)
Transfers to accumulated funds on asset disposal		(39 483)	(17 949)
Balance at end of year		121 414	326 657

The Asset Revaluation Reserve recognises the accumulated net revaluation increments in relation to property plant and equipment currently held.

Note 13 Accumulated funds

13.1 Movement in accumulated funds

Accumulated funds/(deficit) at start of year		(703 024)	1 452 138
Transactions other than with owners as owners			
Net surplus/(deficit) from operating activities for the year		(22 496)	104 587
Transfers from Asset Revaluation Reserve on asset disposal	12	140 845	4 223 964
Re-recognition of previously-derecognised land		4 200	0
Total transactions other than with owners as owners		122 549	4 328 551
Equity contributions by Government			
Contribution to fund superannuation		230 700	241 000
Total contributions by owners		230 700	241 000
Less equity distributions to Government			
Net assets withdrawn for transfer to other entities	1.12	112 679	6 724 713
Total distributions to owners	13.2	112 679	6 724 713
Accumulated deficit at end of year		(462 454)	(703 024)

Note 13 Accumulated funds (continued)

13.2 Net assets transferred to other entities

As part of the restructuring of the NSW rail industry, the Minister for Transport ordered the transfer of the following assets and liabilities from StateRail during the year. The net transfers have been treated as distributions to the Government and recognised as direct adjustments to accumulated funds.

	Note	30.6.2005 \$000	30.6.2004 \$000
Assets transferred			
Cash assets		0	33 448
Receivables (current)		336	3 294
Other financial assets		0	7 676
Inventories		0	1 915
Other current assets		3	4 994
Receivables (non-current)		536	759
Property, plant and equipment		167 463	6 695 439
Other non-current assets		0	6 285
Total assets		168 338	6 753 810
Liabilities transferred			
Payables		0	4 711
Provisions (current)		28 099	45 003
Tax liabilities (current)		1 179	1 497
Provisions (non-current)		24 410	(23 843)
Tax liabilities (non-current)		1 971	1 868
Total liabilities		55 659	29 236
Net assets divested		112 679	6 724 574
Plus cash vested but not yet transferred		0	139
Net assets divested		112 679	6 724 713

Note 14 Expenditure commitments

Leasing

Within 12 months	0	2
Total leasing	0	2

Capital

Within 12 months	1 223	677
Total capital	1 223	677

Other expenditure

Within 12 months	1 498	15 813
Total other expenditure	1 498	15 813

Total

Within 12 months	2 721	16 492
Total expenditure commitments	2 721	16 492

The expenditure commitments include any associated Goods and Services Tax. Related input tax credits of \$247 000 (2004: \$1.499m) are expected to be recoverable from the Australian Taxation Office.

Financial Report

Note 15 Contingent liabilities and contingent assets

	Note	30.6.2005 \$000	30.6.2004 \$000
Contingent liabilities			
Public liability claims		5 573	11 881
Total contingent liabilities		5 573	11 881
Contingent assets			
Public liability recoveries		0	322
Contractual and other recoveries		155	0
Total contingent assets		155	322

Contingent liabilities and contingent assets represent matters that are unconfirmed (pending the occurrence or non-occurrence of an uncertain future event), or not reliably measurable or unlikely to be settled. However, their probability of settlement is not remote.

Public liability claims against StateRail arise from personal injuries or property damage occurring on its premises or involving its assets. The existence or quantum of each claim is usually in dispute. Where the cost of a claim would be recoverable from an insurer it is also recorded as a contingent asset.

Claims made against StateRail by the operator of the four privately-owned stations on the Airport Line are likely to be waived as part of an imminent new agreement between RailCorp and the operator. The new agreement may result in the waiving of all outstanding claims and provide for a settlement amount to be paid by RailCorp progressively over a number of years. As the new agreement is likely and therefore the possibility of StateRail having to settle the old claims is now considered to be remote, contingent liabilities are no longer recorded.

Public liability recoveries represent insurance claims made by StateRail in relation to public liability claims made against it by others. The amount or timing of each recovery is usually uncertain due to the underlying public liability claim being disputed as to existence or quantum.

Contractual and other recoveries represent claims made by StateRail against others in relation to contractual breaches or prosecutions in relation to other matters. The existence or quantum of each claim is usually in dispute.

Note 16 Financial instruments

16.1 Credit risk

Receivables and interest rate swaps are exposed to the risk of financial loss due to the other party to the contract failing to discharge a financial obligation thereunder.

The maximum credit risk exposure in relation to receivables is the carrying amount, less the allowance for doubtful debts, as set out in note 5.1.

The maximum credit risk in relation to interest rate swap contracts is the fair value of the contracts, as set out in note 16.3.

The only significant concentration of credit risk at year end arises in respect of receivables of \$70.783m (2004: \$37.776m) from RailCorp and \$58 000 (2004: \$2.473m) from Rail Infrastructure Corporation. It is considered that, despite the size of the credit risk exposure, the risk of loss is minimal due to the nature and general financial standing of the debtors.

Note 16 Financial instruments (continued)

16.2 Interest rate risk

Cash at bank, other financial assets (investments), interest-bearing liabilities and interest rate swap contracts are exposed to the risk that their value will fluctuate due to changes in market interest rates.

The maturity (or contractual repricing) dates and weighted average effective interest rates of financial instruments exposed to interest rate risk at year end are:

Timing of exposure	Average interest rate		Principal amount	
	2005 %	2004 %	30.6.2005 \$000	30.6.2004 \$000
Not later than 1 year				
Cash assets	5.60	5.20	147 577	117 178
Interest-bearing liabilities*	6.17	5.58	86 794	66 135
Interest rate swap contracts:				
Fixed rate paying	5.89	---	3 000	0
Fixed rate receiving	6.7	---	12 000	0
Floating rate	5.74	---	(15 000)	0
			234 371	183 313
Later than 1 year and not later than 5 years				
Interest-bearing liabilities*	7.56	7.47	41 279	65 206
Interest rate swap contracts:				
Fixed rate paying	---	5.89	---	3 000
Fixed rate receiving	---	6.70	---	12 000
Floating rate	---	5.67	---	(15 000)
			41 279	65 206
Later than 5 years				
Interest-bearing liabilities*	6.55	6.55	57 987	58 056
Interest rate swap contracts:				
Fixed rate paying	6.33	6.33	3 000	3 000
Floating rate	5.68	5.56	(3 000)	(3 000)
			57 987	58 056
Total principal exposed			333 637	306 575

* Interest-bearing liabilities are net of any unamortised discounts or premiums

Financial Report

Note 16 Financial instruments (continued)

16.3 Valuation of financial instruments

Financial assets and financial liabilities recognised in the statement of financial position are carried at historical cost which, except in the case of interest-bearing liabilities, is also fair value. At year end, the fair values for interest-bearing liabilities and for financial instruments not recognised in the statement of financial position were:

	Note	Carrying/contract value		Fair value	
		30.6.2005 \$000	30.6.2004 \$000	30.6.2005 \$000	30.6.2004 \$000
Assets (current and non-current)					
Favourable interest rate swap contracts		12 000	12 000	101	197
Financial guarantees receivable		246	7 453	246	7 453
Liabilities (current and non-current)					
Interest-bearing liabilities	10	186 060	189 397	193 297	195 576
Unfavourable interest rate swap contracts		6 000	6 000	105	38

Financial guarantees receivable comprise bank guarantees.

16.4 Maturity profile of interest rate swap contracts

Maturity profiles	Notional contract value	
	30.6.2005 \$000	30.6.2004 \$000
Not later than 1 year	15 000	0
Later than 1 year and not later than 5 years	0	15 000
Later than 5 years	3 000	3 000
Total interest rate swap contracts	18 000	18 000

Note 17 Legal form

The Transport Administration Act 1988 constitutes the State Rail Authority of New South Wales as a statutory body representing the Crown in right of New South Wales.

The Act provides that StateRail is, in the exercise of its functions, subject to the direction of the Minister for Transport.

Note 18 Principal activities

StateRail's principal activities are to manage the transfer of its essential assets, rights, and liabilities to RailCorp, to manage the disposal of the remainder, and to provide services to RailCorp in the interim.

Note 19 Event occurring after reporting date

On 1 July 2005, further StateRail assets, rights, liabilities and staff were transferred to RailCorp as part of the continuing restructuring of the NSW rail industry referred to in Note 1.0. The transferred assets and liabilities mainly comprise surplus land in the metropolitan rail area, borrowings and the employee benefits of 351 transferred staff. As the transfer occurred after the reporting date its financial effect has not been recognised in 2004-05. It is not possible to reliably estimate the net financial effect at present because the transferred assets are yet to be revalued and value of the transferred employee benefit liabilities has yet to be assessed.



Keith Rushbrook

Acting Chief Financial Officer

16 September 2005

(Finish of audited financial statements)

Financial Report

Statement by the State Rail Authority in relation to the financial statements for the year ended 30 June 2005

Pursuant to section 41C (1B) of the Public Finance and Audit Act 1983 and clause 11 of the Public Finance and Audit Regulation 2005:

1. In my opinion, the accompanying financial statements for the year ended 30 June 2005, read in conjunction with the notes thereto, exhibit a true and fair view of the financial position and transactions of the State Rail Authority of New South Wales;
2. The financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2005, and the Treasurer's directions; and
3. I am not aware, as at the date of this statement, of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Vince Graham
Acting Chief Executive
16 September 2005

Appendix 1	CityRail Customer Service Commitment	38
Appendix 2	Electronic service delivery	38
Appendix 3	Responses to significant issues raised by the Auditor-General	38
Appendix 4	Research and development	38
Appendix 5	Heritage management	38
Appendix 6	Waste Reduction and Purchasing Policy (WRAPP)	38
Appendix 7	NSW Government Energy Management Policy (GEMP)	38
Appendix 8	Statement on business ethics	38
Appendix 9	Code of workplace standards	38
Appendix 10	Internal Audit	38
Appendix 11	Changes in acts and subordinate legislation	38
Appendix 12	Freedom of Information Act 1 July - 31 December 2009	39
Appendix 13	External committees	39
Appendix 14	Publications	39
Appendix 15	Risk management	39
Appendix 16	Insurance activities	39
Appendix 17	Funds granted to non-government community organisations	39
Appendix 18	Investment performance	40
Appendix 19	Liability management performance	40
Appendix 20	Major works in progress	40
Appendix 21	Credit card use	40
Appendix 22	Price determination (CityRail Fare Review)	40
Appendix 23	Cost of producing each annual report	40
Appendix 24	Equal Employment Opportunity (EEO)	40
Appendix 25	Ethnic Affairs Priority Statement (EAPS)	40
Appendix 26	Consultants	40
Appendix 27	NSW Government Action Management Plan for Women (GAMP)	40
Appendix 28	Land values and land disposal	40
Appendix 29	Executive performance and remuneration	41
Appendix 30	Payment of accounts	41
Appendix 31	Human Resources	42
Appendix 32	Industrial relations policies and practices	42

Appendices

Appendix 1

CityRail Customer Service Agreement

Where StateRail staff are working under the direction of RailCorp providing customer services, they adhere to RailCorp's Customer Service Commitment.

Appendix 2

Electronic service delivery

All information relevant to StateRail is held on the RailCorp site: www.railcorp.info. Please see the 2004-05 RailCorp annual Report for more information.

Appendix 3

Responses to significant issues raised by the Auditor General

Responses to significant issues raised by the Auditor-General in his report on the 2003-04 year, under section 43(2) of the Public Finance and Audit Act 1983, are set out below.

1. Industry restructuring

The Audit Office noted that several industry restructuring issues delayed the completion of the financial report and the finalisation of the audit.

Response

The issues were resolved before the audit was finalised and, because those issues related specifically to the 2003-04 restructuring, they are not expected to recur.

2. Reconciliation of inter-entity balances

The Audit Office noted that debtor and creditor balances in relation to the other rail entities (RailCorp and Rail Infrastructure Corporation) had not been appropriately reconciled and agreed at year end.

Response

The outstanding balances have now been reconciled.

Appendix 4

Research and development

StateRail undertook no research in 2004-05.

Appendix 5

Heritage Management

StateRail met its obligations under the *Heritage Act 1977* during the course of the year. StateRail undertook a review of its S 170 register as per its legal requirements.

StateRail was also involved in the planning for the 150th anniversary of rail operation culminating in significant heritage events in September 2005.

Appendix 6

Waste Reduction and Purchasing Policy

Subsequent to the merger of Rail Infrastructure Corporation (RIC) and State Rail Authority (SRA) on 1 June 2004, RailCorp prepared a WRAPP Progress Report and Plan that encompasses the adopted programs from both SRA and RIC during 2004/05. This report aimed to establish the basis for future performance reporting and the development of RailCorp's plan to ensure continual improvement over the next two years.

Appendix 7

Government Energy Management Plan (GEMP)

StateRail has aligned itself with RailCorp's aims and targets in respect to the GEMP.

Appendix 8

Statement on Business Ethics

StateRail has applied its prior Statement of Business Ethics and has contributed to the development of RailCorp's new statement, due to be finalised in 2005-06. All StateRail staff working under the direction of RailCorp adhere to that organisation's Statement of Business Ethics.

Appendix 9

Code of Workplace Standards

As with RailCorp - all SRA employees work to the same code as that utilised by RailCorp. Please refer to the 2004-05 Railcorp annual report for information on the employee code of standards, currently being developed.

Appendix 10

Internal audit

In RailCorp's internal audit program, those relevant to StateRail have been monitored by and through the StateRail Executive Management process.

Appendix 11

Changes in Acts and subordinate legislation

The *Civil Procedure Act 2005* commenced in part on 24 June 2005 with an anticipated full commencement on 15 August 2005. The Act repeals and replaces, amongst others, the *Attachment of Wages (Limitation) Act 1957* that

allows the attachment of judgment debt to the wages of government employees.

The Transport Administration (General) Amendment (ARTC Provisions) Regulation 2004 commenced on 3 September 2004. The Regulation amends the *Transport Administration (General) Regulation 2000* for the following purposes:

- (a) to exempt certain applications for registration of motor vehicles in connection with arrangements between the ARTC and rail authorities from duty under the *Duties Act 1997*,
- (b) to exempt land subject to an ARTC lease or licence from land tax and council rates, if rail infrastructure facilities are installed in, on or over the land, the land is vacant land or the land is used for railway purposes,
- (c) to apply the cap that currently applies to rail authority employees in respect of common law damages (contained in the *Workers Compensation Act 1987*) that may be obtained against an employer in respect of the death or injury of a worker to claims against ARTC in respect of the death or injury of a temporary member of staff of ARTC and to make consequential adjustments to the application of that Act to ARTC and rail authorities,
- (d) to treat ARTC as an employer, in addition to a rail authority, for the purposes of provisions that prevent a worker who recovers common law damages from an employer from recovering workers compensation under the *Workers Compensation Act 1987*,
- (e) to enable ARTC to be treated in the same way as a wholly owned subsidiary of a rail authority for the purposes of endorsing ARTC on the self-insurer licence of an authority, if temporary members of staff of ARTC are employed by that authority,
- (f) to enable former members of staff of rail authorities who become employed by ARTC, after being declared surplus to the authorities' requirements, to elect to cash out leave entitlements (other than sick leave) on ceasing to be employed by the authorities or to have their previous service treated as service with ARTC for leave purposes,
- (g) to confer on any such persons a right to apply for vacant positions in rail authorities that would otherwise be limited to internal applicants, but only for a period of 3 years,
- (h) to confer on any such persons who change employment from ARTC to a rail authority within 3 years.

Appendix 12

Freedom Of Information

FOI requests relating to StateRail are managed by RailCorp's FOI office. Please refer to the 2004-05 RailCorp Annual Report.

Appendix 13

External committees

- Heritage Management Committee

The participation in external committees of StateRail staff working to the direction of RailCorp are included in the RailCorp 2004-05 Annual Report.

Appendix 14

Publications

- StateRail Annual Report 2003-04

Appendix 15

Risk management

StateRail's approach to risk management has been subsumed by RailCorp's initiatives in relation to its corporate risk management framework. Please see the RailCorp 2004-05 Annual Report.

Appendix 16

Insurance activities

StateRail continued to maintain appropriate insurances as part of a combined insurance program with RailCorp and Rail Infrastructure Corporation. These arrangements continued to provide an appropriate level of cover for StateRail consistent with its reduced role and functions.

StateRail has now finalised all personal injury claims arising from the accident at Glenbrook in December 1999. With the co-operation of insurers, StateRail has settled and/or closed 47 of the 73 personal injury claims arising from the accident at Waterfall in January 2003, and continued to reduce significantly the number of outstanding personal injury claims.

Appendix 17

Funds granted to non-government community organisations

Grantee	Amount (\$)
3801 Limited	110 000
Total granted in 2004-05	110 000

Funds were granted to 3801 Limited for locomotive restoration

Appendices

Appendix 18

Investment performance

In the year ended 30 June 2005, StateRail earned 5.51% on surplus funds invested. During the same period the comparable Treasury Corporation "hour-glass" cash facility earned 5.59%.

Appendix 19

Liability management performance

In the year ended 30 June 2005, the generalised cost of funds in StateRail's debt portfolio was 6.56%. During the same period the generalised cost of funds of a risk-neutral benchmark portfolio (determined in accordance with the Treasurer's guidelines) was 6.14%.

Appendix 20

Major Works in Progress

This is not applicable to StatRail.

Appendix 21

Credit card use

Credit card use in StateRail has been in accordance with the requirements of Premier's Memoranda and Treasurer's Directions.

Appendix 22

Price Determination

This is not applicable to StatRail.

Appendix 23

Cost of producing this annual report

A total of 100 annual reports were produced. The total cost of production was \$4 992 (excluding GST). The report is available online at www.railcorp.info

Appendix 24

Equal Employment Opportunity

StateRail's EEO policy has been aligned with that of RailCorp.

Appendix 25

Ethnic Affairs Priority Statement

The Ethnic Affairs Priority Statement (EAPS) has been communicated to staff and is currently available on the StateRail intranet. A copy of this statement has been forwarded to the Community Relations Commission.

Appendix 26

Consultants

StateRail had no consultants in 2004-05

Appendix 27

NSW Government Action Plan for Women

StateRail's policies regarding female employees is aligned with those of RailCorp. For more information, please refer to the RailCorp 2004-05 Annual Report.

Appendix 28

Land values and land disposal

Land use	Value as at 30 June 05 \$000	Value as at 30 June 04 \$000
Rail infrastructure or stations	356 053	312 367
Residences and occupied land	11 302	6 562
Surplus land	1 300	36 500
Total land owned or occupied	368 655	355 429

The total value of land owned or occupied is higher than the land value recognised in the statement of financial position. The latter value excludes land under country rail infrastructure because, despite its being owned by StateRail, it is controlled by the Rail Infrastructure Corporation and is therefore not recognisable as an asset.

During 2004-05, 17 property sales were completed, yielding gross proceeds of \$12.781m.

Of the 17 properties sold, three were disposed of by public auction, two by tender and 12 by private treaty. Of the last group six were sold to government bodies and two were sold to adjoining landowners. Private treaty sales were all conducted in accordance with StateRail policy and none exceeded \$5 million.

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

During 2004-05 the Cooks River Goods Yard was transferred to RailCorp and Port Waratah Coal Loader was transferred to Rail Infrastructure Corporation.

Properties, other than those transferred to RailCorp, were disposed of because they were surplus to operational requirements. The proceeds were used to fund the sustainable heritage management strategy.

Applications for access to documents concerning the details of properties disposed of during the year may be made in accordance with the *Freedom of Information Act 1989*.

Appendix 29

Executive performance and remuneration

No performance benefits were paid to executive officers from 1st July 2004 - 30th June 2005.

Position title	Officer	Total remuneration package	Performance review summary
Acting Chief Executive Officer	Vince Graham*	\$430 000	<ul style="list-style-type: none"> Implemented StateRail residual management and established governance arrangements. Significant transition progress achieved, with the agreement of key stakeholders
StateRail General Manager	Marianne Hammerton	\$230 000	<ul style="list-style-type: none"> All StateRail residual assets and liabilities and surplus wokforce identified. Residual Management Plan implemented and progress targets met. Proposal for sustainable heritage arrangements developed for stakeholder consideration.

*Note that officer has been working for a combination of StateRail and RailCorp, and the remuneration package is the total for all work carried out.

Appendix 30

Payment of accounts

The performance in paying trade creditor accounts during the year ended 30 June 2005 was as follows:

	Current (paid on time)	Up to 30 days overdue	31-60 days overdue	61-90 days overdue	Over 90 days overdue	Total paid
1st quarter						
Number of accounts (%)	61	24	6	2	7	100
Amount paid (\$m)	35	2	0	0	0	37
2nd quarter						
Number of accounts (%)	58	30	3	4	5	100
Amount paid (\$m)	18	1	0	0	0	19
3rd quarter						
Number of accounts (%)	36	33	11	4	16	100
Amount paid (\$m)	41	1	0	0	0	42
4th quarter						
Number of accounts (%)	57	25	4	2	12	100
Amount paid (\$m)	2	0	0	0	1	3
Total for 2004-05 (\$m)	96	4	0	0	1	501

On average, 53% of invoices were paid on time. The decline in payment performance was due to delays arising from:

- difficulty in obtaining correct payment documentation;
- upgrading the integrated corporate software and introducing a new chart of accounts; and
- uncertainty about the relative payment responsibility of StateRail and RailCorp for particular invoices.

No penalty interest was paid during the year ended 30 June 2005, under clause 18 of the *Public Finance and Audit Regulation 2000*, due to the late payment of any supplier's account.

Appendices

Appendix 31

Human resources

Staff number by level

Level	Total staff	Staff responded to EEO survey	Men	Women
Less Than \$27 606	3	3	2	1
\$27 607 to \$36 258	284	50	191	93
\$36 259 to \$40 535	139	41	88	51
\$40 536 to \$51 293	1169	486	866	303
\$51 294 to \$66 332	473	212	394	79
\$66 333 to \$82 914	272	121	204	69
More than \$82 914	183	121	203	36
SES	7	3	5	8
TOTAL	2530	975	1896	634

Percent of total staff by level

SUBGROUP AS % OF TOTAL STAFF IN EACH LEVEL

Level	Total staff	Staff responded to EEO survey	Men	Women
Less Than \$27 606	3	0	66.7	33.3
\$27 607 to \$36 258	284	17.6	67.3	32.7
\$36 259 to \$40 535	139	29.5	63.3	36.7
\$40 536 to \$51 293	1169	41.6	74.1	25.9
\$51 294 to \$66 332	473	44.8	83.3	16.7
\$66 333 to \$82 914	272	45.1	74.7	25.3
More than \$82 914	183	33.9	80.3	19.7
SES	7	42.9	71.4	28.6
TOTAL	2530	38.6	75.0	25.0

Appendix 32

Industrial relations policies and practices

Please refer to the 2004-05 RailCorp annual report for more information

People from Aboriginal or Torres Strait Islander background	Racial, ethnic, ethno-religious minority groups	People whose first language is not English	People with a disability	People with a disability requiring adjustment at work
0	0	0	0	0
6	12	8	2	0
0	9	9	5	0
16	165	104	20	6
3	59	50	19	5
0	37	27	12	5
0	20	12	5	1
0	0	0	0	0
25	312	210	63	20

SUBGROUP AS % RESPONDENTS IN LEVEL

People from Aboriginal or Torres Strait Islander background	Racial, ethnic, ethno-religious minority groups	People whose first language is not English	People with a disability	People with a disability requiring adjustment at work
0	0	0	0	0
2.1	4.2	2.8	0.7	0
0	6.5	6.5	3.6	0.7
1.4	14.1	8.9	1.7	0.7
0.6	14.6	10.6	4.0	1.1
0	13.6	9.9	4.4	1.8
0	10.9	6.6	2.7	0.5
0	0	0	0	0
1.0	12.3	8.3	2.5	0.8

Our organisation

Index

Accumulated funds	30	Funds granted to non-government community organisations	39	Our structure	2
Cash assets	20	Heritage management	38	Payables	25
Changes in acts and subordinate legislation	38	Human Resources	42	Payment of accounts	41
CityRail Customer Service Commitment	38	Independent Audit Report	7	Principal activities	35
Code of workplace standards	38	Industrial relations policies and practices	42	Property, plant and equipment	22
Consultants	40	Insurance activities	39	Provisions	26
Contingent liabilities and contingent assets	32	Interest-bearing liabilities	25	Publications	39
Cost of producing each annual report	40	Internal Audit	38	Receivables	21
Credit card use	40	Investment performance	40	Research and development	38
Electronic service delivery	38	Land values and land disposal	40	Reserves	30
Equal Employment Opportunity (EEO)	40	Legal form	35	Responses to significant issues raised by the Auditor-General	38
Ethnic Affairs Priority Statement (EAPS)	40	Letter to the Minister	1	Revenues	19
Event occurring after reporting date	35	Liability management performance	40	Risk management	39
Executive performance and remuneration	41	Major works in progress	40	Statement by the State Rail Authority	36
Expenditure commitments	31	Message from the Acting Chief Executive	3	Statement of cash flows	10
Expenses	19	NSW Government Action Management Plan for Women (GAMP)	40	Statement of financial performance	8
External committees	39	NSW Government Energy Management Policy (GEMP)	38	Statement of financial position	9
Financial instruments	32	Other assets	25	Statement on business ethics	38
Freedom of Information Act	39	Other financial assets	21	Summary of accounting policies	11
				Waste Reduction and Purchasing Policy (WRAPP)	38

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