



Transport  
State Transit

# ANNUAL REPORT 2011-12



## LETTER TO THE MINISTER

The Hon. Gladys Berejiklian, MP  
Minister for Transport  
Level 35, Governor Macquarie Tower  
1 Farrer Place  
SYDNEY NSW 2000

31 October 2012

Dear Ms Berejiklian

On behalf of the State Transit Authority of NSW, it is our pleasure to present to you the Annual Report for the year ended 30 June 2012.

This report has been prepared in accordance with the Annual Reports (Statutory Bodies) Act 1984 and the Public Finance and Audit Act 1983. The financial statements have been audited by the NSW Audit Office and the Auditor-General's report is included.

We wish to thank you for your support and we look forward to continuing to grow the business and improve our services to offer an attractive and efficient public transport service for the people of New South Wales.

Yours sincerely



Peter Rowley | Chief Executive





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IN ONE YEAR

**206  
MILLION**

—  
PASSENGER TRIPS

**108,000**

—  
TIMETABLED SERVICES  
EVERY WEEK

**87 MILLION  
KILOMETRES**

—  
TRAVELLED BY SYDNEY BUSES FLEET EACH YEAR

**287 ROUTES**

—  
OPERATE FROM THE SYDNEY  
METROPOLITAN AREA

# Chief Executive's foreword

In 2011/12, State Transit worked in collaboration with Transport for NSW and the other agencies within the transport cluster to deliver an integrated transport system for NSW.

The establishment of Transport for NSW, and the subsequent Corporate and Shared Services Reform, resulted in the transfer of a number of corporate functions to Transport for NSW, freeing up State Transit to focus on providing the highest standard of bus services for our customers.

Functions including the planning of bus services, marketing, payroll, recruitment, workers compensation and ticketing were transferred to Transport for NSW during the year. Further reform, in partnership with Transport for NSW, of non-service delivery functions including human resources, IT, finance, audit and risk, will take place in 2012/13.

In response to the reshaping of the transport cluster and the subsequent transfer of responsibilities, State Transit commenced its own program of reform in 2011/12 to complement the Transport for NSW business model, improve cost efficiency and remain competitive.

The new organisational structure will ensure that State Transit can focus on service delivery and improving the overall experience of our customers.

In 2011/12, State Transit remained committed to providing customers with comfortable, safe, clean and reliable bus services.

One hundred and two new buses were delivered during the year, improving the comfort of the fleet for our customers and increasing the environmental credentials of State Transit.

The buses – all Euro 5 or Environmentally Enhanced Vehicles – are air-conditioned, low-floor for easy access and fully wheelchair-accessible. They also have the most stringent emissions standards of all heavy vehicles in service in Australia.

The safety of our customers, staff and other road users continued to be the highest priority for State Transit.

In 2011/12, State Transit's Lost Time Injury Frequency Rate fell to 8.2 – the lowest on record for the organisation. There were also consistent improvements made across other safety key performance indicators with reductions in employee assaults and at-fault accidents – a positive indication of the successful implementation of the Safety Management System.

The establishment and restructure of the Network Control Centre in 2010/11 has allowed State Transit to maximise the benefits of the Public Transport Information and Priority System (PTIPS) to improve the reliability of our services.

PTIPS – which utilises GPS technology and timetable data – allows for real-time monitoring of services, identifying buses that are running early or late and providing an opportunity for proactive

intervention by the Network Control Centre. The system also allows the Network Control Centre to more easily respond to, or resolve, emergency in-service problems and situations, improving the travel experience for our customers and other road users.

Our high-frequency, high-capacity Metrobus services have recorded strong patronage growth in 2011/12.

The M50, operating between Drummoyne and Coogee, carried 33.4 per cent more passengers during the year. Metrobus routes M41 and M40 also recorded strong patronage growth, carrying 30.3 per cent and 27 per cent more passengers respectively, than in 2010/11. This growth in Metrobus patronage is a strong indication that our customers like the Metrobus model – high-capacity, high-frequency bus services featuring enhanced customer information.

The 2011/12 financial year has been a year for change and reform for State Transit and the Transport cluster. I look forward to continuing to work closely with and support Transport for NSW and the other operating agencies in 2012/13, to ensure we provide the best possible public transport system for the people of NSW.



Peter Rowley  
Chief Executive

# Introduction

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**State Transit operates as a service provider in the transport cluster managed by Transport for NSW.**

**Boasting the biggest bus fleet in Australia and also one of the most modern, State Transit manages one of the largest bus networks in the world.**

**Operating three businesses, Sydney Buses, Newcastle Buses and Ferries and Western Sydney Buses (the Liverpool to Parramatta Transitway), State Transit carries around 206 million passengers every year.**

## Bus fleet

At 30 June 2012, State Transit's bus fleet totalled 2,209 buses:

- 1,851 buses are air-conditioned (84% of the fleet)
- 1,596 buses are wheelchair-accessible (72% of the fleet)
- 599 buses are Euro 3 compliant (CNG or Euro 3 diesel) (27% of the fleet)
- 568 buses are Euro 5 diesel or Euro 4 CNG compliant (26% of the fleet)
- 229 buses are Environmentally Enhanced Vehicles (EEV) (10% of the fleet)
- 234 buses are high-capacity articulated buses (10% of the fleet)

## Patronage

- State Transit carried 206 million passengers in 2011/12.
- Every working day, State Transit operates more than 16,000 services carrying more than 640,000 passengers to their destinations.

## Turnover

- \$683.6 million in 2011/12

## Employees

- More than 5,000 employees

## Routes

- Sydney Buses operates 287 routes in the Sydney metropolitan area.
- Newcastle Buses operates 28 routes over a large part of the cities of Newcastle and Lake Macquarie. Newcastle Ferries operates a service across Newcastle Harbour to Stockton.
- Every year the Sydney Buses fleet travels around 87 million kilometres, the Newcastle Buses fleet travels around 8 million kilometres and the Newcastle Ferries fleet travels around 24,000 kilometres. The Western Sydney Buses fleet travels almost 2 million kilometres.
- State Transit schedules around 108,000 bus services every week - 100,100 by Sydney Buses, 6,700 by Newcastle buses and 1,180 by Western Sydney Buses.
- Sydney Buses operates 6,755 school trips a week on 757 bus routes. Newcastle Buses operates 1,390 school trips a week on 143 bus routes.

## Safety

The highest priority is placed on safety and security. All buses are fitted with state-of-the-art digital CCTV systems, driver protection screens and shatter proof film for windows. Buses also feature door safety systems and special school bus warning systems. All buses are in radio contact with the State Transit Network Control Centre in Sydney's Traffic Management Centre and Newcastle's Control Room.

## Customer information

- Individual timetables for every bus service are available from TransitShops at central points in the Sydney CBD, selected ticket agents and at [www.131500.com.au](http://www.131500.com.au) or by accessing the 131500 mobile service. Handy route information is also available at bus stops and ferry wharves.

- Check out our website [www.statetransit.info](http://www.statetransit.info) which is linked to:

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

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

## Legislation

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

## Establishing Transport for NSW

On 1 November 2011, Transport for NSW was established to oversee the entire transport system.

The establishment of the new transport authority will ensure there is a coordinated and integrated approach to planning and policy across all modes of transport.

State Transit functions, including communications and marketing, customer information, human resources, finance and computer services have been centralised in Transport for NSW. State Transit has restructured both depot and corporate divisions to ensure greater cost efficiency and coordination with Transport for NSW.

Many shared services including payroll, recruitment, workers compensation, planning, ticketing and passes, were absorbed into the new Shared Services division within the Transport for NSW structure.

This restructure will allow State Transit to be freed up to focus on service delivery – providing safe, reliable, clean and efficient bus and ferry services.

## Network maps

### Sydney service area



## Network maps

### Newcastle service area



### Liverpool to Parramatta Transitway route map



# Introduction

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## State Transit Reform Program

State Transit was restructured in response to the establishment of Transport for NSW to ensure that it can focus on delivering better services to our customers. The State Transit Reform Program commenced to ensure that State Transit is as efficient and effective as possible in its operating environment.

## Bus fleet

In 2011/12, 102 new buses were delivered to State Transit.

The delivery of these new buses and subsequent retirement of older buses has further reduced the average age of State Transit's bus fleet to 10.45 years.

## Reduction in greenhouse gas emissions

State Transit's greenhouse gas emissions per kilometre of services provided fell by 0.13 per cent in 2011/12. State Transit is now using smaller more efficient seven-litre engine buses which contribute to enhanced fuel and emissions efficiency.

## LTIFR lowest on record

In 2011/12, State Transit's Lost Time Injury Frequency Rate fell to 8.2 – the lowest rate recorded by the organisation. This represented a 14 per cent reduction from 2010/11, continuing the downward trend over the past five years.

## Winner - WorkCover Safe Work Awards

State Transit won WorkCover's NSW Safe Work Awards in the Category of the "Best solution to an identified workplace health and safety issue". The solution was the design and implementation of a bus suspension airbag assembler.

This was an original idea that resulted in the airbag assembler being purpose built to specifically meet the requirements of fitting air bags to pistons.

## Cheryl Edwards – Winner of IPAA Award for Individual Excellence

Learning and Development Manager, Cheryl Edwards, was awarded the 2012 IPAA Award for Individual Excellence. The awards celebrate public sector professionals who have achieved excellence and best practice in public administration.

Cheryl was also awarded the Building Talent Award for her work in designing and implementing the Positive Drive Program for bus operators – an initiative resulting in improvements in safety, customer service and the performance of experienced bus operators.

## Metrobus patronage continues to grow

Metrobus services are proving extremely popular, with more than 31 million people jumping on board State Transit operated Metrobus services since their introduction.

In 2011/12, strong patronage growth was recorded on all State Transit operated Metrobus routes.

## Improved customer information at bus stops

In 2011/12, State Transit continued to roll out improved signage and information across the Sydney Buses and Newcastle Buses networks.

Bus stops that were targeted during the year included Sydney Buses routes 373, 394, 400, 423, 461 and 525, and Metrobus routes M10, M20, M30, M40 and M41.

## Real-time bus arrival information

The usage of the real-time bus arrival SMS service continues to increase, with up to 180,000 individual trip enquiries made per week.

In 2011/12, State Transit introduced QR barcode technology at a number of stops to further enhance the use of the bus arrival SMS service. This allows customers to scan the barcode at their bus stop using their mobile device, and the text message will be delivered directly to them.

## Network Control Centre now fully operational

Following its establishment and restructure in 2010/11, State Transit's Network Control Centre became fully operational in 2011/12, maximising the benefits of the Public Transport Information and Priority System (PTIPS).

The system utilises GPS technology and timetable data to allow real-time service monitoring, identifying buses that are running early or late, providing the opportunity for proactive intervention by the Network Control Centre.





# Year in review

# Year in review

## Customer Experience

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### Key Objectives

- To serve our customers in a friendly manner

### Key Benefit

- Delivering a positive customer experience

### Key Performance Indicators

- Increased customer satisfaction
- Improved customer Information
- Improved reliability





## Performance

Good customer service is at the core of State Transit's strategies to ensure that the community's expectations of bus services are met.

State Transit works with Transport for NSW in designing and implementing programs to ensure the customer is the core focus when delivering its services and providing customer information.

State Transit trains its staff to ensure customer service is an integral part of its culture. As a Registered Training Organisation, State Transit is committed to ensuring that it appropriately identifies, trains and assesses all staff in line with its service standards for reliability, convenience, efficiency, customer service, comfort, security and safety.

## Customer information

State Transit strives to deliver service information to passengers that is readily available, easy to understand and accessible to the majority of the community.

State Transit achieves this by providing information to customers through a variety of channels.

## Bus stop information

State Transit provides bus stop specific timetables at the majority of bus stops, with additional information displayed at major stops and along major corridors.

In 2011/12, State Transit continued to roll out improved signage and information across the Sydney Buses and Newcastle Buses networks.

Bus stops that were targeted during the year included Sydney Buses routes 373, 394, 400, 423, 461 and 525, and Metrobus routes M10, M20, M30, M40 and M41. Additionally, Sydney Buses Route 490 and Newcastle Buses routes 100 and 349 will be upgraded by December 2012. Selected sections of Newcastle Buses routes 350, 226, 235, 350 and 363 will also be completed by this time.

State Transit continues to work closely with a number of private bus operators to improve the standard of information at bus stops shared by multiple operators. A number of bus stops in Sydney CBD, Haymarket, Parramatta, Macquarie Park, Burwood, Campsie, Strathfield, Homebush, Sydney Olympic Park, and in the Newcastle and Lake Macquarie areas have received combined chronological bus timetable displays and route maps.

## Printed timetables

State Transit produces printed timetables for all routes across its Sydney and Newcastle operating regions.

Printed timetable booklets can be picked up from TransitShops, the Customer Information Centre or from ticket resellers and train stations. Electronic versions of each timetable and route map can be downloaded from the Sydney Buses and Newcastle Buses and Ferries websites.

Each timetable includes standardised pictogram logos, which are used on maps to show connection information for bus, train, ferry, monorail and light rail services.

## Websites

The Sydney Buses and Newcastle Buses and Ferries websites offer comprehensive information for customers using State Transit services, such as route information and timetables, ticketing options, and service and timetable alterations.

More than 5.9 million people visited the Sydney Buses and Newcastle Buses and Ferries websites in 2011/12. There was a notable increase in the number of timetables and maps downloaded throughout the year – almost 3.1 million copies, an increase of 22 per cent compared to the previous year.

The Sydney Buses and Newcastle Buses and Ferries websites provide links to the Transport Info website and Trip Planner function.

Email updates allow customers to subscribe to receive email notifications of enhancements to services, altered terminal arrangements or planned temporary diversions, particularly for major events. The email updates have continued to play an important role in communicating timetable changes and network reviews.

## Collaboration with the Transport Management Centre

State Transit worked with the Transport Management Centre to provide information to the public via radio announcements and social media platforms.

The announcements, which were aired on major radio stations including 2UE, 2GB, ABC and SKY Sport Radio, provided updates on peak-hour transport conditions. As part of those announcements the Transport Management Centre also aired messages for State Transit, RailCorp, Sydney Ferries and other transport agencies.

## Real-time bus arrival information



The usage of the real-time bus arrival SMS service continues to increase, with up to 180,000 individual trip enquiries made per week.

The response is based on real-time GPS tracking of each individual bus out on the road, generated from the Public Transport Information and Priority System (PTIPS).

Customers simply text their bus stop number to 0488 TXT BUS (0488 898 287), and a text message is sent to their phone detailing real-time next bus information for all buses within 30 minutes of their stop.

In 2011/12, State Transit introduced QR barcode technology at a number of stops to further enhance the use of the bus arrival SMS service. This allows customers to scan the barcode at their bus stop using their mobile device, and the text message will be delivered directly to them.

## TransitShops

For face-to-face assistance from State Transit staff, customers can visit one of four TransitShops – located at Railway Square, Circular Quay, Wynyard and the Queen Victoria Building.

Each store carries a full range of timetables and maps, and can support customers with ticketing and journey planning information.



## Transport Info

Transport Info provides information for customers to plan their trip using buses, trains and ferries in the Greater Sydney Area bounded by Newcastle, the Blue Mountains and Wollongong. Services include trip planning, timetables, news and special events.

Transport Info includes web-based information (which is available by visiting [www.131500.com.au](http://www.131500.com.au)), mobile website information (available on mobile phones by visiting [mobile.131500.com.au](http://mobile.131500.com.au)), a telephone service (by phoning 131 500), an interactive Voice Response phone service and smart phone applications.

In 2011/12, there was an increasing trend towards self-service information channels and by the end of June 2012, over 96.33 per cent of transactions were via the web, smart phone application or automated Interactive Voice Response phone service).

## Customer feedback

During 2011/12, State Transit worked to improve the response time of complaints requiring a follow-up call. As a result, 87 per cent of second calls were made within two business days by June 2012, well ahead of the five-day target.

The top five issues for State Transit customers were late buses, staff behaviour, buses failing to stop, early buses and staff helpful.

## On-time running

On-time running is important to everyone and many factors can affect the reliable performance of bus services including traffic accidents, special events, wet weather conditions and road works. Bus services are also delayed by motorists who park in bus stops, illegally use bus-only lanes, park in clearways and those who refuse to give way to buses when pulling out from bus stops.

The on-time running for State Transit is defined as a bus that starts its trip between zero to five minutes after the scheduled departure time. This allows for circumstances, such as those listed above, which are out of State Transit's control.

From 2012, a different regime was put in place to measure the on-time running of services under the Metropolitan Bus System Contracts. This regime has been determined by Transport for NSW. It measures the on-time running of bus services between the hours of 6am and

10am, on three separate days each month, across 11 different locations in State Transit's operating areas.

The on-time running for the months February 2012 to June 2012 is shown below. On-time reliability is not measured by Transport for NSW for the month of January.

Unlike the Metropolitan Bus System Contract regions, Transport for NSW does not monitor the on-time running for Outer Metropolitan Bus System Contract regions. Therefore, the on-time running statistics for Newcastle Buses were prepared by State Transit.

The on-time running for Newcastle Buses is defined as a bus that starts its trip between zero to five minutes after the scheduled departure time. A minimum of one per cent of total trips are required to be monitored.

In 2011/12, 97.8 per cent of Newcastle Buses' services started their journey on time, exceeding the target of 95 per cent.

Region	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Average	Target
Region 6	87.78%	89.27%	90.10%	90.28%	92.75%	90.44%	95%
Region 7	84.79%	86.53%	91.17%	92.31%	87.43%	90.00%	95%
Region 8	92.52%	93.04%	95.28%	94.09%	94.88%	94.72%	95%
Region 9	88.87%	88.77%	93.56%	89.85%	91.27%	91.92%	95%



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**Sydney Buses recorded 191.297 million trips during the 2011/12 reporting year with strong growth recorded on Anzac Parade, Victoria Road, University of NSW and Warringah/Manly services.**

## **Reliability**

The reliability of State Transit services is measured by the number of timetabled services that are operated. State Transit's reliability target across all its services is 99.75 per cent.

In 2011/12, both Sydney Buses and Newcastle Buses exceeded this target with 99.82 per cent and 99.96 per cent of timetabled services operating respectively.

## **Improved service delivery**

State Transit works with a number of agencies, including the Roads and Maritime Services, Transport for NSW and local councils to improve travel times. In 2011/12, a number of strategies were pursued to maintain and improve the reliability of services under all operating conditions for customers.

## **Additional bus priority**

A number of bus priority projects are currently being implemented or planned including further work along Epping, Victoria, Pittwater, Spit and Military roads.

## **Improved flow of buses around Wynyard**

State Transit implemented a number of changes in December 2011 to the Central Railway express services from the Northern Beaches, with these services now operating along George Street. Service reliability has been improved by removing selected services from York Street.

## Network Control Centre

State Transit's Network Control Centre is structured to provide regional teams for each of State Transit's four Sydney Metropolitan Bus System Contract regions, and is a proactive part of each region's on-road operational management.

The Network Control Centre uses the Public Transport Information and Priority System (PTIPS) to monitor services in real-time, identifying buses that are running early or late, and intervening where necessary to improve on-time running.

Real-time data regarding bus locations is also used to resolve and respond to emergency and 'in service' problems and situations, and assist in managing bus operator fatigue issues which may arise from late running.

The Network Control Centre also provides a representative to the Transport Coordination Branch at the Transport Management Centre which convenes during the AM and PM peak period, Monday to Friday, providing an integrated, cross-agency approach to the management of incidents which cause disruption to services. The Transport Coordination Branch also provides input into various transport planning projects.

## Special events

State Transit, on behalf of Transport for NSW, does the scheduling for the regional route network for all events at Sydney Olympic Park. State Transit also provides the contracted services operating via Route 4 – Maroubra to Sydney Olympic Park – and Route 1a – Warriewood to Sydney Olympic Park.

State Transit also operates express special event buses to the Moore Park Precinct, operating Route 1 – Central to Moore Park and Route 3 – Circular Quay to Moore Park.

For major events such as City2Surf, New Years Eve, Sydney Festival and Sculptures by the Sea, State Transit schedules additional buses along major corridors to help customers get to where they need to go, on time and hassle free.

## Supporting the community

### Christmas Charity Appeal



In 2011, State Transit held a Christmas Kids Charity Appeal to raise money for four children's hospitals in State Transit's operating area.

The Children's Hospital at Westmead, the Sydney Children's Hospital at Randwick, Liverpool Hospital and the John Hunter Children's Hospital in Newcastle all received life-saving equipment that was purchased from the \$19,500 generously donated by State Transit staff.

This is the first year State Transit has raised funds for much-needed medical equipment, having previously supported the children's hospitals through its Christmas Toy Appeal.

## Christmas Buses



For the sixth year running, State Transit buses in Sydney and Newcastle were decked out with tinsel and ornaments as part of State Transit's Christmas Bus Competition.

The competition, which aims to spread some cheer to customers, motorists and staff over the festive season, came about after bus drivers began informally decorating their buses for their passengers. It has now grown into a healthy competition between State Transit's bus drivers, with the driver of the best decorated bus awarded \$500 to donate to the charity of their choice.

In 2011, State Transit developed a new partnership with the Sydney Children's Hospital at Randwick which meant the honour of judging the competition each December would go to a patient at the hospital.

Six-year old leukaemia patient Leticia Velez was the guest judge in 2011, awarding the title of best decorated bus to Kingsgrove Depot.

# Year in review

## Safety

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### Key Objective

State Transit's ultimate goal is that there are no injuries to staff, passengers or the public as a result of State Transit operations or activities.

### Key Benefit

- A safe and healthy workplace for all

### Key Performance Indicators

- Improved workplace safety
- Improved on-board safety
- Improved road safety

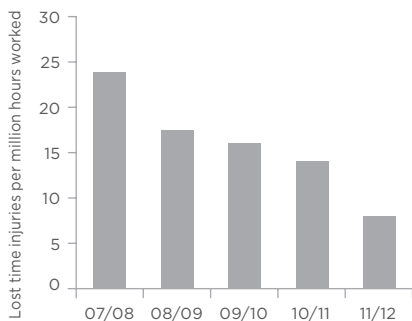


## Performance

There has been a consistent improvement with State Transit's key performance indicators over the past six years. State Transit will continue to drive improvement in the performance of all areas relating to safety, to ensure the highest possible safety standards for all people involved in, or affected by, our operations.

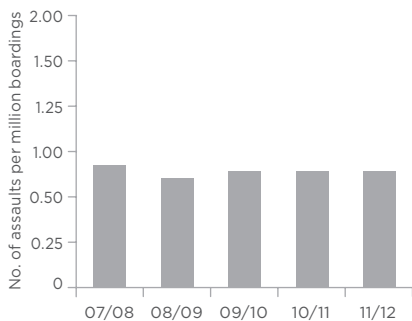
### Lost Time Injury Frequency Rate

State Transit's Lost Time Injury Frequency Rate (LTIFR) reduced by 14 per cent in 2011/12, continuing a downward trend over the past five years. Since 2007/08, State Transit has reduced its LTIFR by 66 per cent.



### Employee assaults

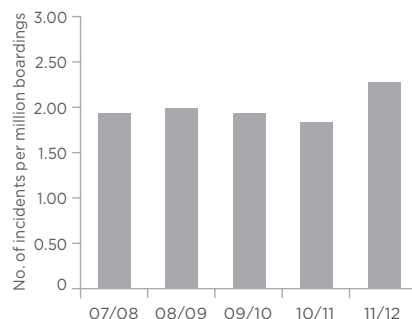
In 2011/12, the number of employee assaults per million boardings reduced by one per cent. Since 2007/08, the number of assaults to State Transit employees has decreased by 10 per cent.



### Passenger and pedestrian incidents

In 2011/12, the number of passenger and pedestrian incidents per million boardings increased. The largest contributor to this increase was passenger falls, including when getting on and off the bus.

State Transit takes the safety of its passengers seriously. At the beginning of the 2012/13 financial year, State Transit ran a safety campaign, targeting passenger incidents. The external component of the campaign asked passengers to focus on two things while travelling on the buses - firstly, to concentrate when stepping on and off the bus to avoid tripping, and secondly, that once on the bus, they hold on to handrails while the bus is moving. The internal component of the campaign reminded bus operators to wait for passengers to be seated before moving away from the kerb.





## Drug and alcohol testing

In 2011/12, State Transit increased the number of alcohol tests conducted by 157 per cent and the number of drug tests conducted by six per cent compared to 2010/11.

State Transit is committed to a strict drug and alcohol policy, which involves random, reasonable cause and incident drug and alcohol testing.

Employees who return positive tests are subject to disciplinary proceedings involving counselling and/or rehabilitation, suspension with a first and final warning or immediate dismissal.

	Alcohol	Drugs
<b>Number of Tests</b>	4,461	678
<b>Number of Positives</b>	5	9

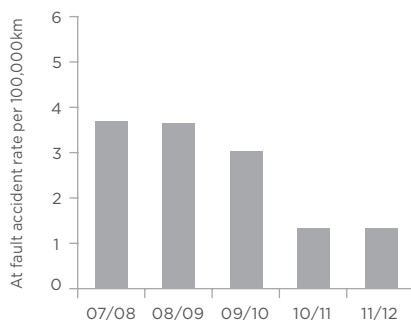
## Workers Compensation

State Transit has continued to manage workplace injuries to a high standard. In 2011/12 the following improvements were reported:

- the average number of days on Section 38 benefits decreased from 42.49 days in June 2011 to 25.12 days as of December 2011;
- the average number of days on Section 37 benefits decreased from 127.83 in June 2011 to 82.33 days as of December 2011; and
- the average number of days on Section 36 benefits decreased from 15.73 in June 2011 to 14.47 days as of December 2011.

## At Fault Accident Rate

State Transit's At Fault Accident Rate per 100,000 kilometres reduced by 0.78 per cent in 2011/12. This follows a downward trend over the last five years with State Transit's At Fault Accident Rate falling by 65 per cent.



## Leading performance indicators

State Transit introduced leading performance indicator targets in January 2010 to assist with the measurement of proactive safety activities.

The following chart provides two years of leading performance indicator data for 2010/11 and 2011/12. With the implementation of the Safety Management System, the leading performance indicators provide insight into the types of proactive safety activities which are assisting in driving safety performance improvements.

Positive Indicators	2010/11	2011/12
<b>Hazards reported</b>	456	293
<b>Risk assessments completed</b>	189	198
<b>OHS committee meetings held</b>	101	109
<b>Safety corrective actions completed</b>	441	660

For the first year on record the Workers Compensation provision also decreased from \$35.20 million in 2011 to \$34.98 million as at 30 June 2012. This decrease is significant, taking into consideration CPI increases and the low bond rate which had a large impact on the cost of the portfolio.

In February 2012, the Workers Compensation Unit was assigned to Transport Shared Services. The Workers Compensation Unit will be transitioned on a permanent basis as per the Corporate and Shared Service Reform Plan currently underway in Transport for NSW. The Workers Compensation Unit is continuing to operate under this arrangement located at Elsie Street, Burwood.

A Service Level Agreement between State Transit and Transport Shared Services was established and formally signed in June 2012.

In June 2012, the NSW Parliament introduced a new Bill impacting the Workers Compensation System in NSW with the aim of addressing the recent deficit of the scheme. State Transit has worked tirelessly to ensure systems and practises have been updated to meet the demands of these changes.

Throughout 2011/12, State Transit continued to self-audit and review performance to ensure best practise and legislative compliance. There has been continued representation on the Senior Executive of the NSW Self Insurer's Association which has benefited the organisation significantly, particularly with regards to knowledge and understanding of the new amendment Bill, the system changes required in meeting the demands of these changes and all aspects of workers compensation insurance in NSW.

## Safety initiatives

### “Putting People First”

State Transit has promoted the core safety belief of “Putting People First” throughout the organisation. This core belief provides the foundation to ensure that safety is given the number one priority and consideration when undertaking activities and operations. This core belief is supported by core safety values, which include:

- the demands of the job are never too great to jeopardise safety;
- safety is State Transit's top priority;
- safety must be included when making decisions; and
- safety involves all of us.

### Safety Management System

State Transit's Safety Management System (SMS) is designed to create a safer workplace for all State Transit employees and all other people affected by State Transit's operations and activities.

The SMS was launched in July 2009 and describes what must be done in order for State Transit to work safely, meet its regulatory requirements and ensure a safe workplace for all.

Over the past two years, further development of the SMS has included Risk Management Guidelines and Safe Work Instructions. These are focused on State Transit's top safety risk priorities and provide guidelines on minimum standards for managing key areas of risk and outline safe work practices for tasks with safety risks.

All State Transit employees have a reference to their safety responsibilities in their position description.

The SMS was implemented further across the business throughout 2011/12 to ensure bedding down of safety processes and procedures. Further implementation progress has brought the system to life and requires the ongoing support and commitment of all staff to ensure continuous improvement.

To ensure the successful implementation of the SMS at State Transit, employees have received widespread support through training, workshops, coaching and regular communication. Ongoing consultation with employees and review of the system will be made to ensure our safety performance across the business is always improving.



## State Transit continued an extensive training program in 2011/12 to support the implementation of the new Safety Management System.

### Audit Program

State Transit is committed to ensuring a robust and thorough audit program is implemented to regularly assess the implementation of our Safety Management System (SMS) and the compliance of the SMS to both internal and external requirements.

State Transit successfully passed relevant external regulatory audits in 2011/12 including the WorkCover OHS Management System Audit in November 2011, which is measured against four elements of the OHS Model for Self-Insurers 2005.

State Transit also completed a number of internal audits during 2011/12 to ensure continuous improvement of the SMS. These audits included:

- Advanced Fatigue Management Audit in July 2011;
- OHS Management System Audit, measured against four elements of the OHS Model for Self-Insurers 2005 in August 2011; and
- Bus Operator Accreditation Scheme Audit, measured against SMS requirements in June 2011.

A Compliance Assessment Program was also completed in 2011/12.

The Compliance Assessments are completed against State Transit's Risk Management Guidelines which have been developed to meet legislative requirements. Some topics and areas which were assessed in 2011/12 included:

- Prevention of bullying and harassment;
- Working with electricity; and
- Workplace violence prevention.

### Health and wellness

State Transit has a Health Management Committee, the over-arching committee which manages health and wellbeing related programs in State Transit. This committee operates in line with "C2007-39 A Healthy Workforce: Policy on Improving the Health and Wellbeing of Public Sector Employees" and supports State Transit's SMS health monitoring procedures, programs and processes.

Health and wellbeing is a critical issue for State Transit and the issues currently challenging State Transit include an ageing workforce, obesity, smoking, fitness levels and mental health issues.

The Health Management Committee uses a strategic approach to develop and review health and wellness programs and initiatives including:

- health assessments;
- pre-employment medical and functional assessments;
- a drug and alcohol program;
- a fatigue management program;
- health promotion and health and wellbeing programs;
- health provider selection and management;
- employee assistance program and critical incident de-briefing;
- a flu vaccination program; and
- workplace monitoring e.g. noise and hazardous substances.

Programs that were conducted in the 2011/12 year include:

- Heart Week;
- Men’s Health Week;
- employee health checks;
- an employee cooking challenge; and
- a number of health fairs.

## Resources

### Safety Leadership Committee

The Safety Leadership Committee continues to provide guidance and leadership for the Safety Management System (SMS), safety strategies and programs. The Safety Leadership Committee comprises of the Chief Executive and Senior Executives who meet every three months to review and approve the strategic planning, safety performance, resource allocation and policy and procedure review for the SMS.

### Safety Division

The Safety Division drives and supports the development and implementation of the Safety Management System (SMS). This structure has now been implemented for over two years and includes three keys levels:

- Safety Managers (to lead the planning, implementation, measurement, and review of the SMS);
- Safety Professionals (to provide the expert advice, assistance and support for Business Units, including Depots); and
- Safety Advisors (to assist in SMS implementation and hands-on support).

This structure has assisted with the promotion of a consistent and proactive approach to safety across the organisation, with the flexibility to focus specific resources to an area, project or issue as required. All positions within the Safety Division structure have been filled and the team is now fully operational.

### Safety Software Solution – “The Hub”

In 2011/12, State Transit developed an electronic software system for hazard and incident reporting, investigations, risk assessments, audit, inspections and action management. This new system has been named “The Hub” and the solution has been in user testing and pilot mode in late 2011/12.

Training in the new system is commencing and will provide the streamlining of complex paper-based systems and real-time dashboard reporting. The system aims to improve the management and transparency of core safety systems.

### Safety training

State Transit continued an extensive training program in 2011/12 to support the implementation of the new Safety Management System (SMS). The Safety Training Program is led by the Safety Training and Competency Committee and has representatives from the Safety and Learning and Development divisions.

The following table outlines statistics relating to safety training.

Safety Training	Number of People
Safety Training	3,552
Safe Work Instruction Training	3,362
Bus Operator – Skills Refresher	1,306

Safety training conducted over the past 12 months includes:

- Safe work instruction training;
- Manual handling training;
- Working at heights training;
- On-line hazard training;
- On-line SMS training;
- Getting into Gear 2 with the SMS;
- OHS consultation;
- Emergency evacuation;
- Violence prevention; and
- First aid.

**Michelle Cini**  
Rail Operations and OHS Committee Secretary Port Botany Depot

**50%**  
of slips, trips and falls occur between your home and your workplace  
Make sure you get home safely tonight.

- ✓ Be aware of uneven ground surfaces and pathways
- ✓ Watch out for surfaces that may be slippery
- ✓ Wear suitable footwear with adequate tread
- ✓ Don't rush - take your time

## Consultation and communication

### OHS committees

State Transit's OHS committees are recognised as playing a very important role in ensuring a safe workplace for everyone. OHS committees provide the forum for employees to assist State Transit to make more informed decisions by sharing ideas and making recommendations regarding health and safety issues.

All OHS committees have a schedule of training to ensure committee members have received WorkCover accredited training and have designated time to perform their OHS responsibilities.

With the introduction of new work health and safety legislation, a consultation meeting was held with the existing OHS Chairperson in February 2012 and at this meeting it was decided that all currently elected OHS committee representatives would be deemed Health and Safety representatives and receive the Health and Safety representatives (NSW) - One Day Bridging Course. The elected health and safety representatives will also continue to meet as OHS committees.

### Regional OHS Committee meetings

Regional OHS Committee meetings provide an annual forum where Health and Safety representatives/OHS Committee representatives and management representatives review the regional safety performance, safety ideas and concerns. The meetings provide an open and consultative forum in which safety issues can be progressed.

**30%**  
of slips, trips and falls occur in the workplace  
Look out for your safety and the safety of your colleagues.

- ✓ Report all health incidents
- ✓ Obey safety signs
- ✓ Wear suitable footwear for your job
- ✓ Keep floor area and workways clear at all times

**20%**  
of slips, trips and falls occur while getting on and off the bus  
Make sure you start and finish your shift the safe way.

- ✓ Use the handrails when getting on and off the bus
- ✓ Check the bus stop and don't chase if the stop ahead one more block on the bus
- ✓ Don't rush - take your time

**30%**  
of slips, trips and falls occur in the workplace  
Look out for your safety and the safety of your colleagues.

- ✓ Report all health incidents
- ✓ Obey safety signs
- ✓ Wear suitable footwear for your job
- ✓ Keep floor area and workways clear at all times

**50%**  
of slips, trips and falls occur between your home and your workplace  
Make sure you get home safely tonight.

- ✓ Be aware of uneven ground surfaces and pathways
- ✓ Watch out for surfaces that may be slippery
- ✓ Wear suitable footwear with adequate tread
- ✓ Don't rush - take your time

In 2011/12, State Transit implemented an internal safety campaign promoting the prevention of slips, trips and falls by employees.

## OHS Committee Chairperson Meeting - annual

State Transit held an OHS Committee Chairperson Meeting in November 2011. The OHS Committee Chairperson Meetings are designed to facilitate discussion between OHS Committee Chairpersons and Senior Management about safety in order to provide organisational wide consultation, solution sharing and learning on safety matters.

The meeting included a review of safety performance, WorkCover audit and audit results, safety resources and safety programs including training, risk and health programs. The OHS Committee Chairperson Meeting is held annually and includes the chairperson from each OHS committee.

## Fleet Safety Committee

The Fleet Safety Committee is a key consultation forum including OHS and Union representatives. The Fleet Safety Committee has the following objectives:

- to provide a forum to discuss and consult on fleet design issues;
- to provide a forum for sharing solutions and outcomes for fleet design State Transit wide; and
- to participate in risk assessments related to fleet design projects.

## Safety campaigns

State Transit implemented a number of safety campaigns over the past 12 months to promote key messages that support the prevention of incidents and injuries. Campaigns conducted in 2011/12 include:

- **Safety for Seniors Campaign**  
An internal and external campaign to promote safe travel for seniors including safety tips for seniors and bus operators.
- **Slips, Trips and Falls Prevention**  
An internal campaign promoting the prevention of slips, trips and falls by State Transit employees.

State Transit also provides regular safety messages in its internal newspaper *The Transit Times* to support key safety programs and strategies.

## External communication

State Transit provides representation to external bodies and forums to ensure information sharing and continuous improvement in the Transport sector. Representation is provided for the following bodies and forums:

- WorkCover's Transport and Storage Industry Reference Group;
- The Transport for NSW Bus Driver Safety Committee; and
- NSW Self Insurers Association.

## Winner - WorkCover Safe Work Awards

State Transit won WorkCover's NSW Safe Work Awards in the Category of the "Best solution to an identified workplace health and safety issue". The solution was the design and implementation of a bus suspension airbag assembler.

This was an original idea that resulted in the airbag assembler being purpose built to specifically meet the requirements of fitting air bags to pistons.

The device is a pneumatic air bag press designed to fit rubber air bags onto the piston for installation to buses. Pressing occurs as the plate, which is attached to the pneumatic ram, moves upwards compressing the top of the air bag against the piston.

The machine has safety interlocks to prevent the machine operating with the chamber door open. When the pressing cycle has finished, the air bag is ready to be installed. The process now only takes five minutes to complete.

The innovation has minimised the manual effort required to fit rubber air bags onto a piston and has significantly reduced the risk of strain and sprain injuries and has improved efficiency.

# Year in review

## Competitive Business Performance

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### Key Objectives

- To build our competitiveness as a business
- To ensure the renewal of State Transit's Metropolitan and Outer Metropolitan Bus System Contracts

### Key Benefit

- Clearly demonstrating improved 'value for money'

### Key Performance Indicators

- Increasing investment to meet our future obligations
- Maximise asset utilisation





## Performance

### Financial review

In 2011/12, State Transit achieved a net after-tax profit of \$7.1 million (\$6.9 million in 2010/11). This result includes the impact of the revaluation of State Transit's land, buildings and wharf, and the actuarial valuations of employee benefits.

Income increased by \$28.2 million (4.3 per cent) from 2010/11 to \$683.6 million. This was due to the escalation of Outer/Metropolitan Bus System Contract payments and higher new bus payments.

Expenditure increased by \$27.4 million in 2011/12 (4.2 per cent). The increased expenditure for 2011/12 can be attributed to increases to superannuation liability costs, insurance, interest costs and Compulsory Third Party Insurance premiums. In addition, fleet running costs rose by \$6.16 million, as fuel prices increased by 8.8 per cent during the year.

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**In 2011/12, State Transit achieved a net after-tax profit of \$7.1 million (\$6.9 million in 2010/11).**

### Capital expenditure

State Transit spent \$65.6 million on capital works in 2011/12, including \$56 million on the acquisition of 102 new buses and bus-related equipment, and \$9.6 million for the redevelopment of Tempe Depot and other infrastructure works.

The bus replacement program ensures the average fleet age continues to meet the requirements of State Transit's operating contracts with Transport for NSW. State Transit's average fleet age was 10.45 years as of 30 June 2012.

### Outer/Metropolitan Bus System Contracts

State Transit provided its services for the seventh year under the Outer/Metropolitan Bus System Contracts issued by Transport for NSW.

State Transit has four contracts for the Sydney Metropolitan area, covering Regions 6 (South), 7 (West), 8 (North) and 9 (East). These contracts commenced on the 1 July 2005 for a term of seven years. State Transit also has one Outer Metropolitan Bus System Contract for the operation of Newcastle Buses. This contract commenced on 30 June 2006, also for a period of seven years.

Under the contracts, each region stands alone with State Transit paying fare revenue, a proportion of advertising (25%) and charter revenue (5.5%) for each region to Transport for NSW.

Transport for NSW makes monthly payments to State Transit representing fixed costs, depreciation change payment, fuel cost payment, service payment, patronage benchmark, patronage change and new fleet periodic payments.



State Transit is now in its eighth year of the Sydney contracts, as a 12-month extension was granted to June 2013. Newcastle Buses is now in its seventh year. State Transit has had no issues of non-compliance and has met all contractual requirements. State Transit continues to maintain its status as the major operator within the Sydney regions.

Negotiations are due to commence with Transport for NSW for the second contract term for the four Sydney regions during the second half of 2012.

State Transit is, and will continue to be, a major supporter of the current Transport for NSW initiatives for Electronic Ticketing and the Public Transport Information and Priority System.

### Information technology management

A major driver for State Transit's Information and Communications Technology (ICT) is to provide continuous improvement through better quality systems and processes at the same or reduced cost.

Achievements for 2011/12 have been predominately around the successful completion of the strategic Whole of Government ICT Expenditure Review Program by which State Transit has effectively been able to save 15 per cent of the organisation's ICT expenditure whilst maintaining a stable, secure ICT platform to deliver services.

Through the completion of the whole of Government ICT Expenditure Review program, State Transit has saved 15 per cent of the organisations ICT expenditure whilst maintaining a stable, secure ICT platform to deliver services.

Some of the key achievements for 2011/12 include:

- Successful benefit realisation of the NSW Treasury ICT savings for 2011/12, including increased usage of mobile mail reducing the need and cost of laptops and modems; successful recruitment of permanent staff to replace contractors; and increased savings through the Printer Rationalisation program.
- Implementation of an ICT Service Manager tool to enable employees to log calls directly via self service to the Service Desk. Additional benefits of the system include the ability to track, analyse and set clear performance measures for ICT services ultimately creating improved communication paths between the ICT team, management and end users. The ICT Service Manager tool is being further leveraged to manage Access Controls across the organisation as well as administer ICT Change Management.
- Successful migration of the Executive Information System (EIS) to the Business Intelligence System (BIS); State Transit's platform for information intelligence and critical to State Transit's ability to measure, monitor and interpret operational data and provide management reporting.
- Further investment and upgrade of key ICT infrastructure assets to ensure ongoing reliability and performance matches growing business demands.

### **ISO 9001:2008 Certification**

State Transit's commitment to providing the highest standard in customer service continues to be enhanced by the certification as a Quality Endorsed Company.

The external certifying body, SAI Global, regularly undertakes surveillance audits in compliance with the ISO 9001:2008 standard. This ensures State Transit continues its quality certification.

### **Risk Management Program**

State Transit uses ISO AS/NZS 31000: 2009 Risk Management Standard to improve decision-making and to minimise the impact of events that may affect operational activities, our reputation, compliance with our regulators or the safety and security of our employees, passengers or other road users.

State Transit is committed to the continual improvement of its Risk Management Program, with consideration to the changing environment in which it operates. The Risk and Assurance Unit is responsible for maintaining and implementing State Transit's Risk Management Framework, which sets out the whole of business approach to managing risk.

The Risk and Assurance Unit regularly reports to the Executive Governance and Risk Committee, which oversees the implementation and operation of the Risk Management Framework. As a further assurance, State Transit has an Audit and Risk Committee, whose overall objective is to provide independent assistance to the Chief Executive by overseeing and monitoring State Transit's governance, risk and control framework, and its external accountability requirements.

### **Emergency response plans**

State Transit has trained all operational key management and supervisory staff in revised Emergency Management and Crisis Plans. The Fleet Operations and Infrastructure Division facilitates the program which provides a focus on the practical aspects of emergency and incident management together with a structured approach to communications. The program has rated well amongst program participants. The program can be delivered as required for the ongoing support of operations.

State Transit participates in Crime Prevention Partnerships across the transport sector concentrating on those areas that present the greatest risk to its operations, customers and staff.

## Security coordination

State Transit's Security Unit provides police and State Transit's Revenue Protection Unit with enhanced intelligence profiles of incidents that occur on the transport network. High profile areas of the network have been identified and resources are tasked accordingly.

In 2011/12, State Transit strongly encouraged staff to report all security incidents by completing a Transport Security Incident Report (TSIR). As a result, the total number of incidents reported by staff in the East and City regions increased during the year.

The use of intelligence from the TSIRs has resulted in better deployment of Police and Revenue Protection Officers. As a consequence, there has been an overall reduction in the number of the more serious incidents in the City, East and North regions compared to the previous year. This reduction can be seen in the figures shown in the table below.

Depot Emergency Response Plans have been embedded into State Transit's operations. Business Continuity Plans are in place to ensure State Transit's depots continue to operate with minimal disruption to services in the event of a depot-based emergency.

## Revenue Protection Unit

During the 2011/12 financial year, State Transit's Revenue Protection Officers conducted a number of special combined operations with private bus operators including Westbus, Busways, Hillsbus and Red Bus services. Management representatives and inspectors from the private bus operators worked with the Revenue Protection Officers providing intelligence and assistance during the operations.

These included checks being conducted at the major transport interchanges in the Penrith, Blacktown and Liverpool areas, as well as the Liverpool to Parramatta and North West Transitways.

Following discussions with Busways and Red Bus Services, checks were also conducted for the Central Coast bus services.

During 2011/12, Revenue Protection Officers checked 534,247 passengers resulting in the issuing of 15,742 penalty notices and 4,798 caution notices.

The Security and Revenue Protection Unit was involved in a number of activities during the 2011/12 year including:

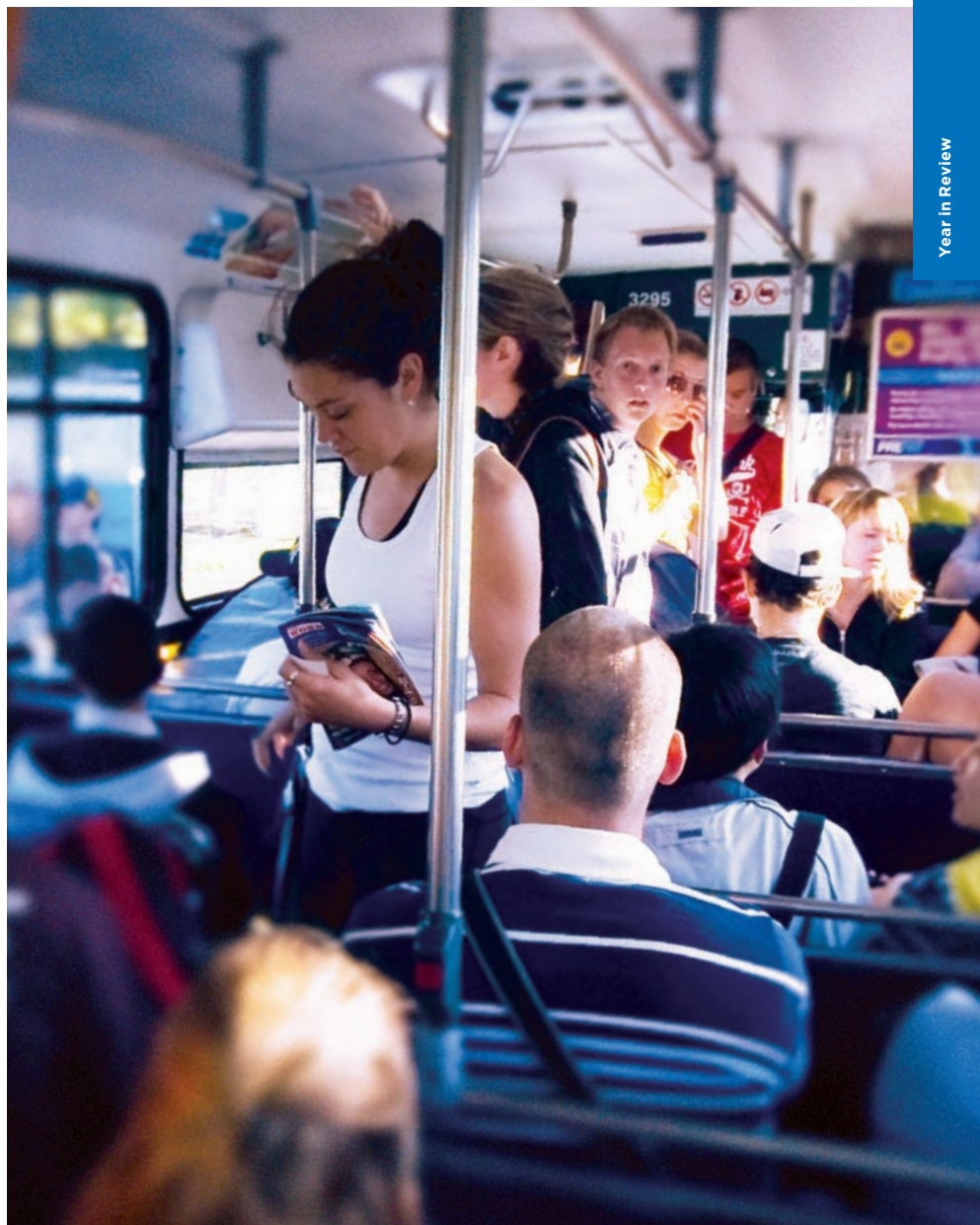
- Attendance at the major universities including UNSW, Sydney and Macquarie during admission periods, to better inform students of the correct tickets and passes to use on State Transit services;
- The further development of an intelligence based tasking system that allows the Revenue Protection/Security Unit to identify routes and areas of high fare evasion or staff complaints;

Region	Type	Incidents	
		2010/11	2011/12
North	Employee assault	36	22
	Malicious damage	46	28
	Object thrown	92	88
East	Employee assault	73	63
	Malicious damage	56	36
	Object thrown	164	94
City	Employee assault	94	97
	Malicious damage	77	56
	Object thrown	195	138

- The establishment of the Police Transport Command resulting in the modification of the Security and Revenue Protection Unit's intelligence system to allow daily updates of intelligence from State Transit to the Police Intelligence Unit;
- The Security and Revenue Protection Unit and the RailCorp Drug and Alcohol Unit conducting both random and targeted tests of State Transit employees;
- A team of Revenue Protection Officers tasked to investigate graffiti and vandalism offences in the Newcastle area. This resulted in a number of offenders being identified and 48 penalty notices issued to offenders for graffiti. Several offenders were subsequently arrested and charged by police.
- Two Revenue Protection Officers on selected duties trained in the use of the bus CCTV system to investigate incidents of graffiti and vandalism of buses, as well as the widespread misuse of school bus passes. This has resulted in the issue of 78 fines and 318 caution notices for various offences committed by school students.
- The Security and Revenue Protection Unit providing a liaison between the NSW Police and State Transit for the use of the on-bus CCTV system. The Unit has provided assistance to the Police in the investigation of a range of serious offences from traffic offences and vandalism to armed robberies and homicide. The CCTV footage provided has resulted in a number of offenders being arrested and successfully charged for a range of serious indictable offences.

- Revenue Protection Officers participated in 56 special operations with NSW Police including operation 'Raider' to reduce fare evasion and target anti-social behaviour including the consumption of alcohol on buses, offensive language and offensive behaviour, vandalism and graffiti. A total of 158 fines were issued to offenders as a result of these operations.

**During 2011/12, Revenue Protection Officers checked 534,247 passengers resulting in the issuing of 15,742 penalty notices and 4,798 caution notices.**



# Year in review

## Growth

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### Key Objective

- To ensure that our business supports the achievements of the priorities and targets for transport as specified in the State Plan - NSW 2021

### Key Benefit

- Assisting in the delivery of an integrated customer focused transport system

### Key Performance Indicators

- Growth in public transport journeys
- Growth in State Transit's fleet to match demand
- Growth in infrastructure to support bus services





## Performance

In 2011/12, State Transit worked collaboratively with Transport for NSW to achieve the following priorities and targets as specified in the State Plan - NSW 2021:

- Minimise public transport waiting times for customers;
- Consistently meet public transport reliability targets;
- Grow patronage on public transport by making it a more attractive choice;
- Improve customer satisfaction with transport services; and
- Increase real-time travel information to customers.

## Patronage

Total patronage for State Transit remained constant in 2011/12 with 206.075 million trips.

Sydney Buses' recorded 191.297 million trips during the 2011/12 reporting year with strong growth recorded on Anzac Parade, Victoria Road, University of NSW and Warringah/Manly services.

Anzac Parade services experienced a 3.3 per cent increase in patronage with strong growth on the following routes:

- Route X94 - operating between La Perouse and Malabar to the City - recorded a 4.1 per cent increase in patronage, carrying 11,651 more passengers than in 2010/11.
- Route X96 - operating between Maroubra and the City - recorded a 1.1 per cent increase in patronage, carrying 1,419 more passengers than in 2010/11.

Victoria Road services experienced a 2.8 per cent increase in patronage with strong growth on the following routes:

- Route 500 - operating between Ryde and the City - recorded a 2.9 per cent increase in patronage, carrying 6,981 more passengers than in 2010/11.
- Route 504 - operating between Chiswick and Bayview Park to the City via Anzac Bridge - recorded a 1.7 per cent increase in patronage, carrying 15,441 more passengers than in 2010/11.

Services to the University of NSW recorded a 1.1 per cent increase in patronage with strong growth on Route 891 - operating between University of NSW and Central - which recorded a 3 per cent increase in patronage, carrying 38,177 more passengers than in 2010/11.

Warringah/Manly services recorded a 1.1 per cent increase in patronage with strong growth on the following routes:

- Route E68 - operating between North Balgowlah to the City - recorded a 5.3 per cent increase in patronage, carrying 7,050 more passengers than in 2010/11.
- Route E83 - operating between North Narrabeen and the City - recorded a 4.7 per cent increase in patronage - carrying 5,559 more passengers than in 2010/11.

Newcastle Buses and Ferries carried 12.005 million passengers in 2011/12. Route 235 - operating between Maryland and Newcastle - recorded strong growth, with a 6.3 per cent increase in patronage - carrying 8,581 more passengers than in 2010/11.

The Liverpool to Parramatta Transitway carried 2.773 million passengers in 2011/12, up 0.3 per cent from 2010/11.

## Metrobus patronage continues to grow

Metrobus services are proving extremely popular, with more than 31 million people jumping on board State Transit-operated Metrobus services since their introduction.

Metrobus M50 services – operating between Drummoyne and Coogee – experienced a 33.4 per cent increase in patronage, up 270,776 passenger trips from 2010/11.

Strong growth was also experienced on Metrobus routes M41 – operating between Hurstville and Macquarie – and M40 – operating between Chatswood and Bondi Junction – recording patronage increases of 30.3 per cent and 27 per cent respectively.

Other Metrobus routes that experienced patronage growth during the year include:

- Metrobus M30, up 14.5 per cent, carrying 271,570 more passengers than in 2010/11;
- Metrobus M54, up 13.9 per cent, carrying 101,366 more passengers than in 2010/11;
- Metrobus M20, up 7.8 per cent, carrying 133,526 more passengers than in 2010/11;
- Metrobus M52, up 5.9 per cent, carrying 133,946 more passengers than in 2010/11; and
- Metrobus M10, up 1.7 per cent, carrying 37,521 more passengers than in 2010/11.

All Metrobus routes operate a high-frequency service, running on average at 10-minute intervals during peak hours, every 15-20 minutes during the off-peak and every 20 minutes on weekends.

Using a mixture of two-door standard buses and three-door 'bendy' buses, the Metrobus network has significantly increased capacity for bus users.

## Bus fleet

In 2011/12, 102 new buses were delivered to State Transit.

Of the 102 buses delivered:

- 65 were Volvo Euro 5 diesel standard buses; and
- 37 were Scania Environmentally Enhanced Vehicle (EEV) standard buses.

State Transit's operating contracts with Transport for NSW issued under the Passenger Transport Act 1990 require an average fleet age of not more than 12 years. The delivery of these new buses and subsequent retirement of older buses has further reduced the average age of State Transit's bus fleet to 10.45 years.

State Transit continues its program to purchase only wheelchair-accessible buses, which now total 1,596 (72 per cent of the fleet).

Wheelchair-accessible buses operate on more than 59,000 trips per week (56 per cent of services) on routes throughout Sydney and Newcastle. This places State Transit on target to exceed Commonwealth Disability Standards for Accessible Public Transport by the end of 2012.

All new buses acquired by State Transit feature:

- kneeling suspension for level entry and a flat no-step floor to make it easier for the elderly and less mobile;
- an extended wheelchair ramp and accommodation for two wheelchairs;
- additional priority seating for less mobile passengers;
- high visibility handrails;
- increased interior lighting;
- improved destination signs; and
- air-conditioning.

Timetabled wheelchair-accessible bus services now operate on all main corridors and cross-regional routes. Many of these services provide links to accessible CityRail stations to increase opportunities for multi-modal travel. A full list of wheelchair-accessible services can be found by visiting [www.sydneybuses.info](http://www.sydneybuses.info)



## Bus refurbishment

State Transit bus tenders generally require a 20-year minimum design life with a 15-20 year structural frame warranty. Manufacturers do not stipulate maximum kilometres for the vehicle however they do provide indications of key component life.

State Transit evaluates the maximum life expectancy for each make and model of bus in the fleet. The evaluation includes the consideration of the maximum economic life of the bus.

All buses are regularly assessed by qualified State Transit staff and are independently inspected by Roads and Traffic Authority staff under the Heavy Vehicle Inspection Scheme to ensure they are safe and roadworthy.

During the year, Scania 12-metre low-floor buses underwent refurbishment.

## Bus depot strategy

With the establishment of Transport for NSW and subsequent transfer of functions, the responsibility for bus depot strategy now lies with Transport for NSW.

## Electronic Ticketing System

During 2011/12, State Transit continued its key role in developing and implementing the new Electronic Ticketing System - Opal. A dedicated State Transit Project Team managed the timely review of critical system design documentation by subject matter experts as well as contributing to the planning of the physical fit-out of the State Transit fleet.

In the second half of the reporting period, State Transit led an important piece of work where the Fleet Operations and Fleet Safety Committee agreed on the best location for Electronic Ticketing System equipment on each State Transit bus type. These surveys were undertaken in a collegiate manner with input from staff, safety professionals and Transport for NSW.

In the coming months, work will commence on installing Electronic Ticketing System equipment at all State Transit depots and related locations. Once this work is completed, State Transit will assist Transport for NSW by coordinating the installation of necessary infrastructure on the entire State Transit fleet.

Metrobus services are proving extremely popular, with more than 31 million people jumping on board State Transit operated Metrobus services since their introduction.



# Year in review

## People and Organisational Sustainability

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### Key Objective

- To inspire, develop and support each other

### Key Benefit

- Developing productive and motivated staff

### Key Performance Indicators

- Improved staff retention
- Improved staff job satisfaction
- Improved staff learning





## Performance

### Recruitment

In 2011/12, State Transit introduced a number of changes to the way it recruits, particularly for bus operator positions. These changes included the introduction of a Bus Operator Evaluation selection tool, a functional assessment and an on-line talent screener.

These tools have allowed State Transit to more accurately establish whether an applicant is a good match for the job, and in turn, reduce the turnover rate of new employees.

This has been demonstrated by a 45 per cent reduction in the recruitment of bus operators during 2011/12, with only 366 new bus operators employed by State Transit during the year.

The Bus Operator Evaluation selection tool has significantly reduced the new employee turnover rate for bus operators. Between 1 January and 30 June 2012, 249 candidates undertook the bus operator evaluation process and only 143 were offered employment.

A functional assessment was also introduced into the pre-employment checks in July 2011 for new bus operator, cleaner and trade positions. The purpose of the functional assessment is to establish whether there is a job match or job mismatch based on the gap between the jobs demands and the physical functional characteristics of the applicant. The assessment also gives applicants some guidance on how to overcome such gaps.

Most recently, a new on-line Talent Screener, developed specifically for State Transit, was implemented in the selection of bus operators. Many of the questions in the Talent Screener are based around

“a day in the life of a bus operator”, providing applicants with a realistic preview of the job and providing State Transit with a way to identify those applicants most likely to be suited to the role.

The administration of the screener has improved the applicant experience as it allows them to complete the questionnaire in the comfort of their home at a time that is convenient for them.

### Learning and development

State Transit is committed to developing a capable workforce by investing in the skills of its people.

In 2011/12, State Transit's focus was on the core driving skills of its bus operators, to improve safety and customer comfort. Individual feedback and the coaching programs implemented have resulted in a measurable improvement in driving skills.

Thorough needs analysis and a collaborative approach underpins the quality and relevance of State Transit's learning and development programs.

#### Bus operator training

State Transit utilises the Vocational Education and Training Quality Framework to promote excellence in training bus operators. State Transit's comprehensive Bus Operator Training Program includes:

- a nationally recognised Traineeship Program for all new bus operators;
- an annual Skills Development Program for experienced bus operators;
- in-service evaluation and feedback for all bus operators; and
- tailored, specific one-on-one training and assessment for identified training needs.

The Traineeship Program ensures that all new bus operators receive training that has been benchmarked against national competency standards, and results in a nationally recognised Certificate III in Driving Operations (Bus).

A new pre-employment screening process allows applicants for bus operator positions to experience training as part of the recruitment process. This facilitates better understanding of the skills involved in this complex role and has led to improved job-fit and retention.

Improvements were made in the training program for new bus operators to assist the transition from initial training to in-service operation, providing more comprehensive peer coaching and support, and minimising service disruptions.

#### **Qualified workforce**

State Transit aims to have a fully trained and qualified workforce. As well as traineeships, State Transit offers experienced bus operators the opportunity to achieve a Certificate III qualification in Transport and Logistics through the Existing Worker's Program. Over 200 bus operators have been qualified through this program.

At the end of June 2012, 75 per cent of the bus operator workforce had a relevant Certificate III qualification in transport, issued by State Transit.

#### **Registered Training Organisation**

State Transit is endorsed as a Registered Training Organisation (RTO) by the Australian Skills Quality Authority to deliver nationally recognised training and qualifications.

State Transit currently has the following qualifications on its scope of registration:

- Certificate III in Driving Operations (Bus);
- Certificate IV in Frontline Management; and
- Certificate IV in Training and Assessment.

Achievements in 2011/12 included:

- 353 bus operators achieving Certificate III in Transport and Logistics (Road Transport) during the 2011 calendar year; and
- 750 trainees enrolled in the Certificate III in Transport and Logistics (Road Transport) Traineeship Program.

#### **Bus Operator Skills Development Program**

This program aims to maintain and enhance the skills and knowledge of experienced bus operators. In 2011/12, the key learning areas were safety and customer service including the prevention of workplace violence, manual handling and service to customers in wheelchairs. Over 1,000 bus operators have attended the current program.

#### **Core skills for bus operations**

In 2011, State Transit developed and introduced a set of core skills for bus operations, providing a comprehensive set of standards for reference, coaching and evaluation of driving skills. The Core Skills booklet is used for instructing and coaching new bus operators, and is being distributed incrementally to all bus operators as part of the Positive Drive Program.

#### **Positive Drive Program**

This program introduces a new approach to improving performance through a shift from training to coaching. All bus operators are evaluated on-the-job against the core skills for bus operations, receive a comprehensive report and debrief of their driving, and are supported with coaching where required. The program also recognises good performance and has resulted in a significant improvement in individual performance. A pilot program at Randwick Depot reported measurable improvements in safety and customer comfort key performance indicators. The program will be implemented across State Transit in 2012.

#### **Improving the quality of our trainers and assessors**

Bus Operator Evaluators, introduced in 2011, are specialists in providing holistic evaluation of driving skills and coaching for bus operators in the core skills of their role.

Professional development this year has focused on building trainers' understanding of the core skills for bus operations and improving the coaching skills of our on-the-job trainers.

#### **On-line learning**

With the introduction in 2011 of a Learning Management System, State Transit has automated its training course management. The system hosts State Transit's eLearning programs which it is planning to expand in the coming year.

#### **Cadetships**

State Transit's Jumpstart Cadetship Program, providing employment and career opportunities for young people, forms a key part of our succession strategy for operations, scheduling and supervisory roles.



Fifteen cadets are employed in two streams – Operations and Logistics. The two-year program provides broad exposure to the business, through a series of rotations, formal and on-the-job training and coaching support, enabling them to become multi-skilled across a wide range of divisions. Cadets complete a Certificate IV in Frontline Management or Business.

### Apprenticeships

Apprenticeships are an essential element of State Transit's fleet operations. State Transit recruits heavy vehicle mechanic and body-building apprentices annually and recruitment continues to reflect the diverse State Transit workforce.

Apprentices undertake on-the-job training in the workshops, technical training and assessment on the State Transit fleet and a trade qualification from TAFE.

State Transit mechanic apprentices have commenced a new training plan resulting in dual industry qualifications/licences. Certificate III

in Automotive Specialist (Gas Vehicle) is now delivered with Certificate III in Automotive Mechanical Technology (Heavy Vehicle) (Road Transport) further increasing the competencies of the fleet operations workforce.

During the year, several apprentices completed post-trade qualifications including Certificate IV in Automotive Technology and Certificate III in Automotive Vehicle Body (Vehicle Painting).

Andrew Lim, William Middleton and Daniel Haagensen (Certificate III in Automotive Mechanical Technology (Heavy Vehicle) (Road Transport) each received TAFE awards for their achievements while undertaking their trade qualifications.

State Transit apprentices continued to gain permanent employment with State Transit as engineering repair tradespersons, bringing established knowledge and understanding of our customers and business objectives.

### Fleet operations training

To help support State Transit's extensive fleet replacement program, 112 training courses were delivered to fleet operations staff during the year. Training covered full chassis, body and auxiliary systems on Volvo B12BLE and BLEA, Volvo B7RLE and Scania buses with bus bodies by Custom Coaches or Volgren.

Certificate III in Automotive Specialist (Gas Vehicle) was undertaken by several mechanics resulting in them attaining licences as Natural Gas Mechanics from the Motor Vehicle Repair Industry Authority.

## Performance Agreements for senior officers

The Performance Agreement program for Senior Officers was implemented using an on-line system. The on-line system provides fully electronic records and sign-offs, tools to support the development of appropriate performance objectives, and reporting functions which summarise progress in meeting objectives and alignment of objectives to the Corporate Plan.

## Enterprise Agreements and Awards

During 2011, wage negotiations for employee groups within State Transit commenced or were concluded, including:

- **State Transit Authority Division of the Government Service Bus Operations Enterprise (State) Award 2012** – covers all bus operator and related classifications.
- **State Transit Authority Division of the New South Wales Government Service Bus Engineering and Maintenance Enterprise (State) Award 2012** – covers all tradesman, tradesman assistant and related classifications.
- **State Transit Authority Division of the New South Wales Government Service Senior and Salaried Officers' Enterprise State Award 2012** – covers all administrative, managerial and operational (non-bus or maintenance) staff.

All wage negotiations were conducted under the NSW Government's 2007 Wages Policy, which provides for a 2.5 per cent cost of living adjustment, with an increase above the 2.5 per cent cost of living adjustment to be funded through employee-related cost savings.

## Employee relations and equity

### Equity and diversity training

Equity and diversity training continues to be a key component of training within State Transit.

Emphasis is placed on training employees in employment and customer service equity and diversity issues. This ensures employees have a high level of awareness and ensures compliance with anti-discrimination legislation and the Outer/Metropolitan Bus System Contracts. The training aims to ensure that employees are valued, respected and the workplace is free from all forms of unlawful discrimination, harassment and bullying. It also ensures respect for the social and cultural backgrounds of all employees and customers.

During 2011/12, a component of new employee induction training sessions was dedicated to equity and diversity training and information. Training sessions were held at Strawberry Hills (Head Office), Leichhardt and the Network Control Centre.

## Communication

Employees are able to contact the Employee Relations and Equity Unit via email, telephone, fax and a 24/7 telephone answering service to obtain information and advice on State Transit's human resource policies and procedures. During 2011/12, the unit made 38 visits to depots. Key messages are also communicated through State Transit's internal newspaper *The Transit Times*, posters and through our electronic content hosting and telecast system (CHATS) at depots.

### Retreat spaces

State Transit demonstrates its commitment to ensuring employees from culturally diverse backgrounds can meet their religious obligations whilst at work. With 11 established retreat spaces across the organisation, employees can utilise these spaces for religious, spiritual or contemplative purposes.

### Sydney Gay and Lesbian Mardi Gras

To celebrate the diversity of our employees and customers, State Transit participated in the Sydney Gay and Lesbian Mardi Gras in March 2012. This was the fifth consecutive entry by State Transit which allowed employees and their family and friends to march in the parade under the banner 'A diverse workforce moving a diverse community'. The State Transit float featured a bus named 'The Rainbow Bus' which was decorated by employees.

### Representation of women in State Transit

State Transit, as part of the transport industry, has many occupations that are non-traditional for women and are predominantly shift work positions. Currently women represent 9.4 per cent of State Transit's total workforce. Bus operators make up 78.5 per cent of our entire workforce, and women represent 7 per cent of all bus operators. At State Transit, women also work in depots as depot managers, duty managers, duty officers, shed drivers, cleaners, heavy vehicle maintenance tradespersons and apprentices.

### Spokeswomen Program

The Spokeswomen Program, a targeted program which provides career development and networking opportunities for women bus operators, continued during 2011/12. The Spokeswomen meet bi-monthly and represent 15 depots. During the year the Spokeswomen played an active part in coordinating International Women's Day and Harmony Day celebrations at depots.

### Aboriginal and Torres Strait Islander employment

The representation of Aboriginal and Torres Strait Islander people in State Transit remained at 1 per cent.

State Transit's key strategy for increasing the representation of Aboriginal and Torres Strait Islander people involved increased stakeholder consultation.

In 2011, State Transit was approached by the Live N Learn Foundation to participate in

the Break Through Indigenous Employment Mentoring Program (Break Through).

Break Through was initiated by the Live N Learn Foundation and is operated in partnership with the La Perouse Local Aboriginal Land Council and TAFE. The main goal of Break Through is to provide trained employment mentors to unemployed indigenous youth (16-25 years), to assist them to identify, gain and sustain employment.

As a major employer operating in the Botany-Randwick region, State Transit agreed to participate in the program which commenced in July 2011 and ran over the course of approximately 6-9 months. A number of employees from Port Botany gained valuable work and personal skills by assisting and mentoring local indigenous youth.

### Commonwealth Paid Parental Leave Scheme

Following the introduction of the national scheme, the Equity Unit assisted in the processing of eight claims by employees.

### Staff Recognition Scheme

The Recognition Program for State Transit employees commenced in 2005, to celebrate success and achievement, and to support State Transit's business directions.

The program is based on three 'tiers' of recognition:

1. an annual organisation-wide program, culminating in a formal annual awards function;
2. regular regional, depot and divisional activities conducted on a quarterly or monthly basis; and
3. day-to-day praise and feedback in the workplace to employees from managers and supervisors.

The Annual Awards function was held on Tuesday, 6 December 2011 at Level 41, Governor Macquarie Tower. This function recognised the outstanding contributions of four work teams and 40 individuals. Randwick Depot was awarded Depot of the Year, and the Newcastle Maintenance Workshop won the Maintenance Workshop Award.



Minister for Transport Gladys Berejiklian presenting Matthew Haines and Angela Bateman with the Transport Minister's Award for Excellence.

# Year in review

## Environment

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### Key Objective

- To meet our environmental obligations

### Key Benefit

- Protection of the environment through compliance with the Protection of the Environment Operations Act
- A healthy and sustainable environment for the community by fostering growth in using public transport

### Key Performance Indicators

- Improved fuel efficiency in the bus fleet
- Reduced electricity consumption in State Transit facilities
- Increased rates of recycling of renewable resources





## Environmental initiatives

### Improving the fleet emissions profile

In 2011/12, State Transit took delivery of 65 new Euro 5, and 37 Environmentally Enhanced Vehicles (EEV). Euro 5 and EEV have the most stringent emissions standards of all heavy vehicles in service in Australia.

The introduction of these buses has enabled the retirement of 140 older pre-Euro buses from the fleet, considerably improving State Transit's overall fleet emissions profile.

Buses of Euro 5 standard or higher now make up 25.7 per cent of State Transit's fleet.

### Procurement of new fuel efficient low emission buses

State Transit has added 65 fuel efficient seven-litre engine buses and 37 nine-litre engine buses over the last year.

These buses, of the latest Euro 5 and EEV emission standard, will serve to further improve State Transit's fleet emission profile by replacing older Euro 2 or pre-Euro 2 buses in the fleet. The new buses will assist in reducing emissions to the atmosphere, due to their superior emission standard compared to the older buses they will replace.

### Hybrid bus trial

State Transit has been operating a hybrid bus to trial this technology for Transport for NSW. The purpose of this trial is to determine the potential for energy and greenhouse gas savings from this new bus technology under Sydney operating conditions.

The hybrid bus, manufactured by Custom Coaches, is operated from Leichhardt Depot. The power train is comprised of a Cummins ISB 3.5 litre six-cylinder diesel engine and a 130 kilowatt electric motor connected in series. The diesel engine generates energy which charges the battery, and the battery is used to power the electric motor, which drives the wheels.

### Environmental compliance

As a minimum, State Transit identifies and complies with all relevant environmental legislation related to its environmental aspects and impacts.

In 2011/12, State Transit was issued with zero penalty notices for vehicles emitting excessive impurities, out of a fleet of over 2,200 vehicles operating daily in Sydney and Newcastle. Zero Local Government Notices were also recorded by State Transit during this time.



**The 40,000 litre rainwater harvesting system is integrated with the bus and chassis wash system, further reducing its potable water consumption. The system is projected to save 1,162 kilolitres of potable water consumption annually, and reduce annual water costs by \$3,000 in the first year.**

### **Port Botany environmental works**

A number of environmental infrastructure projects have been undertaken at Port Botany Depot including a rainwater harvesting system, fluorescent tube delamping, power factor correction, automatic timers for the air-conditioning, and motion sensors in the toilets, meal and change rooms.

It is projected that the energy efficiency measures will result in a 10 to 18 per cent reduction in Port Botany Depot's electricity costs and 70 tonnes less greenhouse gas emissions per year. Annual electricity costs are expected to be reduced by as much as \$30,000.

The 40,000 litre rainwater harvesting system is integrated with the bus and chassis wash system, further reducing its potable water consumption. The system is projected to save 1,162 kilolitres of potable water consumption annually, and reduce annual water costs by \$3,000 in the first year.

### **Brookvale LED high-bay lighting upgrade**

After undertaking a rigorous assessment of LED lights, Brookvale Depot replaced its inefficient 400 watt and 250 watt metal halide high-bay lights with energy efficient 150 watt LED lights. The lights have improved lighting output and are projected to reduce electricity costs by up to \$19,000 in the first year, and annual greenhouse gas emissions by up to 100 tonnes.

The benefits of LED lights are not just derived from their energy and cost savings. They also offer a superior lighting output, have a lifespan at least five times that of metal halides, and are mercury free.

Over the next five years, State Transit will be replacing all workshop metal halide high-bay lights with LEDs.



## Brookvale NABERS rating

State Transit has pursued an evaluation under the National Australian Building Environmental Rating System (NABERS) to recognise the environmental sustainability components of the Brookvale Depot redevelopment. This process involved the installation of sub-metering to enable more accurate measurement of electricity, gas and water consumption across the depot.

After the collection of a year's worth of energy data, State Transit anticipates a NABERS rating of between 4 and 4.5 stars for energy and water efficiency for the Brookvale administration building on completion of the NABERS energy and water audit.

The Brookvale administration building energy and water efficiency measures incorporated in the redevelopment include single tube T5 fluorescent light fittings, motion sensors, external shading, a high efficiency heating, ventilation and air-conditioning system, an 18 kilowatt solar PV unit, and a 50,000-litre rainwater harvesting system.

## Randwick Depot energy monitoring system

A pilot Schneider Electric energy monitoring system, including sub-metering and a power factor correction system, was installed at Randwick Depot. This web-based system allows State Transit to monitor changes in the electricity consumption of the depot with greater precision.

Randwick's power factor has improved from 0.75 - 0.85 to 0.92 - 0.95 after the installation of the power factor correction unit, and is expected to achieve a payback period of four years.

The energy monitoring system will alert State Transit of any significant changes in energy consumption. It will also help to precisely quantify future energy savings from the planned high-bay lighting upgrade and building air zoning and conditioning works.

## Energy Efficiency Opportunities Assessment Report and Schedule

State Transit has submitted its first annual report for the Australian Government's Energy Efficiency Opportunities Program. Under the program, participants are required to assess their energy use, identify energy savings projects and report publicly on the results.

The Energy Efficiency Opportunities Program has enabled State Transit to take a whole of business approach to assessing energy savings and has identified new opportunities including energy efficiency management systems, LED lighting upgrades and increased accuracy when assessing bus fleet energy efficiency measures.

The first report identified 12 opportunities for a combined net annual saving of 15,230 gigajoules. To date, six of these opportunities have been implemented within State Transit.

## Waste management

State Transit has a Total Waste Management Contract to recycle waste oil, waste surfactants, paper, oil filters, fluorescent tubes, bus batteries, steel and steel drums.

In 2011/12, State Transit recycled 1,528 tonnes of solid and liquid waste material, and achieved a recycling rate of 70 per cent.

State Transit developed its new Total Waste Management Contract, which will commence operating in 2012/13. The new contract represents greater value for money than the previous contract, while expanding the recovery of resources through the inclusion of organic waste recycling and separation of ferrous and non-ferrous metals.



# Year in review

## Western Sydney Buses

Performance

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### Key Objectives

Transitway services in Western Sydney provide:

- Fast and frequent services between Liverpool and Parramatta, the fastest growing CBD in Australia;
- Ninety-five percent dedicated bus roadway with traffic light priority;
- Low floor, air-conditioned, fully accessible bus fleet with next station announcements; and
- Real-time information to passengers delivered via electronic displays at Transitway stations.

### Targets

- Compliance with all contract targets set by Transport for NSW Transitway group.



## Performance

In 2011/12, Western Sydney Buses recorded a 0.3 per cent increase in patronage with 2.77 million passengers travelling on Liverpool to Parramatta Transitway services. Patronage growth has mainly effected the AM peak period, particularly into Parramatta.

Since the Liverpool to Parramatta Transitway began operations on 16 February 2003, more than 20 million passengers have used the service. Steady patronage growth has been recorded with patronage increasing from 10,000 passengers in its first week of operation to more than 60,000.

To enable essential construction works by Boral Recycling Pty Ltd, of a new road linking the M4 at Prospect with the Wetherill Park industrial zone, a section of the Liverpool to Parramatta Transitway at Wetherill Park was closed until February 2012.

During the works, bus services were required to detour from the Transitway via Davis Road and Hassall Street, Wetherill Park to Gipps Road, Smithfield. Following an effective communications campaign and minor adjustments to schedules, bus services continued with little to no impact on customers.

Transitway services are provided from 4.28am to 1.05am on weekdays, operating at a 2-10 minute frequency during morning and afternoon peak periods. On weekends and public holidays, services are provided from 5.48am to 1.03am, operating at a 20-minute frequency. Services operate for an extra hour on Friday and Saturday evenings.

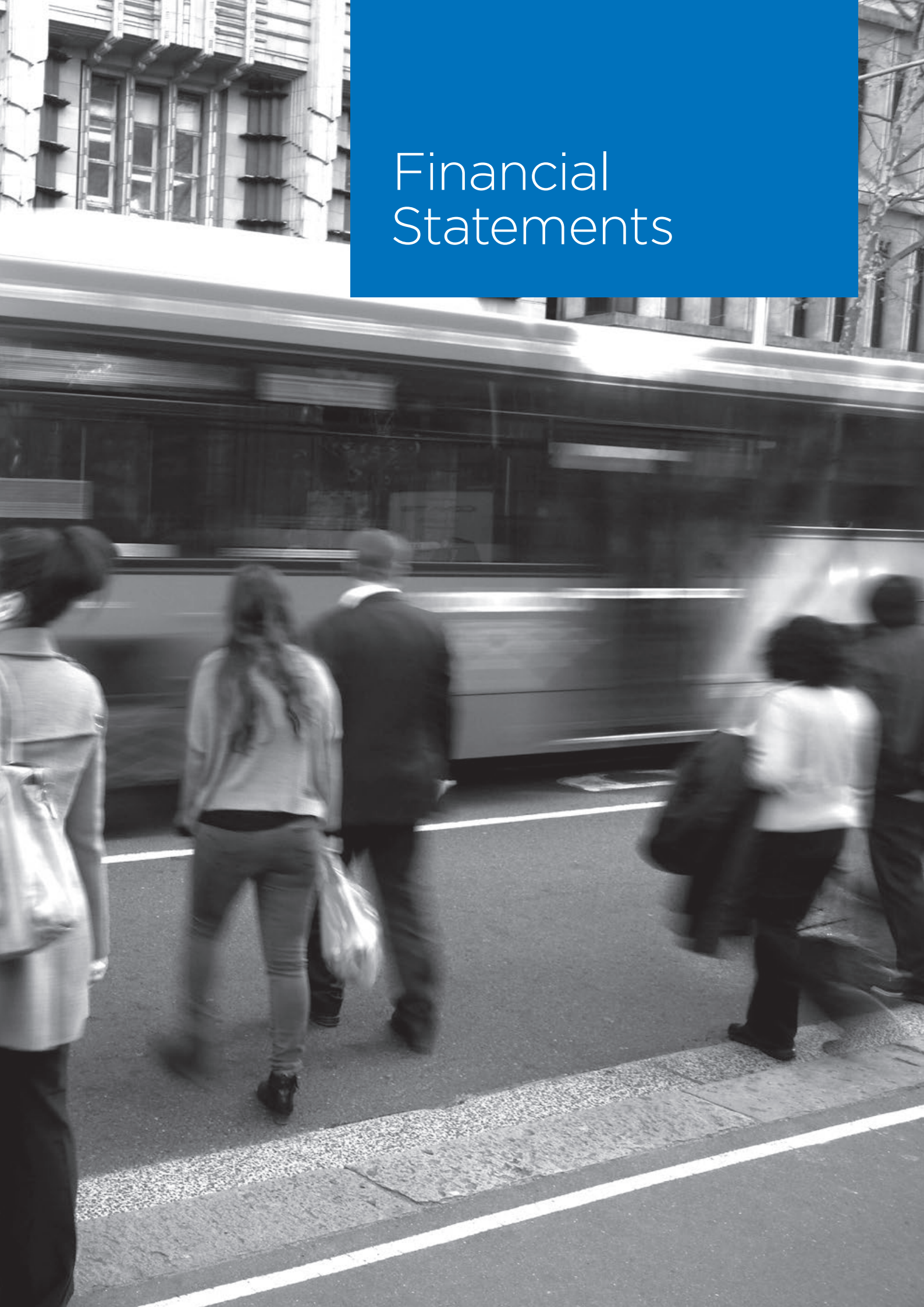
The popularity of the Liverpool to Parramatta Transitway continues to grow with more passengers joining these services each week. This is a ringing endorsement for the bus-only Transitway with more and more families and commuters across Western Sydney jumping on board every day.

Western Sydney Buses is a subsidiary corporation of the State Transit Authority of NSW. One hundred per cent of shares are held by State Transit and the sole director is the Chief Executive, Mr Peter Rowley.

In May 2012, Transport for NSW announced that the Liverpool to Parramatta Transitway would be incorporated into the operations of Metropolitan Bus System Contract Region 3 and would be released for tender from 1 July 2012. The future operations of the Liverpool to Parramatta Transitway will be provided by a private operator with the announcement of the successful proponent expected late 2012 and operations handed over some time after that.



# Financial Statements



# Financial Statements

## State Transit Authority of New South Wales

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**Independent Auditor's Report  
for the year ended 30 June 2012**



**INDEPENDENT AUDITOR'S REPORT**

**State Transit Authority of New South Wales and Controlled Entities**

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the State Transit Authority of New South Wales (the Authority) and Controlled Entities, which comprise the statements of financial position as at 30 June 2012, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Authority and the consolidated entity. The consolidated entity comprises the Authority and the entities it controlled at the year's end or from time to time during the financial year.

**Opinion**

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority and the consolidated entity as at 30 June 2012, and of their financial performance and their cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

**The Chief Executive's Responsibility for the Financial Statements**

The Chief Executive is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Chief Executive determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Authority's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Authority or consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information, that may have been hyperlinked to/from the financial statements.

### **Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- 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 of New South Wales are not compromised in their role by the possibility of losing clients or income.



Peter Barnes  
Director, Financial Audit Services

27 September 2012  
SYDNEY

**Annual Financial Statements - State Transit Authority of New South Wales**  
**Start of Audited Financial Statements**

**Statement of Comprehensive Income**  
**For the year ended 30 June 2012**

		Economic entity	Economic entity	Parent	Parent
		2012	2011	2012	2011
	Notes	\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Operational revenue	2(a,b)	631,557	610,116	631,557	610,116
Other income	2(c)	52,073	45,279	52,073	45,279
<b>Total income</b>		<b>683,630</b>	<b>655,395</b>	<b>683,630</b>	<b>655,395</b>
<b>Expenses</b>					
Fleet running expenses	2(d)	103,019	96,459	103,019	96,459
Employee benefits	2(e)	404,788	388,956	-	-
Personnel services	2(f)	-	-	492,875	423,169
Finance costs	2(g)	24,550	20,896	24,550	20,896
General operating expenses	2(h)	141,126	139,756	114,162	110,736
<b>Total expenses</b>		<b>673,483</b>	<b>646,067</b>	<b>734,606</b>	<b>651,260</b>
<b>Gross profit/(loss) from continuing activities before income tax</b>		<b>10,147</b>	<b>9,328</b>	<b>(50,976)</b>	<b>4,135</b>
Income tax (expense)/benefit	3	(3,057)	(2,478)	15,280	(921)
<b>Net profit/(loss) from continuing activities</b>		<b>7,090</b>	<b>6,850</b>	<b>(35,696)</b>	<b>3,214</b>
Other comprehensive income/(loss)					
Increment/(decrement) on revaluation of property, plant and equipment		31,842	1,696	31,842	1,696
Actuarial gains/(losses) on defined benefit plans	15(b)(v)	(61,124)	(5,193)	-	-
Income tax on items of other comprehensive income		8,786	1,049	(9,552)	(508)
<b>Other comprehensive income (loss), net of income tax</b>		<b>(20,496)</b>	<b>(2,448)</b>	<b>22,290</b>	<b>1,188</b>
<b>Total comprehensive income (loss) for the year</b>		<b>(13,406)</b>	<b>4,402</b>	<b>(13,406)</b>	<b>4,402</b>

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

**Statement of Financial Position**  
**As at 30 June 2012**

	Notes	Economic entity	Economic entity	Parent	Parent
		2012	2011	2012	2011
Assets		\$'000	\$'000	\$'000	\$'000
<b>Current Assets</b>					
Cash and cash equivalents	4(b)	18,237	13,355	18,237	13,355
Trade and other receivables	5	38,880	36,512	38,880	36,512
Inventories	6	8,152	9,453	8,152	9,453
Non-current assets held for sale	7	406	456	406	456
Other assets	8	646	911	646	911
<b>Total current assets</b>		<b>66,321</b>	<b>60,687</b>	<b>66,321</b>	<b>60,687</b>
<b>Non-Current Assets</b>					
Receivables	5	423,596	381,155	423,596	381,155
Property, plant and equipment	9	424,091	431,105	424,091	431,105
Intangibles	11	2,383	2,646	2,383	2,646
Deferred tax assets	12	97,417	74,579	97,417	74,579
<b>Total non-current assets</b>		<b>947,487</b>	<b>889,485</b>	<b>947,487</b>	<b>889,485</b>
<b>Total assets</b>		<b>1,013,808</b>	<b>950,172</b>	<b>1,013,808</b>	<b>950,172</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Trade and other payables	13	66,711	65,812	165,698	157,439
Financial liabilities	14	13,207	19,909	13,207	19,909
Provisions	15	100,841	92,748	1,850	1,121
Other liabilities	17	3,652	5,406	3,652	5,406
<b>Total current liabilities</b>		<b>184,411</b>	<b>183,875</b>	<b>184,407</b>	<b>183,875</b>
<b>Non-Current Liabilities</b>					
Trade and other payables	13	-	-	215,386	154,870
Financial liabilities	14	314,710	304,312	314,710	304,312
Provisions	15	215,543	155,023	161	153
Deferred tax liabilities	16	67,792	64,002	67,792	64,002
<b>Total non-current liabilities</b>		<b>598,045</b>	<b>523,337</b>	<b>598,049</b>	<b>523,337</b>
<b>Total liabilities</b>		<b>782,456</b>	<b>707,212</b>	<b>782,456</b>	<b>707,212</b>
<b>Net assets</b>		<b>231,352</b>	<b>242,960</b>	<b>231,352</b>	<b>242,960</b>
<b>Equity</b>					
Reserves		137,768	119,537	137,768	119,537
Accumulated funds		93,584	123,423	93,584	123,423
<b>Total equity</b>		<b>231,352</b>	<b>242,960</b>	<b>231,352</b>	<b>242,960</b>

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

### Statement of Changes in Equity For the year ended 30 June 2012

	Accumulated funds		Reserves		Total equity	
	2012	2011	2012	2011	2012	2011
<b>Economic entity</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at the beginning of the year	123,423	116,470	119,537	121,602	<b>242,960</b>	<b>238,072</b>
Net profit/(loss) for the year	7,090	6,850	-	-	<b>7,090</b>	<b>6,850</b>
Asset revaluation reserve balance transferred to accumulated funds on disposal/transfer of assets	5,797	4,646	(5,797)	(4,646)	-	-
Increment/(decrement) on revaluation of property, plant and equipment			31,842	1,696	<b>31,842</b>	<b>1,696</b>
Actuarial gains/(losses)	(61,124)	(5,193)	-	-	<b>(61,124)</b>	<b>(5,193)</b>
Recognition of deferred tax assets (liabilities)	18,337	1,558	(7,815)	885	<b>10,523</b>	<b>2,443</b>
Impact of tax liability on current year operations	61	(908)	-	-	<b>61</b>	<b>(908)</b>
<b>Balance at the end of the year</b>	<b>93,584</b>	<b>123,423</b>	<b>137,768</b>	<b>119,537</b>	<b>231,352</b>	<b>242,960</b>

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

**Statement of Cash Flows**  
**For the year ended 30 June 2012**

	Economic entity	Economic entity	Parent	Parent
	2012	2011	2012	2011
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Notes	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
Receipts from operations	633,312	618,860	633,312	618,860
Reimbursements from NSW Government	6,428	1,617	6,428	1,617
Other income	42,161	34,957	42,161	34,957
Interest received	29,944	24,377	29,944	24,377
Payments to suppliers	(248,498)	(235,966)	(626,640)	(621,346)
Payments to employees	(378,142)	(385,380)	-	-
Interest paid and other finance costs	(23,540)	(17,366)	(23,540)	(17,366)
<b>Net cash flows from operating activities</b>	<b>4(a)</b>	<b>61,665</b>	<b>41,099</b>	<b>61,665</b>
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment	(82,214)	(145,436)	(82,214)	(145,436)
Proceeds from sale of property, plant and equipment	326	1,727	326	1,727
<b>Net cash flows from investing activities</b>	<b>(81,888)</b>	<b>(143,709)</b>	<b>(81,888)</b>	<b>(143,709)</b>
<b>Cash flows from financing activities</b>				
Proceeds from/(repayment of) borrowings	2,429	92,808	2,429	92,808
Proceeds from finance leases	22,676	17,728	22,676	17,728
<b>Net cash flows from financing activities</b>	<b>25,105</b>	<b>110,536</b>	<b>25,105</b>	<b>110,536</b>
Net increase/(decrease) in cash and cash equivalents	4,882	7,926	4,882	7,926
Cash and cash equivalents at 01 July	13,355	5,429	13,355	5,429
<b>Closing cash and cash equivalents</b>	<b>4(b)</b>	<b>18,237</b>	<b>18,237</b>	<b>13,355</b>

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

**Notes to and forming part of the financial statements  
For the year ended 30 June 2012**

**1. Summary of significant accounting policies**

**(a) Reporting entity**

The State Transit Authority of New South Wales ("Authority") was established by section 20 of the Transport Administration Act 1988. It is domiciled in New South Wales, Australia. The Authority is owned by the State of New South Wales. For the year ended 30 June 2012, the Authority is a controlled entity of the Department of Transport.

Western Sydney Buses ("WSB") was incorporated on 12 July 2002 under the Transport Administration Act 1988 as a fully owned public subsidiary corporation of the Authority. It provides bus transport services in the western Sydney region.

State Transit Authority Division ("STA Division") and Western Sydney Buses Division ("WSB Division"), being special purpose entities, are Divisions of the NSW Government Service which commenced operations on 17 March 2006 pursuant to Part 2 of Schedule 1 to the Public Sector Employment and Management Act 2002. They assumed responsibility for the employees and employee-related liabilities of the former employers, the Authority and WSB, respectively. Their operations are controlled by the Authority. The assumed liabilities were recognised on 17 March 2006 together with offsetting receivables representing the related funding due from the Authority and WSB.

The parent entity comprises the Authority and WSB.

The economic entity comprises the Authority, WSB, STA Division and WSB Division and is consolidated as part of the NSW Total State Sector Accounts.

In complying with the NSW Treasury's accounting policy for distinguishing for-profit from not-for-profit entities, the Authority has self-assessed its objectives and activities and determined that it is a for-profit public entity from 1 July 2005.

The Authority's principal activities are the provision of bus services in metropolitan Sydney and bus and ferry services in Newcastle.

The financial statements were authorised for issue by the Chief Executive Officer on 27 September 2012. The statement will not be amended and reissued as it has been audited.

**(b) Statement of compliance**

The financial statements of the Authority, including the notes, comply with Australian Accounting Standards which includes Australian Accounting Interpretations.

At reporting date all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to the Authority's operations and effective for the current annual reporting period have been adopted.

Early adoption of new or revised Accounting Standards/Interpretations: Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the financial reporting period ended 30 June 2012. The Authority's assessment of the impact of these new standards and interpretations is set out on the following pages:

## 1. Summary of significant accounting policies (continued)

Standard	Summary of key requirements/ changes	Applicable to annual reporting periods beginning on or after	Impact on Reporting Entity's Financial Statements
AASB 9 Financial Instruments and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9	AASB 9 introduces new requirements for the classification, measurement and derecognition of financial assets and financial liabilities. It was further amended by AASB 2010-7 to reflect amendments to accounting for financial liabilities. Financial assets and financial liabilities can be designated and measured at fair value. The existing four category approach to measurement after initial recognition will be reduced to two categories - either amortised cost or fair value.	The IASB has deferred the effective date of this standard to 1 January 2015. It is expected that AASB will also make a similar amendment.	On initial application of AASB 9, all existing financial instruments will need to be classified according to the AASB 9 criteria and transitional requirements. The impact on the reporting entity's accounting for financial assets and liabilities is not expected to be significant.
AASB 10 Consolidated Financial Statements	AASB 10 supersedes AASB 127. It introduces a new principles-based control model that focuses on both power and rights or exposure to variable returns. The Standard requires the parent entity to present consolidated financial statements as those of a single economic entity replacing the requirements of AASB 127 Consolidated and Separate Financial Statements.	1 January 2013	The new definition of control is not expected to impact on the reporting entity. The concept of "single economic entity" may impact on the format of the consolidated financial statements unless modifications are made for public sector entities.
AASB 12 Disclosure of Interests in other Entities	AASB 12 focuses on disclosures that would help users better assess the nature and financial effects of an entity's involvement with other entities and particularly enhances disclosures about consolidated entities and unconsolidated (off balance sheet) structured entities. The standard sets out the required disclosures for entities reporting under AASB 10 and AASB 11 and replaces the disclosure requirements of AASB 128 Investment in Associates.	1 January 2013	Application of the standard will not affect any of the amounts recognised in the consolidated financial statements. However, it may impact on the type of information disclosed.
AASB 13 Fair Value Measurement and AASB 2011-8.	The Standard defines fair value, establishes a single framework or guidance for the measuring of fair value and requires enhanced disclosures about fair value measurements. AASB 13 applies when another standard requires or permits fair value measurements or disclosures. The standard establishes a 3 tier "fair value hierarchy".	1 January 2013	The reporting entity's major assets -property, plant and equipment and investment properties are recognised at fair value. NSW Treasury is considering the implications of the changes and will provide future directions by revising Valuation of Physical Non-Current Assets at Fair Value (TPP07-1).

**Notes to and forming part of the financial statements  
For the year ended 30 June 2012**

**1. Summary of significant accounting policies (continued)**

Standard	Summary of key requirements/ changes	Applicable to annual reporting periods beginning on or after	Impact on Reporting Entity's Financial Statements
AASB 119 Employee Benefits AASB 2011-10 and AASB 2011-11	This Standard will mainly impact the accounting for defined benefit pension schemes. The corridor approach for the recognition of actuarial gains and losses has been removed, as has the option to recognise actuarial gains and losses in profit or loss. The impact of this is that all actuarial gains and losses will be recognised in other comprehensive income in the period in which they arise. In addition, the calculation of net interest cost has changed. There will no longer be separate calculations of the expected return on plan assets and the interest cost of funding the defined benefit obligation. Instead, a single rate is applied to the net of the defined benefit obligation and plan assets.	1 January 2013 with retrospective implementation as per AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.	The requirements for measurement of employer liabilities and assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities and assets, are substantially different under the revised AASB 119. NSW Treasury is considering the implications of the changes and will provide future directions.
AASB 127 Separate Financial Statements	AASB 127 Consolidated and Separate Financial Statements has been renamed Separate Financial Statements. The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements (in addition to consolidated financial statements). The Standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates and jointly controlled entities are accounted for either at cost or in accordance with AASB 9 Financial Instruments.	1 January 2013	The AASB may modify the application of this standard. As such it is not practical to assess the impact of its application on the reporting entity's consolidated financial statements.
AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income	AASB 2011-9 made changes to AASB 101 Presentation of Financial Statements. The only significant impact will be that, in the Statement of Comprehensive Income, items within the "Other Comprehensive Income" section will need to be presented in two sub-sections, based on whether they may be recycled to net result in the future.	1 July 2012	The impact on the reporting entity's financial statements is expected to be insignificant.

## 1. Summary of significant accounting policies (continued)

### (c) Basis of preparation

The financial statements have been prepared as general purpose financial statements in accordance with the requirements of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2010, Australian Accounting Standards which include Australian Accounting Interpretations, applicable Treasurer's Directions and Treasury Circulars. Where there are inconsistencies between the requirements, the legislative provisions prevail.

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

The Metropolitan Bus System Contracts (MBSC) operated by the Authority which were due to expire on 30 June 2012 have been extended for a period of up to 12 months to facilitate the negotiation of new contracts.

The Trunk Transitway Services Contract (Liverpool-Parramatta Transitway corridor) operated by WSB expires on 14 August 2012. The Director General of the Department of Transport may extend the term to the Authority on a monthly basis.

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

All amounts are expressed in Australian currency.

### (d) Basis of consolidation

The consolidated financial statements of the economic entity comprise the Authority and its controlled entities. Controlled entities include special purpose entities where the Authority has control over their financial and operating policies.

The financial statements include the information and results of each controlled entity from the date on which the Authority obtained control and until such time as the Authority ceases to control the entity.

In preparing the consolidated financial statements, the effects of all transactions between entities of the economic entity have been eliminated.

The financial statements of controlled entities have been prepared for the same reporting period as the parent entity, using consistent accounting policies.

For clarity of presentation, on some pages where the notes of the parent entity and the economic entity are the same, only the notes of the economic entity are reported.

**Notes to and forming part of the financial statements  
For the year ended 30 June 2012**

**1. Summary of significant accounting policies (continued)**

**(e) Revenue recognition**

Revenue is recognised when the Authority has transferred to the buyer the significant risks and rewards of ownership of the assets or when services are provided. It must also be probable that the economic benefits will flow to the Authority and that any costs incurred, or amount of revenue gained in respect of the transaction can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. The following specific measurement criteria also apply:

**(i) Operational revenue**

Operational revenue is recognised as revenue when it can be reliably measured, based on passengers travelled or services provided. Refer note 2(i) for more details.

**(ii) Reimbursement from NSW Government**

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

**(iii) Other income**

Interest income is recognised on a time proportion basis using the effective interest method.

Operating lease income (rent) derived from commercial properties is recognised on a straight-line basis over the lease term.

Advertising income with regard to advertising rights on buses is recognised and accounted on a monthly basis over the term of the contract.

**(f) Cash and cash equivalents**

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

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

Bank Overdrafts are shown within borrowings in current liabilities in the statement of financial position.

**(g) Receivables**

Receivables are recognised initially at fair value and subsequently measured at amortised cost less a provision for impairment. Prepayments represent amounts paid in advance for services where the benefit will be realised in a subsequent period.

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

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

The collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off as bad debts.

## 1. Summary of significant accounting policies (continued)

### (h) Inventories

Inventories are stated at the lower of the weighted average cost or net realisable value.

### (i) Non-current assets held for sale

These assets are recognised at the lower of carrying amounts and fair values less costs to sell and are not depreciated or amortised while they are classified as held for sale.

### (j) Property, plant and equipment

The following policies apply to property, plant and equipment:

#### (i) Basis of valuation

The Authority has applied AASB 116 Property, Plant and Equipment in accordance with NSW Treasury Policy and Guidelines (TPPO7-1) which requires that non-current assets be measured at fair value.

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

Each non-current physical asset is revalued at least every five years to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value. When revaluing non-current physical assets, the gross amount and the related accumulated depreciation are separately restated.

Where an asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to the asset revaluation reserve. However, the increase is recognised in the statement of comprehensive income to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of comprehensive income.

Where an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in the statement of comprehensive income. However, the decrease is debited directly to the asset revaluation reserve to the extent of any credit balance existing in the asset revaluation reserve in respect of that asset.

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

## Notes to and forming part of the financial statements For the year ended 30 June 2012

### 1. Summary of significant accounting policies (continued)

#### (j) (ii) Depreciation/Amortisation

Property, plant and equipment and intangibles, excluding freehold land and work-in-progress, are depreciated/amortised over their estimated useful lives as follows:

Asset class	Useful life	Method
Freehold buildings and wharves	40 years	Straight line
Plant and equipment	3 to 20 years	Straight line
Intangibles	2 to 3 years	Straight line
Buses	15 to 20 years	In line with the pattern of consumption of economic benefits
Ferries	35 years	Straight line

The assets' residual values, useful lives, amortisation and depreciation methods are reviewed, and adjusted if appropriate, at the end of each reporting period. Where some buses operate for a period exceeding 20 years, their depreciation rates are adjusted accordingly.

#### (iii) Capitalisation policy

Property, plant and equipment are recorded at the cost of acquisition. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition. The capitalisation threshold for a network of property, plant and equipment items or for an individual (non-networked) item is \$5,000.

#### (iv) Work-in-progress

Costs relating to property, plant and equipment, including buses, under construction are shown in the financial statements as capital work-in-progress and are not depreciated.

#### (v) Leasehold improvements

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

#### (vi) Repairs & maintenance

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

#### (vii) Disposal policy

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

## 1. Summary of significant accounting policies (continued)

### (k) Intangibles

Intangible assets, comprising computer software, which have finite lives, are recognised at cost and are amortised on a straight-line basis over the period during which the benefits are expected to arise.

The estimated useful life and amortisation method is reviewed on an annual basis with any changes in these accounting estimates being accounted for on a prospective basis.

### (l) Impairment

The carrying values of assets are reviewed annually for impairment where objective evidence, or changes in circumstances, indicate the carrying values may not be recoverable or the assets previously impaired may be reversible.

If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the impaired assets would be written down to their recoverable amounts. Where the recoverable amounts exceed the values of the impaired assets, a reversal is made to the extent of the previous write downs.

An impairment loss is recognised immediately in the statement of comprehensive income unless the relevant asset is carried at a revalued amount in which case the impairment loss is treated as a revaluation decrease.

### (m) Payables

Liabilities for trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

### (n) Financial liabilities

Borrowings are recognised initially at fair value. After initial recognition, borrowings are measured at amortised cost using the effective interest rate method.

Gains and losses are recognised respectively in the statement of comprehensive income when the liabilities are derecognised or through the amortisation process.

### (o) Provisions

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

**Notes to and forming part of the financial statements  
For the year ended 30 June 2012**

**1. Summary of significant accounting policies (continued)**

**(p) Employee benefits**

**(i) Salaries and wages, sick leave and on-costs**

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

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

**(ii) Annual leave and long service leave**

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

Annual leave entitlements, that are recognised as current liabilities, are measured at their nominal amounts based on remuneration rates expected to be paid when the entitlements are settled. Long service leave obligations that are not expected to be settled within twelve months are assessed at present value by independent actuaries. The unconditional component of the long service leave entitlements, for those employees currently employed for nine or more years at the reporting date, are classified as current liabilities.

**(iii) Superannuation**

The employees' retirement benefits liability in respect of three defined benefit superannuation funds is recognised in full. The liability for employees' retirement benefits is based on an actuarial assessment (refer note 15(b)). Actuarial gains and losses are recognised outside of net profit or loss from continuing activities, directly in other comprehensive income in the year in which they occur.

The superannuation expense on defined benefit plans is recognised in the statement of comprehensive income and is made up of current service cost and interest cost less the expected return on fund assets.

Contributions to the defined contribution plans are expensed when incurred.

**(q) Reserves**

The asset revaluation reserve comprises revaluation increments/decrements recognised upon the revaluation of non-current physical assets. Upon disposal or retirement, any remaining revaluation increment of the asset at the time of disposal is transferred to accumulated funds.

## 1. Summary of significant accounting policies (continued)

### (r) Insurance

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

Provisions are made for future costs associated with liability claims occurring in the financial year. These provisions are assessed at their present value by independent actuaries. Recoveries due under insurance arrangements are treated as receivables.

### (s) Income tax

The Authority is subject to the National Tax Equivalent Regime under which it is required to pay income tax to the NSW Government.

Tax-effect accounting is applied using the statement of financial position method. The income tax expense, or benefit, for the period is the tax payable on the current period's taxable profit adjusted by changes in deferred tax assets and liabilities attributable to amounts recognised as assets or liabilities and any unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences between the assets and liabilities for accounting purposes and the tax bases of those assets and liabilities.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Income taxes relating to items recognised directly in equity are recognised in equity, not in the statement of comprehensive income.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax laws that have been enacted, or substantively enacted, at the reporting date.

The parent and its wholly owned/controlled entities elected to enter into tax consolidation effective 1 July 2002, with the Authority as the head entity of the tax-consolidated group.

The tax expense/benefit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the financial statements of the head entity, using the 'single taxpayer' approach.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the tax group intends to settle its current tax and liabilities on a net basis.

**Notes to and forming part of the financial statements  
For the year ended 30 June 2012**

**1. Summary of significant accounting policies (continued)**

**(t) Accounting for Goods and Services Tax (GST)**

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

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

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

Cash flows are reported in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities are classified as operating cash flows.

**(u) Finance costs**

Borrowing costs that are directly attributable to qualifying assets are capitalised otherwise are expensed in the period in which they are incurred.

**(v) Finance leases**

Where the Authority, as the lessor, transfers substantially all the risks and rewards of the ownership to another entity, the leased assets are recognised as current and non-current receivables at amounts equal to the net investment in the leases.

The lease receipt is recognised in two components, one as a reduction of the lease receivable and the other as finance income. The finance income is calculated according to the interest rate implicit in the leases.

**(w) Rounding**

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

**(x) Judgement, key assumptions and estimations**

In the application of accounting standards, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstance, the result of which form the basis to make judgements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that year or in the year of revision and previous years if the revision affects both.

Information about assumptions and estimation uncertainties are included in the following notes:

- Note 1(j) Property, plant and equipment
- Note 1(o) Provisions
- Note 1(p) Employee benefits
- Note 15(b) Retirement benefits

## 2. Income and Expenses

	Notes	Economic entity	Economic entity	Parent	Parent
		2012	2011	2012	2011
		\$'000	\$'000	\$'000	\$'000
<b>(a) Operational revenue</b>	2(i)	630,148	608,215	630,148	608,215
<b>(b) Reimbursements from NSW Government:</b>					
- free travel by school students	2(j)(i)	101	458	101	458
- concessional travel	2(j)(i)	230	396	230	396
- community service obligations	2(j)(ii)	1,078	1,047	1,078	1,047
<b>Total operational income</b>		<b>631,557</b>	<b>610,116</b>	<b>631,557</b>	<b>610,116</b>
<b>(c) Other income</b>					
Interest (includes finance lease)	2(k)	27,983	22,892	27,983	22,892
Other (includes rents, fines, advertising, training and management fees)		24,090	22,387	24,090	22,387
<b>Total other income</b>		<b>52,073</b>	<b>45,279</b>	<b>52,073</b>	<b>45,279</b>
<b>Total income</b>		<b>683,630</b>	<b>655,395</b>	<b>683,630</b>	<b>655,395</b>
<b>(d) Fleet running expenses</b>					
Fuel, spare parts and other inventory consumed		83,799	79,693	83,799	79,693
Inventory write-down		91	68	91	68
Equipment maintenance		7,300	6,939	7,300	6,939
Other		11,829	9,759	11,829	9,759
<b>Total fleet running expenses</b>		<b>103,019</b>	<b>96,459</b>	<b>103,019</b>	<b>96,459</b>

**Notes to and forming part of the financial statements**  
**For the year ended 30 June 2012**

**2. Income and expenses (continued)**

	Notes	Economic entity	Economic entity	Parent	Parent
		2012	2011	2012	2011
		\$'000	\$'000	\$'000	\$'000
<b>(e) Employee benefits</b>					
Salaries and wages		326,627	321,627	-	-
Annual leave		30,431	31,525	-	-
Long service leave		18,906	8,382	-	-
Retirement benefits - defined benefits expense	15(b)(iv)	5,745	5,726	-	-
Retirement benefits - defined contributions		23,079	21,696	-	-
<b>Total employee benefits</b>		<b>404,788</b>	<b>388,956</b>	<b>-</b>	<b>-</b>
<b>(f) Personnel services</b>					
Services from STA Division & WSB Division		-	-	492,875	423,169
<b>Total personnel services</b>		<b>-</b>	<b>-</b>	<b>492,875</b>	<b>423,169</b>
<b>(g) Finance costs</b>					
Interest		24,550	20,896	24,550	20,896
<b>Total finance costs</b>		<b>24,550</b>	<b>20,896</b>	<b>24,550</b>	<b>20,896</b>
<b>(h) General operating expenses</b>					
Workers' compensation		7,746	10,540	-	-
Payroll tax		18,981	18,230	-	-
Insurances		24,411	21,817	24,411	21,817
Depreciation	9(c)	29,031	28,056	29,031	28,056
Amortisation of intangible assets	11	902	1,168	902	1,168
Losses on disposal of assets	10	480	2,127	480	2,127
Minimum lease payments		2,443	2,628	2,443	2,628
Consultancy/professional services		1,475	1,859	1,475	1,859
Impairment		(460)	73	(460)	73
Futures loss		3,749	-	3,749	-
Revaluation expense		4,078	3,709	4,078	3,709
Other operating expenses		48,290	49,549	48,053	49,299
<b>Total general operating expenses</b>		<b>141,126</b>	<b>139,756</b>	<b>114,162</b>	<b>110,736</b>
<b>Total expenses</b>		<b>673,483</b>	<b>646,067</b>	<b>734,606</b>	<b>651,260</b>

## 2. Income and expenses (continued)

(i) Operational revenue consists of revenue derived from fares, charters, tourist services and from the operations of the Metropolitan Bus System Contracts and an Outer Metropolitan Bus System Contract.

### (j) (i) Free & concessional travel

Free and concessional travel is provided by Western Sydney Buses and Newcastle Ferries to a range of community groups. The extent to which these groups are entitled to free and concessional travel is determined by Government policy. Reimbursement by Government is provided for free school travel on the basis of percentage of the number of passes on issue in the current year. Pensioners pay an all-day concession ticket price of \$2.50 and the Government pays the balance of the full fare for all estimated travel consumed. Other free and concessional travel is reimbursed on the basis of the Government paying the balance between the full fare applicable for each journey and the fare paid by the passenger.

### (ii) Community service obligations (CSO)

Reimbursements were received from the NSW Government in accordance with the NSW Government's social policy programs designed to promote the accessibility and availability of public transport services. CSO payments comprise pricing CSO and service level CSO in respect of the Newcastle ferry services.

	Economic entity	Economic entity	Parent	Parent
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000

### (k) Interest income

Hour-Glass Cash facility (distribution income)	476	122	476	122
Other Interest (includes finance lease)	27,507	22,770	27,507	22,770
<b>Total interest income</b>	<b>27,983</b>	<b>22,892</b>	<b>27,983</b>	<b>22,892</b>

### (l) Audit fees

Payable to the Audit Office of NSW for the audit of financial statements	252	253	252	253
<b>Total audit fees</b>	<b>252</b>	<b>253</b>	<b>252</b>	<b>253</b>

**Notes to and forming part of the financial statements**  
**For the year ended 30 June 2012**

**3. Income tax**

	Economic entity	Economic entity	Parent	Parent
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
<b>(a) Income tax expense</b>				
Current tax expense/(benefit)	11,526	6,437	11,526	6,437
Prior year adjustment	308	-	308	-
Deferred tax expense/(benefit)	(8,777)	(3,959)	(27,114)	(5,516)
<b>Total income tax expense/(benefit)</b>	<b>3,057</b>	<b>2,478</b>	<b>(15,280)</b>	<b>921</b>
<b>(b) Reconciliation between tax expense and accounting profit</b>				
Prima facie tax on operating profit at 30% (2011: 30%)	3,044	2,798	(15,293)	1,241
Tax effect of expenses that are not deductible in determining taxable income	13	40	13	40
Tax effect of capital losses not previously recognised	-	(360)	-	(360)
<b>Income tax attributable to tax profit</b>	<b>3,057</b>	<b>2,478</b>	<b>(15,280)</b>	<b>921</b>

#### 4. Cash and cash equivalents

	Economic entity	Economic entity	Parent	Parent
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
<b>(a) Reconciliation of operating results after tax to net cash from operating activities</b>				
Net profit/(loss) after income tax	7,090	6,850	(35,696)	3,214
<b>Non-cash adjustments to reconcile net operating result to net cash from operating activities</b>				
Amortisation of intangible assets	902	1,168	902	1,168
Depreciation	29,031	28,056	29,031	28,056
Net loss on disposal of non-current assets	480	2,127	480	2,127
Revaluation expense	4,078	3,709	4,078	3,709
Income tax expense/(benefit)	3,057	2,478	(15,280)	921
Other non-cash items	3,455	(5,884)	3,455	(5,884)
<b>Changes in assets and liabilities</b>				
(Increase)/decrease in receivables	540	(1,237)	540	(1,237)
(Increase)/decrease in inventory	1,210	(538)	1,210	(538)
(Increase)/decrease in Goods and Services Tax	655	(67)	655	(67)
(Increase)/decrease in other assets	(4,843)	(5,252)	(4,843)	(5,252)
Increase/(decrease) in payables	(2,432)	2,104	83,900	9,872
Increase/(decrease) in employee benefits	25,209	2,575	-	-
Increase/(decrease) in revenue received in advance	(1,754)	(956)	(1,754)	(956)
Increase/(decrease) in other provisions	(5,013)	5,966	(5,013)	5,966
<b>Net cash flows from operating activities</b>	<b>61,665</b>	<b>41,099</b>	<b>61,665</b>	<b>41,099</b>

## Notes to and forming part of the financial statements For the year ended 30 June 2012

### 4. Cash and cash equivalents (continued)

#### (b) Reconciliation of cash and cash equivalents

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

Cash at the end of the year, as shown in the cash flow statement, is reconciled to the related items in the statement of financial position as follows:

	Economic entity	
	2012	2011
Notes	\$'000	\$'000
Cash and cash equivalents	18,237	13,355
<b>Total cash and cash equivalents</b>	<b>18,237</b>	<b>13,355</b>

#### (c) Financing facility available

	Economic entity	
	2012	2011
Notes	\$'000	\$'000
Facility used at balance date	-	-
Facility unused at balance date	45,000	45,000
<b>Short-term standby credit facility</b>	<b>45,000</b>	<b>45,000</b>

The short-term standby credit facility is to meet daily cash flow requirements that may arise from time to time. This facility is subject to annual renewal and its continuation is now at the discretion of the NSW Treasurer, in consultation with the Authority.

## 5. Receivables

	Notes	Economic entity	
		2012	2011
		\$'000	\$'000
<b>Current</b>			
Trade debtors		4,622	7,138
Allowance for impairment	20(b)(i)	-	(44)
<b>Total trade debtors</b>		<b>4,622</b>	<b>7,094</b>
Sundry debtors		3,800	2,829
Allowance for impairment	20(b)(i)	-	(417)
<b>Total sundry debtors</b>		<b>3,800</b>	<b>2,412</b>
Goods and services tax		1,560	2,215
Finance leases		25,708	21,037
Prepayments		3,190	3,754
<b>Total other debtors</b>		<b>30,458</b>	<b>27,006</b>
<b>Total current receivables</b>		<b>38,880</b>	<b>36,512</b>
<b>Non-current</b>			
Sundry debtors		14	179
Finance leases		423,582	380,976
<b>Total non-current receivables</b>		<b>423,596</b>	<b>381,155</b>

## Notes to and forming part of the financial statements For the year ended 30 June 2012

### 5. Receivables (continued)

#### Finance leases as the lessor

Receivables for buses under the Metropolitan Bus System Contracts from 1 July 2005, and the Outer Metropolitan Bus System Contract from 1 July 2006, are recognised as finance lease receivables from the Department of Transport for terms of 15 years.

	Economic entity	
	2012	2011
	\$'000	\$'000
<b>Gross investment in the leases</b>		
Not later than one year	53,336	46,327
Later than one year and not later than five years	212,540	185,308
Later than five years	380,492	362,097
<b>Total gross investment</b>	<b>646,368</b>	<b>593,732</b>
<b>Present value of minimum lease receipts</b>		
Not later than one year (current)	25,708	21,037
Later than one year and not later than five years (non-current)	120,282	99,110
Later than five years (non-current)	303,300	281,866
<b>Total present value of minimum lease receipts</b>	<b>449,290</b>	<b>402,013</b>
<b>Reconciliation</b>		
Total gross investment	646,368	593,732
Unearned finance income	(197,078)	(191,719)
<b>Total present value of minimum lease receipts</b>	<b>449,290</b>	<b>402,013</b>

### 6. Inventories

Mechanical and electrical spares	6,022	6,606
Distillate	715	1,126
Tyres and tubes	375	536
Other	1,040	1,185
<b>Total inventories</b>	<b>8,152</b>	<b>9,453</b>

## 7. Non-current assets held for sale

Owned buses	406	456
<b>Total non-current assets held for sale</b>	<b>406</b>	<b>456</b>

The buses held for sale are withdrawn from service. They are to be disposed by way of auctions and trade sales.

## 8. Other assets

	Economic entity	
	2012	2011
	\$'000	\$'000
<b>Current</b>		
Other	646	911
<b>Total current other assets</b>	<b>646</b>	<b>911</b>

## 9. Property, plant and equipment

(a) Carrying amounts of each class of property, plant and equipment at the beginning and at the end of the reporting period are set out below:

Economic & parent entity	2012			2011		
	Gross value	Accumulated depreciation/ remediation	Fair value	Gross value	Accumulated depreciation/ remediation	Fair value
Land	147,229	-	147,229	124,691	-	124,691
Buildings	202,742	(88,292)	114,450	179,681	(74,187)	105,494
Wharves	767	(230)	537	670	(242)	428
Plant and equipment	79,519	(64,155)	15,364	78,711	(58,923)	19,788
Motor vehicles (other than buses)	1,371	(1,033)	338	1,317	(994)	323
Owned buses	529,107	(413,395)	115,712	602,938	(469,722)	133,216
Ferries	5,887	(4,568)	1,319	5,887	(4,428)	1,459
Work-in-progress	29,142	-	29,142	45,706	-	45,706
<b>Total</b>	<b>995,764</b>	<b>(571,673)</b>	<b>424,091</b>	<b>1,039,601</b>	<b>(608,496)</b>	<b>431,105</b>

## Notes to and forming part of the financial statements For the year ended 30 June 2012

### 9. Property, plant and equipment (continued)

#### Valuations

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

Class of assets	Basis of valuation	Date of valuation	Registered valuers
Owned buses	Market-based	31 March 2011	Rodney Hyman Asset Services
Ferries	Depreciated replacement cost	30 June 2009	Rodney Hyman Asset Services
Freehold commercial land and buildings	Market-based	30 June 2012	Aon Valuation Services
Operating land and buildings	Market-based, Depreciated replacement cost	30 June 2012	Aon Valuation Services
Wharves	Depreciated replacement cost	30 June 2012	Aon Valuation Services

Land, buildings and wharf valuation in the current year was undertaken by an independent valuer. Land values for bus depots are determined on the basis of the value of the site as a bus depot, using a Direct Comparison Approach. The Direct Comparison Approach involves comparison of the subject land parcel with available transactions of similar properties. However STA buildings and site improvements are of a specialised operational nature and are rarely sold in the market. They are consequently categorised as replacement cost based assets and their value has been derived by depreciating their replacement cost taking into account their age, construction, condition and estimated residual life.

## 9. Property, plant and equipment (continued)

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

Economic entity		2012							
Class of property, plant and equipment	Opening balance	Disposals/ transfers	Transfer to finance lease	Additions	Other	Held for sale	Revaluation	Depreciation	Closing balance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Freehold operating land	122,240	-	-	-	-	-	21,701	-	143,941
Freehold commercial land	2,451	-	-	-	-	-	837	-	3,288
Total land	124,691	-	-	-	-	-	22,538	-	147,229
Buildings	105,494	(4)	-	8,690	-	-	5,102	(4,832)	114,450
Wharves	428	-	-	-	-	-	125	(16)	537
Plant and equipment	19,788	(126)	(166)	2,963	(3)	-	-	(7,092)	15,364
Motor vehicles	323	(13)	-	169	-	-	-	(141)	338
Owned buses	133,216	(744)	-	-	-	50	-	(16,810)	115,712
Owned ferries	1,459	-	-	-	-	-	-	(140)	1,319
Work-in-progress	45,706	(14,660)	(70,052)	68,148	-	-	-	-	29,142
<b>Total</b>	<b>431,105</b>	<b>(15,547)</b>	<b>(70,218)</b>	<b>79,970</b>	<b>(3)</b>	<b>50</b>	<b>27,765</b>	<b>(29,031)</b>	<b>424,091</b>

Economic entity		2011							
Class of property, plant and equipment	Opening balance	Disposals/ transfers	Transfer to finance lease	Additions	Other	Held for sale	Revaluation	Depreciation	Closing balance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Freehold operating land	122,240	-	-	-	-	-	-	-	122,240
Freehold commercial land	2,451	-	-	-	-	-	-	-	2,451
Total land	124,691	-	-	-	-	-	-	-	124,691
Buildings	103,904	-	-	6,369	(251)	-	-	(4,528)	105,494
Wharves	447	-	-	-	-	-	-	(19)	428
Plant and equipment	25,942	(2,890)	-	3,070	(126)	-	-	(6,208)	19,788
Motor vehicles	443	-	-	25	-	-	-	(145)	323
Owned buses	153,266	(562)	-	-	(183)	(277)	(2,013)	(17,015)	133,216
Owned ferries	1,600	-	-	-	-	-	-	(141)	1,459
Work-in-progress	67,556	(19,574)	(159,729)	157,453	-	-	-	-	45,706
<b>Total</b>	<b>477,849</b>	<b>(23,026)</b>	<b>(159,729)</b>	<b>166,917</b>	<b>(560)</b>	<b>(277)</b>	<b>(2,013)</b>	<b>(28,056)</b>	<b>431,105</b>

**Notes to and forming part of the financial statements**  
**For the year ended 30 June 2012**

**9. Property, plant and equipment (continued)**

(d) The historical costs of each revalued class of property, plant and equipment at the beginning and at the end of the reporting period are set out below:

Economic entity	2012			2011		
	Cost	Accumulated depreciation/ remediation	WDV	Cost	Accumulated depreciation/ remediation	WDV
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	23,125	-	<b>23,125</b>	23,125	-	<b>23,125</b>
Buildings	129,268	(35,948)	<b>93,320</b>	120,616	(32,647)	<b>87,969</b>
Wharves	157	(47)	<b>110</b>	180	(65)	<b>115</b>
Buses	435,023	(336,338)	<b>98,685</b>	448,488	(329,457)	<b>119,031</b>
Ferries	2,400	(1,850)	<b>550</b>	2,400	(1,797)	<b>603</b>
<b>Total</b>	<b>589,973</b>	<b>(374,183)</b>	<b>215,790</b>	<b>594,809</b>	<b>(363,966)</b>	<b>230,843</b>

**10. Losses on disposal of assets**

	Economic entity	
	2012	2011
	\$'000	\$'000
Proceeds from disposal	326	1,727
Carrying amount of assets disposed	(806)	(3,854)
<b>Total losses on disposal of assets</b>	<b>(480)</b>	<b>(2,127)</b>

## 11. Intangibles

Carrying amounts of each class of intangibles at the beginning and at the end of the reporting period are set out below:

Economic & parent entity	2012			2011		
	Gross value	Accumulated amortisation	Fair value	Gross value	Accumulated amortisation	Fair value
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Software	6,726	(5,954)	772	6,595	(5,009)	1,586
Work-in-progress	1,611	-	1,611	1,060	-	1,060
<b>Total</b>	<b>8,337</b>	<b>(5,954)</b>	<b>2,383</b>	<b>7,655</b>	<b>(5,009)</b>	<b>2,646</b>

Reconciliation of carrying amounts of each class of intangibles at the beginning and at the end of the reporting period are set out below:

Economic entity 2012	Opening balance	Disposals/transfers	Additions	Other	Amortisation	Closing balance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Software	1,586	131	-	-	(945)	772
Work-in-progress	1,060	-	551	-	-	1,611
<b>Total</b>	<b>2,646</b>	<b>131</b>	<b>551</b>	<b>-</b>	<b>(945)</b>	<b>2,383</b>

Economic entity 2011	Opening balance	Disposals/transfers	Additions	Other	Amortisation	Closing balance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Software	833	-	1,921	-	(1,168)	1,586
Work-in-progress	2,132	(1,272)	200	-	-	1,060
<b>Total</b>	<b>2,965</b>	<b>(1,272)</b>	<b>2,121</b>	<b>-</b>	<b>(1,168)</b>	<b>2,646</b>

**Notes to and forming part of the financial statements**  
**For the year ended 30 June 2012**

**12. Deferred tax assets**

	Economic entity	Economic entity	Parent	Parent
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Provision for employee benefits	87,983	63,344	87,983	63,344
Provision for insurances	8,668	10,622	8,668	10,622
Other	766	613	766	613
<b>Total deferred tax assets</b>	<b>97,417</b>	<b>74,579</b>	<b>97,417</b>	<b>74,579</b>

**13. Trade and other payables**

<b>Current</b>				
Trade creditors	10,298	20,117	10,298	20,117
Personnel service payables - STA & WSB divisions	-	-	112,665	102,811
Other creditors and accruals	23,131	19,074	22,912	18,452
Tax payable	8,769	6,015	8,769	6,015
Accrued salaries, wages and on-costs	13,459	10,562	-	-
Accrued interest payable	11,054	10,044	11,054	10,044
<b>Total trade and other payables</b>	<b>66,711</b>	<b>65,812</b>	<b>165,698</b>	<b>157,439</b>
<b>Non-current</b>				
Personnel service payables - STA & WSB divisions	-	-	215,386	154,870
<b>Total non-current payables</b>	<b>-</b>	<b>-</b>	<b>215,386</b>	<b>154,870</b>

## 14. Financial liabilities

<b>Current</b>				
Borrowings secured by Government guarantee	13,207	19,909	13,207	19,909
<b>Total current interest-bearing liabilities</b>	<b>13,207</b>	<b>19,909</b>	<b>13,207</b>	<b>19,909</b>

<b>Non-current</b>				
Borrowings secured by Government guarantee	314,710	304,312	314,710	304,312
<b>Total non-current interest-bearing liabilities</b>	<b>314,710</b>	<b>304,312</b>	<b>314,710</b>	<b>304,312</b>

### (a) Payable

Not later than 1 year	13,207	19,909	13,207	19,909
Later than 1 year and not later than 5 years	176,933	174,212	176,933	174,212
Later than 5 years	137,777	130,100	137,777	130,100
<b>Total interest-bearing liabilities</b>	<b>327,917</b>	<b>324,221</b>	<b>327,917</b>	<b>324,221</b>

## 15. Provisions

	Notes	Economic entity	Economic entity	Parent	Parent
		2012	2011	2012	2011
		\$'000	\$'000	\$'000	\$'000
<b>Current</b>					
Employee benefits		92,651	85,130	-	-
Workers' compensation	15(a)	6,340	6,497	-	-
Others	15(a)	1,850	1,121	1,850	1,121
<b>Total current provisions</b>		<b>100,841</b>	<b>92,748</b>	<b>1,850</b>	<b>1,121</b>
<b>Non-current</b>					
Employee benefits		7,798	5,809	-	-
Retirement benefits	15(b)(i)	178,690	120,208	-	-
Workers' compensation	15(a)	28,894	28,853	-	-
Others	15(a)	161	153	161	153
<b>Total non-current provisions</b>		<b>215,543</b>	<b>155,023</b>	<b>161</b>	<b>153</b>

## Notes to and forming part of the financial statements For the year ended 30 June 2012

### 15. Provisions (continued)

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

<b>Economic entity - 2012</b>	<b>Workers' compensation</b>	<b>Others</b>
Carrying amount at the beginning of the year	35,350	1,274
Additions/(reduction) to provisions recognised, including increases/(decreases) to existing provisions	7,509	3,539
Amounts used during the year	(7,625)	(2,802)
<b>Carrying amount at the end of the year</b>	<b>35,234</b>	<b>2,011</b>
Current	6,340	1,850
Non-current	28,894	161
	<b>35,234</b>	<b>2,011</b>

<b>Economic entity - 2011</b>	<b>Workers' compensation</b>	<b>Others</b>
Carrying amount at the beginning of the year	32,736	2,047
Additions/(reduction) to provisions recognised, including increases/(decreases) to existing provisions	10,591	2,302
Amounts used during the year	(7,977)	(3,075)
<b>Carrying amount at the end of the year</b>	<b>35,350</b>	<b>1,274</b>
Current	6,497	1,121
Non-current	28,853	153
	<b>35,350</b>	<b>1,274</b>

In accordance with Australian Accounting Standards major Employee Benefits comprising annual leave and unconditional long service leave is classified as a current liability because the Authority does not have an unconditional right to defer settlement. Only conditional long service leave is shown as a non-current liability. However, on the basis of past payment experience, leave is expected to be settled in the following pattern:

<b>Economic entity - 2012</b>	<b>Within 12 months</b>	<b>Later than 12 months</b>
Long Service Leave	9,683	54,827
Annual Leave	31,437	5,860
<b>Total</b>	<b>41,120</b>	<b>60,687</b>
<b>Economic entity - 2011</b>	<b>Within 12 months</b>	<b>Later than 12 months</b>
Long Service Leave	8,129	46,763
Annual Leave	28,944	6,331
<b>Total</b>	<b>37,073</b>	<b>53,094</b>

## 15. Provisions (continued)

### (b) Retirement benefits

The defined benefit schemes relating to employees of the Economic entity are as follows:

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

These schemes are part of the pooled fund, the trustee of which is SAS Trustee Corporation (Trustee). The funds actuary, Mercer Human Resource Consulting Pty Ltd, appointed by the Trustee, has calculated the financial liability. At least a component of the final benefit is derived from a multiple of a member's salary and years of membership.

All of the above schemes were closed to new employees since 1992.

All the funds are invested by the Trustee at arm's length through independent fund managers.

#### The economic assumptions that have been used in the calculation are:

	2012 % pa	2011 % pa
Discount rate	3.06	5.28
Expected return on fund assets as at 30 June	8.60	8.60
Expected rate of salary increases	2.50	3.50
Expected rate of increase in consumer price index	2.50	2.50

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

#### (i) Reconciliation of the assets and liabilities recognised in the statement of financial position:

Economic entity	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
<b>As at 30 June 2012</b>				
Gross liability	302,469	29,399	21,009	<b>352,877</b>
Reserve balance	(157,842)	(5,555)	(10,790)	<b>(174,187)</b>
<b>Total unfunded liability</b>	<b>144,627</b>	<b>23,844</b>	<b>10,219</b>	<b>178,690</b>
<b>Economic entity</b>				
<b>As at 30 June 2011</b>				
Gross liability	278,306	28,343	14,985	<b>321,634</b>
Reserve balance	(181,656)	(8,740)	(11,030)	<b>(201,426)</b>
<b>Total unfunded liability</b>	<b>96,650</b>	<b>19,603</b>	<b>3,955</b>	<b>120,208</b>

**Notes to and forming part of the financial statements**  
**For the year ended 30 June 2012**

**15. Provisions (continued)**

**(b) Retirement benefits (continued)**

**(ii) Reconciliation of the present value of the defined benefit obligation:**

<b>Economic entity</b>	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
<b>As at 30 June 2012</b>				
Present value of partly funded defined benefit obligations at beginning of the year	278,306	28,343	14,985	<b>321,634</b>
Current service cost	4,613	1,211	75	<b>5,899</b>
Interest cost	13,939	1,394	777	<b>16,110</b>
Contributions by fund participants	2,987	-	109	<b>3,096</b>
Actuarial (gains)/losses	36,586	2,894	5,680	<b>45,160</b>
Benefits paid	(33,962)	(4,443)	(617)	<b>(39,022)</b>
<b>Present value of partly funded defined benefit obligations at end of the year</b>	<b>302,469</b>	<b>29,399</b>	<b>21,009</b>	<b>352,877</b>
<b>Economic entity</b>				
<b>As at 30 June 2011</b>				
Present value of partly funded defined benefit obligations at beginning of the year	275,138	27,676	13,848	<b>316,662</b>
Current service cost	4,964	1,214	99	<b>6,277</b>
Interest cost	13,562	1,340	705	<b>15,607</b>
Contributions by fund participants	3,060	-	100	<b>3,160</b>
Actuarial (gains)/losses	4,495	(47)	366	<b>4,814</b>
Benefits paid	(22,913)	(1,840)	(133)	<b>(24,886)</b>
<b>Present value of partly funded defined benefit obligations at end of the year</b>	<b>278,306</b>	<b>28,343</b>	<b>14,985</b>	<b>321,634</b>

## 15. Provisions (continued)

### (b) Retirement benefits (continued)

#### (iii) Reconciliation of the fair value of fund assets:

Economic entity	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
<b>As at 30 June 2012</b>				
Fair value of fund assets at beginning of the year	181,656	8,740	11,030	201,426
Expected return on fund assets	14,691	639	934	16,264
Actuarial gains/(losses)	(14,473)	(648)	(843)	(15,964)
Employer contributions	6,943	1,267	177	8,387
Contributions by fund participants	2,987	-	109	3,096
Benefits paid	(33,962)	(4,443)	(617)	(39,022)
<b>Fair value of fund assets at end of the year</b>	<b>157,842</b>	<b>5,555</b>	<b>10,790</b>	<b>174,187</b>

Economic entity	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
<b>As at 30 June 2011</b>				
Fair value of fund assets at beginning of the year	180,114	8,554	9,915	198,583
Expected return on fund assets	14,677	640	841	16,158
Actuarial gains/(losses)	(572)	60	133	(379)
Employer contributions	7,290	1,326	174	8,790
Contributions by fund participants	3,060	-	100	3,160
Benefits paid	(22,913)	(1,840)	(133)	(24,886)
<b>Fair value of fund assets at end of the year</b>	<b>181,656</b>	<b>8,740</b>	<b>11,030</b>	<b>201,426</b>

#### (iv) Defined benefits fund expense/(income) for the year:

Economic entity	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
<b>As at 30 June 2012</b>				
Current service cost	4,613	1,211	75	5,899
Interest cost	13,939	1,394	777	16,110
Expected return on fund assets	(14,691)	(639)	(934)	(16,264)
<b>Total included in retirement benefits expense</b>	<b>3,861</b>	<b>1,966</b>	<b>(82)</b>	<b>5,745</b>

Economic entity	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
<b>As at 30 June 2011</b>				
Current service cost	4,964	1,214	99	6,277
Interest cost	13,562	1,340	705	15,607
Expected return on fund assets	(14,677)	(640)	(841)	(16,158)
<b>Total included in retirement benefits expense</b>	<b>3,849</b>	<b>1,914</b>	<b>(37)</b>	<b>5,726</b>

**Notes to and forming part of the financial statements**  
**For the year ended 30 June 2012**

**15. Provisions (continued)**

(b) Retirement benefits (continued)

(v) Amounts recognised in the statement of comprehensive income

Economic entity	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
<b>As at 30 June 2012</b>				
Actuarial (gains)/losses	51,059	3,542	6,523	61,124
<b>Economic entity</b>				
<b>As at 30 June 2011</b>				
Actuarial (gains)/losses	5,068	(107)	232	5,193

The cumulative amount of actuarial losses/(gains) recognised in the statement of comprehensive income since 01 July 2004 is:

Economic entity	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Ending 30 June 2012	101,031	7,635	10,237	118,903

(vi) Actual return on fund assets for the year ended:

Economic entity	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
30 June 2012	158	(8)	21	171
<b>Economic entity</b>				
30 June 2011	15,036	701	851	16,588

## 15. Provisions (continued)

### (b) Retirement benefits (continued)

#### (vii) Historical information:

<b>Economic entity</b>	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
<b>As at 30 June 2012</b>				
Present value of defined benefit obligation	302,469	29,399	21,009	<b>352,877</b>
Fair value of fund assets	(157,842)	(5,555)	(10,790)	<b>(174,187)</b>
Total unfunded liability	144,627	23,844	10,219	<b>178,690</b>
Experience adjustments – fund liabilities	36,586	2,894	5,680	<b>45,160</b>
Experience adjustments – fund assets	14,473	648	843	<b>15,964</b>
<b>Economic entity</b>				
<b>As at 30 June 2011</b>				
Present value of defined benefit obligation	278,306	28,343	14,985	<b>321,634</b>
Fair value of fund assets	(181,656)	(8,740)	(11,030)	<b>(201,426)</b>
Total unfunded liability	96,650	19,603	3,955	<b>120,208</b>
Experience adjustments – fund liabilities	4,495	(47)	366	<b>4,814</b>
Experience adjustments – fund assets	572	(60)	(133)	<b>379</b>
<b>Economic entity</b>				
<b>As at 30 June 2010</b>				
Present value of defined benefit obligation	275,138	27,676	13,848	<b>316,662</b>
Fair value of fund assets	(180,114)	(8,554)	(9,915)	<b>(198,583)</b>
Total unfunded liability	95,024	19,122	3,933	<b>118,079</b>
Experience adjustments – fund liabilities	15,028	1,159	950	<b>17,137</b>
Experience adjustments – fund assets	(2,701)	(111)	(152)	<b>(2,964)</b>
<b>Economic entity</b>				
<b>As at 30 June 2009</b>				
Present value of defined benefit obligation	258,237	26,140	12,469	<b>296,846</b>
Fair value of fund assets	(172,788)	(8,614)	(9,189)	<b>(190,591)</b>
Total unfunded liability	85,449	17,526	3,280	<b>106,255</b>
Experience adjustments – fund liabilities	(986)	1,606	1,387	<b>2,007</b>
Experience adjustments – fund assets	38,600	2,085	2,491	<b>43,176</b>
<b>Economic entity</b>				
<b>As at 30 June 2008</b>				
Present value of defined benefit obligation	264,153	25,324	11,743	<b>301,220</b>
Fair value of fund assets	(213,432)	(11,971)	(12,046)	<b>(237,449)</b>
Total unfunded liability	50,721	13,353	(303)	<b>63,771</b>
Experience adjustments – fund liabilities	(14,432)	172	(36)	<b>(14,296)</b>
Experience adjustments – fund assets	33,084	1,909	1,521	<b>36,514</b>

## Notes to and forming part of the financial statements For the year ended 30 June 2012

### 15. Provisions (continued)

#### (b) Retirement benefits (continued)

(viii) Expected employer contribution to be paid during the annual reporting period beginning after the reporting date:

Economic entity	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
As at 30 June 2012	6,557	1,261	174	7,992
<b>Economic entity</b>				
As at 30 June 2011	6,720	1,290	160	8,170

(ix) The percentage invested in each asset class at the reporting date:

	2012 %	2011 %
Australian equities	28.0	33.4
Overseas equities	23.7	29.5
Australian fixed interest securities	4.9	5.7
Overseas fixed interest securities	2.4	3.1
Property	8.6	9.9
Cash	19.5	5.1
Other	12.9	13.3

(x) A summary of the financial position of the fund calculated in accordance with AAS 25 Financial Reporting by Superannuation Plans as supplied by the Trustee:

Economic entity	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
<b>As at 30 June 2012</b>				
Accrued benefits	241,384	25,203	11,292	277,879
Net market value of the fund assets	(157,842)	(5,555)	(10,790)	(174,187)
<b>Net (surplus)/deficit</b>	<b>83,542</b>	<b>19,648</b>	<b>502</b>	<b>103,692</b>
<b>Economic entity</b>				
<b>As at 30 June 2011</b>				
Accrued benefits	250,553	26,029	10,717	287,299
Net market value of the fund assets	(181,656)	(8,740)	(11,030)	(201,426)
<b>Net (surplus)/deficit</b>	<b>68,897</b>	<b>17,289</b>	<b>(313)</b>	<b>85,873</b>

The AAS 25 deficit reflects the long term funding position for the Authority.

The AAS 25 deficit (or surplus) will be lower (or the surplus higher) than the AASB 119 net defined benefit liability (or asset) recognised in the Statement of Financial Position, because the expected after-tax rate of return on plan assets is typically higher than the long-term government bond rate.

## 15. Provisions (continued)

### (b) Retirement benefits (continued)

#### (xi) Recommended contribution rates for the year ending

	<b>SASS</b>	<b>SANCS</b>	<b>SSS</b>
	<b>Multiple of member contributions</b>	<b>% member salary</b>	<b>Multiple of member contributions</b>
30 June 2012	2.20	2.50	<b>1.60</b>
30 June 2011	2.20	2.50	<b>1.60</b>

At the last actuarial review, the Aggregate Funding method was used to determine the employer contribution recommendations. The method adopted affects the timing of the cost to the employer.

Under the Aggregate Funding method, the employer contribution rate is determined so that sufficient assets will be available to meet benefit payments to existing members, taking into account the current value of assets and future contributions.

#### (xii) The economic assumptions adopted for last actuarial review of the fund and pertaining to Note 15(b)(x) were:

<b>Economic entity</b>	<b>2012</b>	<b>2011</b>
	<b>%</b>	<b>%</b>
<b>Weighted-average assumptions</b>		
Expected rate of return on fund assets backing current defined benefit liabilities	8.30	8.30
Expected rate of return on fund assets backing other liabilities	7.30	7.30
Expected salary increase rate	4.00	4.00
Expected rate of CPI increase	2.50	2.50

(xiii) If a surplus exists in the employer's interest in the fund, the employer may be able to reduce the required contribution rate, subject to the fund's actuarial advice.

Where a deficiency exists, the employer is responsible for any difference between the employer's share of the fund assets and the defined benefit obligations.

## 16. Deferred tax liabilities

	<b>Economic entity</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
Depreciation and revaluations	67,792	64,002
<b>Total deferred tax liabilities</b>	<b>67,792</b>	<b>64,002</b>

## 17. Other Liabilities

Revenue received in advance	3,652	5,406
<b>Total current other liabilities</b>	<b>3,652</b>	<b>5,406</b>

## Notes to and forming part of the financial statements For the year ended 30 June 2012

### 18. Commitments

#### (a) Operating lease commitments

Payable		
Not later than 1 year	644	592
Later than 1 year and not later than 5 years	1,651	1,591
Later than 5 years	1,174	1,550
<b>Total operating lease commitments (including GST)</b>	<b>3,469</b>	<b>3,733</b>

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

#### (b) Capital expenditure commitments\*

Payable		
Not later than 1 year	64,980	53,996
Later than 1 year not later than 5 years	-	64,980
<b>Total operating lease commitments (including GST)</b>	<b>64,980</b>	<b>118,976</b>

\* These capital expenditure commitments relate primarily to bus procurement contracts. The commitment totals as shown above include Goods and Services Tax (GST) of \$6.22M, which is recoverable from the Australian Taxation Office.

### 19. Western Sydney Buses

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

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

WSB's income statement is summarised as follows:

	2012	2011
	\$'000	\$'000
<b>Revenue</b>		
Operational revenue	8,088	5,779
Reimbursements for concessional travel	49	582
Other	49	223
<b>Total revenue</b>	<b>8,186</b>	<b>6,584</b>
<b>Expenses</b>		
Personnel services	4,360	4,000
Fleet running expenses	1,856	1,678
Other	2,044	1,819
<b>Total expenses</b>	<b>8,260</b>	<b>7,497</b>
<b>Gross profit/(loss) from continuing activities</b>	<b>(74)</b>	<b>(913)</b>

## 19. Western Sydney Buses (continued)

WSB's statement of financial position is summarised as follows:

	2012	2011
	\$'000	\$'000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	44	31
Trade and other receivables	248	2,601
Other	35	45
<b>Total current assets</b>	<b>327</b>	<b>2,677</b>
<b>Non-current assets</b>		
Other	-	7
<b>Total non-current assets</b>	<b>-</b>	<b>7</b>
<b>Total assets <sup>1</sup></b>	<b>327</b>	<b>2,684</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	1,296	495
Borrowings from parent entity	15,105	18,270
Payables - WSB Division	540	412
Provisions	42	42
<b>Total current liabilities</b>	<b>16,983</b>	<b>19,219</b>
<b>Non-current liabilities</b>		
Payables - WSB Division	142	156
<b>Total non-current liabilities</b>	<b>142</b>	<b>156</b>
<b>Total liabilities</b>	<b>17,125</b>	<b>19,375</b>
<b>Net assets</b>	<b>(16,798)</b>	<b>(16,691)</b>

<sup>1</sup> All buses are leased from the Authority under an operating lease.

## Notes to and forming part of the financial statements For the year ended 30 June 2012

### 20. Financial instruments

#### (a) Fair value

The Authority uses various methods in estimating the fair value of financial instruments. The methods are:

##### Level 1

Where the financial instruments are measured using quoted prices in active markets.

##### Level 2

Where the financial instruments are measured using other than quoted prices that are observable, either directly or indirectly.

##### Level 3

Where the financial instruments are measured using non-market prices.

The fair value of the remaining finance leases was determined using the 10-year Commonwealth government bond rate at the reporting date. The fair value of the Hour-Glass Investment Facility is calculated using redemption unit price quoted by TCorp.

	Level 1	Level 2	Level 3	Total
<b>Economic entity 2012</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>				
Hour-Glass Investment Facility	-	14,934	-	14,934
Finance leases	-	449,290	-	449,290
<b>Total</b>	<b>-</b>	<b>464,224</b>	<b>-</b>	<b>464,224</b>

	Level 1	Level 2	Level 3	Total
<b>Economic entity 2011</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>				
Hour-Glass Investment Facility	-	11,126	-	11,126
Finance leases	-	401,493	-	401,493
<b>Total</b>	<b>-</b>	<b>412,619</b>	<b>-</b>	<b>412,619</b>

## 20. Financial instruments (continued)

### (b) Risk exposures

The risks to which the Authority was exposed by holding the financial instruments are summarised below:

#### (i) Credit risk

Credit risk arises from the potential failure of counterparties to meet their obligations under the contract. The risk is mitigated by strict adherence to the Authority's credit policy and ongoing assessment of potential default. Except for the amounts previously impaired, it is not expected that any other material counterparties will fail to meet their obligations. The aging analysis detailed below, represents financial assets that have not been impaired. Financial assets impaired are stated separately.

The Authority's exposure to credit risk is summarised below:

Economic entity		2012				
Class of financial asset	Current or not yet due	30 days	60 days	90 days plus	Maximum exposure	Impaired
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade debtors	4,418	150	1	53	4,622	-
Sundry debtors	3,694	90	2	29	3,815	-
Finance leases	449,290	-	-	-	449,290	-
<b>Total</b>	<b>457,402</b>	<b>240</b>	<b>3</b>	<b>82</b>	<b>457,727</b>	<b>-</b>

Economic entity		2011				
Class of financial asset	Current or not yet due	30 days	60 days	90 days plus	Maximum exposure	Impaired
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade debtors	6,569	207	87	230	7,093	44
Sundry debtors	2,433	2	-	157	2,592	417
Finance leases	402,013	-	-	-	402,013	-
<b>Total</b>	<b>411,015</b>	<b>209</b>	<b>87</b>	<b>387</b>	<b>411,698</b>	<b>461</b>

No collateral or credit enhancements are held over these amounts. Objective factors considered when determining impairment would include the size, age of the amounts, the credit worthiness, ability and willingness of the debtors to meet their obligations.

## Notes to and forming part of the financial statements For the year ended 30 June 2012

### 20. Financial instruments (continued)

#### (b) Risk exposures (continued)

##### (i) Credit risk (continued)

At the reporting date, in absence of any objective of impairment, the Authority considered the financial assets that were current or not yet due to be fully collectible as and when they fall due.

#### Movements in the allowance for impairment during the year were:

Economic entity	2012	2011
	\$'000	\$'000
Opening balance	461	417
Amount written off	(461)	-
Amount recovered	-	-
Amount recognised	-	44
<b>Closing balance</b>	<b>-</b>	<b>461</b>

#### (b) Risk exposures

##### (ii) Currency risk

Currency risk arises where commitments are denominated in currencies other than the Authority's functional currency.

Any currency risk is mitigated by the Authority's policy of using forward exchange contracts to effectively cover for such commitments. The forward exchange contracts are only entered into when the timing and quantum of the commitments are reasonably known.

The counterparties to the forward exchange contracts are reputable, well-established, financial institutions and accordingly it is anticipated that they will meet their obligations.

Where the buy fair value exceeds the sell fair value, the maximum amount to which the Authority would be exposed in the unlikely event of the counterparty defaulting is represented by the difference between the buy and sell fair values.

The Authority is not exposed to any currency risk at balance date.

## 20. Financial instruments (continued)

### (b) Risk exposures (continued)

#### (iii) Interest rate risk

Interest rate risk occurs where the value of the financial liabilities fluctuates due to changes in interest rates.

The Authority's interest rate risk policy seeks to minimise the effects of interest rate movements through active management of the exposures by converting between floating short-term and long-term fixed-interest loans.

Exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities are disclosed below:

	Fixed interest rate maturing in						Weighted average effective interest rate	
	Floating interest rate	Less than 1 year	1 to 5 years	More than 5 years	Non-interest bearing	Total	Floating %	Fixed %
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
<b>Economic entity</b>	<b>2012</b>							
<b>Financial assets</b>								
Cash and cash equivalents	16,822	-	-	-	1,415	18,237	4.90	N/A
Receivables	-	25,708	120,282	303,300	11,626	460,916	N/A	4.39
<b>Total financial assets</b>	<b>16,822</b>	<b>25,708</b>	<b>120,282</b>	<b>303,300</b>	<b>13,041</b>	<b>479,153</b>		
<b>Financial liabilities</b>								
Trade creditors	-	-	-	-	44,483	44,483	N/A	N/A
Borrowings	-	13,207	176,933	137,777	-	327,917	N/A	7.48
<b>Total financial liabilities</b>	<b>-</b>	<b>13,207</b>	<b>176,933</b>	<b>137,777</b>	<b>44,483</b>	<b>372,400</b>		
	Fixed interest rate maturing in						Weighted average effective interest rate	
	Floating interest rate	Less than 1 year	1 to 5 years	More than 5 years	Non-interest bearing	Total	Floating %	Fixed %
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
<b>Economic entity</b>	<b>2011</b>							
<b>Financial assets</b>								
Cash and cash equivalents	11,607	-	-	-	1,748	13,355	5.37	N/A
Receivables	-	21,037	99,110	281,866	13,439	415,452	N/A	6.55
<b>Total financial assets</b>	<b>11,607</b>	<b>21,037</b>	<b>99,110</b>	<b>281,866</b>	<b>15,187</b>	<b>428,807</b>		
<b>Financial liabilities</b>								
Trade creditors	-	-	-	-	49,235	49,235	N/A	N/A
Borrowings	-	19,909	174,212	130,100	-	324,221	N/A	7.46
<b>Total financial liabilities</b>	<b>-</b>	<b>19,909</b>	<b>174,212</b>	<b>130,100</b>	<b>49,235</b>	<b>373,456</b>		

**Notes to and forming part of the financial statements  
For the year ended 30 June 2012**

**20. Financial instruments (continued)**

**(b) Risk exposures (continued)**

**(iv) Liquidity risk**

The risk arises where the Authority will encounter difficulty in meeting its financial liability obligations.

The Authority mitigates liquidity risk through matching the maturity profiles of its assets with liabilities, converting short-term to long-term loans, accessing a short-term standby credit facility, with capacity to secure higher borrowing limits and strict enforcement of its credit terms.

**A maturity analysis of the undiscounted financial liabilities is shown below:**

<b>Economic Entity</b>	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Financial liabilities</b>		
Not later than 1 year	74,059	88,909
Later than 1 year and not later than 5 years	231,808	232,507
Greater than 5 years	158,373	153,051
<b>Total financial liabilities</b>	<b>464,240</b>	<b>474,467</b>

## 20. Financial instruments (continued)

### (b) Risk exposures (continued)

#### (v) Sensitivity analysis

The sensitivity of the market risk to which the Authority was exposed is summarised as follows:

	Interest rate risk		
	Carrying amount	-100 basis points Profit/(loss)	+100 basis points Profit/(loss)
<b>Economic entity - 2012</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Hour-Glass			
Investment Facility	14,934	(149)	149
Short-term borrowings	-	-	-
<b>Total increase/(decrease)</b>		<b>(149)</b>	<b>149</b>

	Interest rate risk		
	Carrying amount	-100 basis points Profit/(loss)	+100 basis points Profit/(loss)
<b>Economic entity - 2011</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Hour-Glass			
Investment Facility	11,126	(111)	111
Short-term borrowings	-	-	-
<b>Total increase/(decrease)</b>		<b>(111)</b>	<b>111</b>

The unit price of the Hour-Glass facility is equal to the total fair value of the net assets held by the facility divided by the total number of units on issue for that facility. Unit prices are calculated and published daily.

The 100 basis points assumption for the facility is derived from historically-based volatility information calculated over a ten-year period, quoted at two standard deviations. It is considered that the 100 basis points assumption is also applicable to the short-term loans.

The change in the value of the facility at the reporting date is derived from multiplying the carrying amount by 100 basis points in both directions.

The interest payable on the short-term borrowings at the reporting date is recalculated by adjusting the coupon rates by 100 basis points in both directions.

The methods and assumptions used have not changed from the previous reporting period date.

## Notes to and forming part of the financial statements For the year ended 30 June 2012

### 21. Related parties

The Parent is a controlled entity of the Department of Transport. The significant transactions with the Department of Transport mainly relate to the Outer and Metropolitan Bus Systems Contracts (refer note 2(a)) and Finance Leases (refer note 5).

The Parent and its controlled entities engage in a variety of related party transactions in the ordinary course of business. These transactions are conducted on normal terms and conditions.

#### (a) Related party transactions and balances as at 30 June 2012:

	Parent	STA Division	WSB Division
	\$'000	\$'000	\$'000
Personnel service income/(expense)	(492,875)	488,485	4,390
Receivables/(payables) - current	(112,665)	112,125	540
Receivables/(payables) - non-current	(215,386)	215,244	142
<b>Total</b>	<b>(820,926)</b>	<b>815,854</b>	<b>5,072</b>

#### (b) Related party transactions and balances as at 30 June 2011:

	Parent	STA Division	WSB Division
	\$'000	\$'000	\$'000
Personnel service income/(expense)	(423,169)	419,172	3,997
Receivables/(payables) - current	(102,811)	102,399	412
Receivables/(payables) - non-current	(154,870)	154,720	150
<b>Total</b>	<b>(680,850)</b>	<b>676,291</b>	<b>4,559</b>

#### (c) Key management personnel compensation

	Economic entity	Economic entity	Parent	Parent
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	2,953	2,860	2,953	2,860
<b>Total</b>	<b>2,953</b>	<b>2,860</b>	<b>2,953</b>	<b>2,860</b>

## 22. Events after the reporting period

The Trunk Transitway Services Contract operated by WSB has been included as part of the first round private bus operator contract region tenders which commenced on 1 July 2012. State Transit will continue to operate the services until the Director General of the Department of Transport advises of termination.

## End of Audited Financial Statements



**Paul Dunn**

General Manager - Finance & Administrative Services  
Sydney

## Statement by Chief Executive Officer for the year ended 30 June 2012

Pursuant to section 41(C)(1B) and 41(C)(1C) of the Public Finance and Audit Act 1983, I declare that in my opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position and transactions of the State Transit Authority of New South Wales as at 30 June 2012; and
2. The financial statements have been prepared in accordance with the provisions of the Australian Accounting Standards which includes Australian Accounting Interpretations, the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2010 and the Treasurer's Directions.

Further, at the date of this statement, I am not aware of any circumstances that would render the particulars included in the financial statements to be misleading or inaccurate.



Chief Executive Officer  
Sydney - 27 September 2012

# Financial Statements

## State Transit Authority Division

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### Notes to and forming part of the financial statements

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**Independent Auditor's Report  
for the year ended 30 June 2012**



**INDEPENDENT AUDITOR'S REPORT**

**State Transit Authority Division**

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the State Transit Authority Division (the Division), which comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

**Opinion**

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Division as at 30 June 2012, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

**The Division Head's Responsibility for the Financial Statements**

The Division Head is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Division Head determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Division's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Division's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Division Head, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Division
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements.

### **Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- 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 of New South Wales are not compromised in their roles by the possibility of losing clients or income.



Peter Barnes  
Director, Financial Audit Services

27 September 2012  
SYDNEY

**Annual Financial Statements - State Transit Authority Division**  
**Start of Audited Financial Statements**

**Statement of Comprehensive Income**  
**For the year ended 30 June 2012**

		2012	2011
	Notes	\$'000	\$'000
<b>Income</b>			
Personnel services		488,485	419,172
Other income		30	30
<b>Total income</b>		<b>488,515</b>	<b>419,202</b>
<b>Expenses</b>			
Annual leave		30,191	31,267
Audit fees		30	30
Fringe benefits tax		238	251
Long service leave		18,843	8,380
Payroll tax		18,819	18,072
Retirement benefits - defined benefits	5(b)(vi)	5,746	5,726
Retirement benefits - defined contributions		22,826	21,460
Salaries and wages		323,218	318,426
Workers compensation		7,510	10,394
<b>Total expenses</b>		<b>427,421</b>	<b>414,006</b>
<b>Surplus/(deficit) from continuing activities</b>		<b>61,094</b>	<b>5,196</b>
<b>Other comprehensive income/(loss)</b>			
Net superannuation actuarial gains/(losses)	5(b)(vii)	(61,094)	(5,196)
<b>Other comprehensive income for the period</b>		<b>(61,094)</b>	<b>(5,196)</b>
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>

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

**Statement of Financial Position**  
**As at 30 June 2012**

		2012	2011
Assets	Notes	\$'000	\$'000
<b>Current Assets</b>			
Receivables	2	112,125	102,399
<b>Total current assets</b>		<b>112,125</b>	<b>102,399</b>
<b>Non-Current Assets</b>			
Receivables	2	215,244	154,720
<b>Total non-current assets</b>		<b>215,244</b>	<b>154,720</b>
<b>Total assets</b>		<b>327,369</b>	<b>257,119</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	3	13,580	11,114
Provisions	4	98,545	91,285
<b>Total current liabilities</b>		<b>112,125</b>	<b>102,399</b>
<b>Non-Current Liabilities</b>			
Provisions	4	215,244	154,720
<b>Total non-current liabilities</b>		<b>215,244</b>	<b>154,720</b>
<b>Total liabilities</b>		<b>327,369</b>	<b>257,119</b>
<b>Net assets</b>		<b>-</b>	<b>-</b>
<b>Equity</b>			
Accumulated funds		-	-
<b>Total equity</b>		<b>-</b>	<b>-</b>

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

**Statement of Changes in Equity  
For the year ended 30 June 2012**

	Accumulated funds	
	2012	2011
	\$'000	\$'000
Balance at the beginning of the year	-	-
Surplus for the year	61,094	5,196
Other comprehensive income	(61,094)	(5,196)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

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

**Statement of Cash Flows**  
**For the year ended 30 June 2012**

	2012	2011
	\$'000	\$'000
Net cash flows from operating activities	-	-
Net cash flows from investing activities	-	-
Net cash flows from financing activities	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the year	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>-</b>	<b>-</b>

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

**Notes to and forming part of the financial statements  
For the year ended 30 June 2012**

**1. Summary of significant accounting policies**

**(a) Reporting entity**

State Transit Authority Division ("STA Division") is a Division of the NSW Government Service, established pursuant to Part 2 of Schedule 1 to the Public Sector Employment and Management Act 2002. It is a not-for-profit entity as profit is not its principal objective. It is consolidated as part of the NSW Total State Sector Accounts. It is domiciled in Australia and its principal office is at Level 1, 219-241 Cleveland Street, Strawberry Hills NSW 2010.

STA Division's objective is to provide personnel services to the State Transit Authority of New South Wales.

STA Division commenced operations on 17 March 2006 when it assumed responsibility for the employees and employee-related liabilities of the former employer, the State Transit Authority of New South Wales. The assumed liabilities were recognised on 17 March 2006 together with an offsetting receivable representing the related funding due from the former employer.

The financial statements were authorised for issue by Mr Peter Rowley, Division Head, on 27 September 2012. The report will not be amended and reissued as it has been audited.

**(b) Basis of preparation**

These are general purpose financial statement prepared in accordance with the requirements of Australian Accounting Standards which include Australian Accounting Interpretations, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2010, and specific directions issued by the Treasurer.

Generally, the historical cost basis of accounting has been adopted and the financial statement does not take into account changing money values or current valuations. However, certain provisions are measured at fair value. See note 1(g).

The accrual basis of accounting has been adopted in the preparation of the financial statement, except for cash flow information.

Management's judgements, key assumptions and estimates are disclosed in the relevant notes to the financial statement.

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

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

**(c) Comparative information**

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

## 1. Summary of significant accounting policies (continued)

### (d) Income

Income is measured at the fair value of the consideration received or receivable. Revenue from the rendering of personnel services is recognised when the service is provided and only to the extent that the associated recoverable expenses are recognised.

### (e) Receivables

A receivable is recognised when it is probable that the future cash inflows associated with it will be realised and it has a value that can be measured reliably. It is derecognised when the contractual or other rights to future cash flows from it expire or are transferred.

A receivable is measured initially at fair value and subsequently at amortised cost using the effective interest rate method, less any allowance for impairment. A short-term receivable with no stated interest rate is measured at the original invoice amount where the effect of discounting is immaterial. An invoiced receivable is due for settlement within thirty days of invoicing.

If there is objective evidence at year end that a receivable may not be collectable, its carrying amount is reduced by means of an allowance for impairment and the resulting loss is recognised in the income statement. Receivables are monitored during the year and bad debts are written off against the allowance when they are determined to be irrecoverable. Any other loss or gain arising when a receivable is derecognised is also recognised in the income statement.

### (f) Payables

Payables include accrued wages, salaries, and related on costs (such as payroll tax, fringe benefits tax and workers' compensation insurance) where there is certainty as to the amount and timing of settlement.

A payable is recognised when a present obligation arises under a contract or otherwise. It is derecognised when the obligation expires or is discharged, cancelled or substituted.

A short-term payable with no stated interest rate is measured at historical cost if the effect of discounting is immaterial.

**Notes to and forming part of the financial statements  
For the year ended 30 June 2012**

**1. Summary of significant accounting policies (continued)**

**(g) Employee benefit provisions and expenses**

Provisions are made for liabilities of uncertain amount or uncertain timing of settlement.

Employee benefit provisions represent expected amounts payable in the future in respect of unused entitlements accumulated as at the reporting date. Liabilities associated with, but that are not, employee benefits (such as payroll tax) are recognised separately.

Superannuation and leave liabilities are recognised as expenses and provisions when the obligations arise, which is usually through the rendering of service by employees.

Superannuation and long service leave provisions are actuarially assessed prior to each reporting date and are measured at the present value of the estimated future payments.

The unconditional component of the long service leave entitlements, for those employees currently employed for nine or more years at the reporting date, are classified as current liabilities.

All other employee benefit liabilities (ie for benefits falling due wholly within twelve months after reporting date) are assessed by management and are measured at the undiscounted amount of the estimated future payments.

The amount recognised for defined superannuation provisions is the net total of the present value of the defined benefit obligation at the reporting date, minus the fair value at that date of any plan assets out of which the obligations are to be settled directly.

Actuarial gains and losses are recognised outside of profit or loss in the 'Statement of comprehensive income' in the year in which they occur.

The actuarial assessment of defined superannuation provisions uses the Projected Unit Credit Method and reflects estimated future salary increases and the benefits set out in the terms of the plan. The liabilities are discounted using the market yield on government bonds of similar maturity to those obligations. Actuarial assumptions are unbiased and mutually compatible and financial assumptions are based on market expectations for the period over which the obligations are to be settled.

Contributions to defined contribution superannuation plans are expensed when employees have rendered service entitling them to the contributions.

## 1. Summary of significant accounting policies (continued)

### (h) Accounting standards issued but not yet effective

At reporting date all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (The AASB) that are relevant to Division operations and effective for the current annual reporting period have been adopted.

Early adoption of new or revised Accounting Standards/Interpretation: Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the financial reporting period ended 30 June 2012. The Division's assessment of the impact of these new standards and interpretations is set out below:

Standard	Summary of key requirements/ changes	Applicable to annual reporting periods beginning on or after	Impact on Reporting Entity's Financial Statements
AASB 9 Financial Instruments and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9	AASB 9 introduces new requirements for the classification, measurement and derecognition of financial assets and financial liabilities. It was further amended by AASB 2010-7 to reflect amendments to accounting for financial liabilities. Financial assets and financial liabilities can be designated and measured at fair value. The existing four category approach to measurement after initial recognition will be reduced to two categories - either amortised cost or fair value.	The IASB has deferred the effective date of this standard to 1 January 2015. It is expected that AASB will also make a similar amendment.	On initial application of AASB 9, all existing financial instruments will need to be classified according to the AASB 9 criteria and transitional requirements. The impact on the reporting entity's accounting for financial assets and liabilities is not expected to be significant.
AASB 10 Consolidated Financial Statements	AASB 10 supersedes AASB 127. It introduces a new principles-based control model that focuses on both power and rights or exposure to variable returns. The Standard requires the parent entity to present consolidated financial statements as those of a single economic entity replacing the requirements of AASB 127 Consolidated and Separate Financial Statements.	1 January 2013	The new definition of control is not expected to impact on the reporting entity. The concept of "single economic entity" may impact on the format of the consolidated financial statements unless modifications are made for public sector entities.
AASB 12 Disclosure of Interests in other Entities	AASB 12 focuses on disclosures that would help users better assess the nature and financial effects of an entity's involvement with other entities and particularly enhances disclosures about consolidated entities and unconsolidated (off balance sheet) structured entities. The standard sets out the required disclosures for entities reporting under AASB 10 and AASB 11 and replaces the disclosure requirements of AASB 128 Investment in Associates.	1 January 2013	Application of the standard will not affect any of the amounts recognised in the consolidated financial statements. However, it may impact on the type of information disclosed.

**Notes to and forming part of the financial statements  
For the year ended 30 June 2012**

**1. Summary of significant accounting policies (continued)**

Standard	Summary of key requirements/ changes	Applicable to annual reporting periods beginning on or after	Impact on Reporting Entity's Financial Statements
AASB 13 Fair Value Measurement and AASB 2011-8.	The Standard defines fair value, establishes a single framework or guidance for the measuring of fair value and requires enhanced disclosures about fair value measurements. AASB 13 applies when another standard requires or permits fair value measurements or disclosures. The standard establishes a 3 tier "fair value hierarchy".	1 January 2013	The reporting entity's major assets -property, plant and equipment and investment properties are recognised at fair value. NSW Treasury is considering the implications of the changes and will provide future directions by revising Valuation of Physical Non-Current Assets at Fair Value (TPP07-1).
AASB 119 Employee Benefits AASB 2011-10 and AASB 2011-11	This Standard will mainly impact the accounting for defined benefit pension schemes. The corridor approach for the recognition of actuarial gains and losses has been removed, as has the option to recognise actuarial gains and losses in profit or loss. The impact of this is that all actuarial gains and losses will be recognised in other comprehensive income in the period in which they arise. In addition, the calculation of net interest cost has changed. There will no longer be separate calculations of the expected return on plan assets and the interest cost of funding the defined benefit obligation. Instead, a single rate is applied to the net of the defined benefit obligation and plan assets.	1 January 2013 with retrospective implementation as per AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.	The requirements for measurement of employer liabilities and assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities and assets, are substantially different under the revised AASB 119. NSW Treasury is considering the implications of the changes and will provide future directions.

## 1. Summary of significant accounting policies (continued)

Standard	Summary of key requirements/ changes	Applicable to annual reporting periods beginning on or after	Impact on Reporting Entity's Financial Statements
AASB 127 Separate Financial Statements	AASB 127 Consolidated and Separate Financial Statements has been renamed Separate Financial Statements. The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements (in addition to consolidated financial statements). The Standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates and jointly controlled entities are accounted for either at cost or in accordance with AASB 9 Financial Instruments.	1 January 2013	The AASB may modify the application of this standard to the not-for-profit entities. As such it is not practical to assess the impact of its application on the reporting entity's consolidated financial statements.
AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income	AASB 2011-9 made changes to AASB 101 Presentation of Financial Statements. The only significant impact will be that, in the Statement of Comprehensive Income, items within the "Other Comprehensive Income" section will need to be presented in two sub-sections, based on whether they may be recycled to net result in the future.	1 July 2012	The impact on the reporting entity's financial statements is expected to be insignificant.

**Notes to and forming part of the financial statements  
For the year ended 30 June 2012**

**2. Receivables**

	Notes	2012 \$'000	2011 \$'000
<b>Current</b>			
Receivables from State Transit Authority		112,125	102,399
<b>Total current receivables</b>		<b>112,125</b>	<b>102,399</b>
<b>Non-current</b>			
Receivables from State Transit Authority		215,244	154,720
<b>Total non-current receivables</b>		<b>215,244</b>	<b>154,720</b>

**3. Payables**

Accrued salaries, wages and on-costs		13,580	11,114
<b>Total payables</b>		<b>13,580</b>	<b>11,114</b>

**4. Provisions**

<b>Current</b>			
Employee benefits		92,205	84,788
Workers' compensation		6,340	6,497
<b>Total current provisions</b>		<b>98,545</b>	<b>91,285</b>
<b>Non-current</b>			
Employee benefits		7,678	5,649
Retirement benefits	5(b)(i)	178,672	120,218
Workers' compensation		28,894	28,853
<b>Total non-current provisions</b>		<b>215,244</b>	<b>154,720</b>

## 5. Retirement benefits

(a) The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

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

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership.

All the schemes are closed to new members.

All fund assets are invested by the Trustee at arm's length through independent fund managers.

(b) The principal actuarial assumptions that have been used in the calculation are:

	2012	2011
	% pa	% pa
Discount rate	3.06	5.28
Expected return on fund assets as at 30 June	8.60	8.60
Expected rate of salary increases	2.50	3.50
Expected rate of increase in consumer price index	2.50	2.50

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

(i) The assessed liability and funds held in reserve account with the Trustee are as follows:

Economic entity	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
<b>As at 30 June 2012</b>				
Gross liability	302,279	29,370	21,009	<b>352,658</b>
Reserve balance	(157,670)	(5,525)	(10,791)	<b>(173,986)</b>
<b>Total unfunded liability</b>	<b>144,609</b>	<b>23,845</b>	<b>10,218</b>	<b>178,672</b>
<b>Economic entity</b>				
<b>As at 30 June 2011</b>				
Gross liability	278,140	28,319	14,985	<b>321,444</b>
Reserve balance	(181,487)	(8,708)	(11,031)	<b>(201,226)</b>
<b>Total unfunded liability</b>	<b>96,653</b>	<b>19,611</b>	<b>3,954</b>	<b>120,218</b>

**Notes to and forming part of the financial statements  
For the year ended 30 June 2012**

**5. Retirement benefits (continued)**

(b) (ii) Reconciliation of the present value of the defined benefit obligation:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
<b>As at 30 June 2012</b>				
Present value of partly funded defined benefit obligations at beginning of the year	278,140	28,319	14,985	<b>321,444</b>
Current service cost	4,608	1,210	75	<b>5,893</b>
Interest cost	13,931	1,393	777	<b>16,101</b>
Contributions by fund participants	2,984	-	109	<b>3,093</b>
Actuarial (gains)/losses	36,574	2,890	5,680	<b>45,144</b>
Benefits paid	(33,958)	(4,442)	(617)	<b>(39,017)</b>
<b>Present value of partly funded defined benefit obligations at end of the year</b>	<b>302,279</b>	<b>29,370</b>	<b>21,009</b>	<b>352,658</b>
<b>As at 30 June 2011</b>				
Present value of partly funded defined benefit obligations at beginning of the year	274,985	27,652	13,848	<b>316,485</b>
Current service cost	4,958	1,213	99	<b>6,270</b>
Interest cost	13,555	1,339	705	<b>15,599</b>
Contributions by fund participants	3,056	-	100	<b>3,156</b>
Actuarial (gains)/losses	4,495	(45)	366	<b>4,816</b>
Benefits paid	(22,909)	(1,840)	(133)	<b>(24,882)</b>
<b>Present value of partly funded defined benefit obligations at end of the year</b>	<b>278,140</b>	<b>28,319</b>	<b>14,985</b>	<b>321,444</b>

## 5. Retirement benefits (continued)

### (b) (iii) Reconciliation of the fair value of fund assets:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
<b>As at 30 June 2012</b>				
Fair value of fund assets at beginning of the year	181,487	8,708	11,031	<b>201,226</b>
Expected return on fund assets	14,677	637	934	<b>16,248</b>
Actuarial gains/(losses)	(14,462)	(645)	(843)	<b>(15,950)</b>
Employer contributions	6,942	1,267	177	<b>8,386</b>
Contributions by fund participants	2,984	-	109	<b>3,093</b>
Benefits paid	(33,958)	(4,442)	(617)	<b>(39,017)</b>
<b>Fair value of fund assets at end of the year</b>	<b>157,670</b>	<b>5,525</b>	<b>10,791</b>	<b>173,986</b>
<b>As at 30 June 2011</b>				
Fair value of fund assets at beginning of the year	179,960	8,524	9,916	<b>198,400</b>
Expected return on fund assets	14,664	638	841	<b>16,143</b>
Actuarial gains/(losses)	(573)	60	133	<b>(380)</b>
Employer contributions	7,289	1,326	174	<b>8,789</b>
Contributions by fund participants	3,056	-	100	<b>3,156</b>
Benefits paid	(22,909)	(1,840)	(133)	<b>(24,882)</b>
<b>Fair value of fund assets at end of the year</b>	<b>181,487</b>	<b>8,708</b>	<b>11,031</b>	<b>201,226</b>

### (iv) Historical information:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
<b>As at 30 June 2012</b>				
Present value of defined benefit obligation	302,279	29,370	21,009	<b>352,658</b>
Fair value of fund assets	(157,670)	(5,525)	(10,791)	<b>(173,986)</b>
(Surplus)/deficit in fund	144,607	23,845	10,217	<b>178,669</b>
Experience adjustments - fund liabilities	36,574	2,890	5,680	<b>45,144</b>
Experience adjustments - fund assets	14,462	645	843	<b>15,950</b>
<b>As at 30 June 2011</b>				
Present value of defined benefit obligation	278,140	28,320	14,984	<b>321,444</b>
Fair value of fund assets	(181,489)	(8,709)	(11,031)	<b>(201,229)</b>
Total unfunded liability	96,651	19,611	3,953	<b>120,215</b>
Experience adjustments - fund liabilities	4,495	(45)	366	<b>4,816</b>
Experience adjustments - fund assets	573	(60)	(133)	<b>380</b>

**Notes to and forming part of the financial statements  
For the year ended 30 June 2012**

**5. Retirement benefits (continued)**

- (v) Expected employer contribution to be paid during the annual reporting period beginning after the reporting date:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
As at 30 June 2012	6,552	1,261	174	<b>7,987</b>
As at 30 June 2011	6,718	1,290	160	<b>8,168</b>

- (vi) Defined benefits fund expense/(income) for the period:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
<b>Ended 30 June 2012</b>				
Current service cost	4,608	1,210	75	5,893
Interest cost	13,931	1,393	777	16,101
Expected return on fund assets	(14,677)	(637)	(934)	(16,248)
<b>Total included in retirement benefits expense</b>	<b>3,862</b>	<b>1,966</b>	<b>(82)</b>	<b>5,746</b>
<b>Ended 30 June 2011</b>				
Current service cost	4,958	1,213	99	6,270
Interest cost	13,555	1,339	705	15,599
Expected return on fund assets	(14,664)	(638)	(841)	(16,143)
<b>Total included in retirement benefits expense</b>	<b>3,849</b>	<b>1,914</b>	<b>(37)</b>	<b>5,726</b>

- (vii) Amounts recognised in the statement of comprehensive income

<b>Economic entity</b>	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
<b>Ended 30 June 2012</b>				
Actuarial (gains)/losses	51,036	3,535	6,523	<b>61,094</b>
<b>Economic entity</b>				
<b>Ended 30 June 2011</b>				
Actuarial (gains)/losses	5,070	(106)	232	<b>5,196</b>

The cumulative amount of actuarial losses/(gains) recognised in the 'statement of comprehensive income' since 01 July 2006 is:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Ending 30 June 2012	110,681	8,000	10,555	<b>129,236</b>

## 5. Retirement benefits (continued)

(viii) Actual return on fund assets for the period ended:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
30 June 2012	158	(8)	21	171
30 June 2011	15,023	698	851	16,572

(ix) A summary of the financial position of the fund calculated in accordance with AAS 25 Financial Reporting by Superannuation Plans as supplied by the Trustee:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
<b>As at 30 June 2012</b>				
Accrued benefits	241,217	25,178	11,292	277,687
Net market value of the fund assets	(157,671)	(5,526)	(10,791)	(173,988)
<b>Net (surplus)/deficit</b>	<b>83,546</b>	<b>19,652</b>	<b>501</b>	<b>103,699</b>
<b>As at 30 June 2011</b>				
Accrued benefits	250,399	26,006	10,717	287,122
Net market value of the fund assets	(181,489)	(8,709)	(11,031)	(201,229)
<b>Net (surplus)/deficit</b>	<b>68,910</b>	<b>17,297</b>	<b>(314)</b>	<b>85,893</b>

(x) Recommended contribution rates for the period ending:

	SASS Multiple of member contributions	SANCS % member salary	SSS Multiple of member contributions
30 June 2012	2.20	2.50	1.60
30 June 2011	2.20	2.50	1.60

The method used to determine the employer contribution recommendations at the last actuarial review was the Aggregate Funding method. The method adopted affects the timing of the cost to the employer.

Under the Aggregate Funding method, the employer contribution rate is determined so that sufficient assets will be available to meet benefit payments to existing members, taking into account the current value of assets and future contributions.

**Notes to and forming part of the financial statements  
For the year ended 30 June 2012**

(xi) The weighted-average economic assumptions adopted for the last actuarial review of the fund were:

	2012	2011
	% pa	% pa
Expected rate of return on fund assets backing current defined benefit liabilities	8.30	8.30
Expected rate of return on fund assets backing other liabilities	7.30	7.30
Expected salary increase rate	4.00	4.00
Expected rate of CPI increase	2.50	2.50

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

(xii) The percentage invested in each asset class at the balance sheet date:

	2012	2011
	% pa	% pa
Australian equities	28.0	33.4
Overseas equities	23.7	29.5
Australian fixed interest securities	4.9	5.7
Overseas fixed interest securities	2.4	3.1
Property	8.6	9.9
Cash	19.5	5.1
Other	12.9	13.3

(xiii) If a surplus exists in the employer's interest in the fund, the employer may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the fund's actuary.

Where a deficiency exists, the employer is responsible for any difference between the employer's share of the fund assets and the defined benefit obligation.

**6. Events after the reporting period**

There were no material events occurring after the balance sheet date.

**End of Audited Financial Statements**

## Statement by the Division Head for the year ended 30 June 2012

Pursuant to section 41(C)(1B) and 41(C)(1C) of the Public Finance and Audit Act 1983, I declare that in my opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position and transactions of the State Transit Authority Division as at 30 June 2012; and
2. The financial statements have been prepared in accordance with the provisions of the Australian Accounting Standards which include Australian Accounting Interpretations, Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2010 and the Treasurer's Directions.

Further, at the date of this statement, I am not aware of any circumstances which would render the particulars included in the financial statements to be misleading or inaccurate.



Division Head  
Sydney - 27 September 2012

# Financial Statements

## Western Sydney Buses Division

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**Independent Auditor's Report  
for the year ended 30 June 2012**



**INDEPENDENT AUDITOR'S REPORT**

**Western Sydney Buses Division**

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Western Sydney Buses Division (the Division), which comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

**Opinion**

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Division as at 30 June 2012, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

**The Division Head's Responsibility for the Financial Statements**

The Division Head is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Division Head determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Division's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Division's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Division Head, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Division
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to or from the financial statements.

### Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- 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 of New South Wales are not compromised in their roles by the possibility of losing clients or income.



Peter Barnes  
Director, Financial Audit Services

27 September 2012  
SYDNEY



**Annual Financial Statements - Western Sydney Buses Division**  
**Start of Audited Financial Statements**

**Statement of Comprehensive Income**  
**For the year ended 30 June 2012**

		2012	2011
	Notes	\$'000	\$'000
<b>Income</b>			
Personnel services		4,390	3,997
<b>Total income</b>		<b>4,390</b>	<b>3,997</b>
<b>Expenses</b>			
Annual leave		239	257
Fringe benefits tax		-	-
Long service leave		63	2
Payroll tax		162	158
Retirement benefits - defined benefits	5(b)(vi)	-	1
Retirement benefits - defined contributions		252	235
Salaries and wages		3,408	3,201
Worker's compensation		236	146
<b>Total expenses</b>		<b>4,360</b>	<b>4,000</b>
<b>Surplus/(deficit) from continuing activities</b>		<b>30</b>	<b>(3)</b>
<b>Other comprehensive income</b>			
Net superannuation actuarial gains/(losses)	5(b)(vii)	(30)	3
<b>Other comprehensive income for the period</b>		<b>(30)</b>	<b>3</b>
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>

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

**Statement of Financial Position**  
**As at 30 June 2012**

		2012	2011
Assets	Notes	\$'000	\$'000
<b>Current Assets</b>			
Receivables	2	540	412
<b>Total current assets</b>		<b>540</b>	<b>412</b>
<b>Non-Current Assets</b>			
Receivables	2	142	156
<b>Total non-current assets</b>		<b>142</b>	<b>156</b>
<b>Total assets</b>		<b>682</b>	<b>568</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	3	94	71
Provisions	4	446	341
<b>Total current liabilities</b>		<b>540</b>	<b>412</b>
<b>Non-Current Liabilities</b>			
Provisions	4	142	156
<b>Total non-current liabilities</b>		<b>142</b>	<b>156</b>
<b>Total liabilities</b>		<b>682</b>	<b>568</b>
<b>Net assets</b>		<b>-</b>	<b>-</b>
<b>Equity</b>			
Accumulated funds		-	-
<b>Total equity</b>		<b>-</b>	<b>-</b>

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

**Statement of Changes in Equity  
For the year ended 30 June 2012**

	Accumulated funds	
	2012	2011
	\$'000	\$'000
Balance at the beginning of the year	-	-
Surplus/(defecit) for the year	30	(3)
Other comprehensive income	(30)	3
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

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

**Statement of Cash Flows**  
**For the year ended 30 June 2012**

	2012	2011
	\$'000	\$'000
Net cash flows from operating activities	-	-
Net cash flows from investing activities	-	-
Net cash flows from financing activities	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the year	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>-</b>	<b>-</b>

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

**Notes to and forming part of the financial statements  
For the year ended 30 June 2012**

**1. Summary of significant accounting policies**

**(a) Reporting entity**

Western Sydney Buses Division ("WSB Division") is a Division of the NSW Government Service, established pursuant to Part 2 of Schedule 1 to the Public Sector Employment and Management Act 2002. It is a not-for-profit entity as profit is not its principal objective. It is consolidated as part of the NSW Total State Sector Accounts. It is domiciled in Australia and its principal office is at Level 1, 219-241 Cleveland Street, Strawberry Hills NSW 2010.

WSB Division's objective is to provide personnel services to Western Sydney Buses (WSB) which is a subsidiary of the State Transit Authority of New South Wales. The current contract for the operation of WSB will expire on 14 August 2012.

WSB Division commenced operations on 17 March 2006 when it assumed responsibility for the employees and employee-related liabilities of the former employer, the State Transit Authority of New South Wales. The assumed liabilities were recognised on 17 March 2006 together with an offsetting receivable representing the related funding due from the former employer.

The financial statements were authorised for issue by Mr Peter Rowley, Division Head, on 27 September 2012. The report will not be amended and reissued as it has been audited.

**(b) Basis of preparation**

These are general purpose financial statement prepared in accordance with the requirements of Australian Accounting Standards which includes Australian Accounting Interpretations, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2010, and specific directions issued by the Treasurer.

Generally, the historical cost basis of accounting has been adopted and the financial statement does not take into account changing money values or current valuations. However, certain provisions are measured at fair value. See note 1(g).

The accrual basis of accounting has been adopted in the preparation of the financial statement, except for cash flow information.

Management's judgements, key assumptions and estimates are disclosed in the relevant notes to the financial statement.

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

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

**(c) Comparative information**

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

## 1. Summary of significant accounting policies (continued)

### (d) Income

Income is measured at the fair value of the consideration received or receivable. Revenue from the rendering of personnel services is recognised when the service is provided and only to the extent that the associated recoverable expenses are recognised.

### (e) Receivables

A receivable is recognised when it is probable that the future cash inflows associated with it will be realised and it has a value that can be measured reliably. It is derecognised when the contractual or other rights to future cash flows from it expire or are transferred.

A receivable is measured initially at fair value and subsequently at amortised cost using the effective interest rate method, less any allowance for impairment. A short-term receivable with no stated interest rate is measured at the original invoice amount where the effect of discounting is immaterial. An invoiced receivable is due for settlement within thirty days of invoicing.

If there is objective evidence at year end that a receivable may not be collectable, its carrying amount is reduced by means of an allowance for impairment and the resulting loss is recognised in the income statement. Receivables are monitored during the year and bad debts are written off against the allowance when they are determined to be irrecoverable. Any other loss or gain arising when a receivable is derecognised is also recognised in the income statement.

### (f) Payables

Payables include accrued wages, salaries, and related on costs (such as payroll tax, fringe benefits tax and workers' compensation insurance) where there is certainty as to the amount and timing of settlement.

A payable is recognised when a present obligation arises under a contract or otherwise. It is derecognised when the obligation expires or is discharged, cancelled or substituted.

A short-term payable with no stated interest rate is measured at historical cost if the effect of discounting is immaterial.

**Notes to and forming part of the financial statements  
For the year ended 30 June 2012**

**1. Summary of significant accounting policies (continued)**

**(g) Employee benefit provisions and expenses**

Provisions are made for liabilities of uncertain amount or uncertain timing of settlement.

Employee benefit provisions represent expected amounts payable in the future in respect of unused entitlements accumulated as at the reporting date. Liabilities associated with, but that are not, employee benefits (such as payroll tax) are recognised separately.

Superannuation and leave liabilities are recognised as expenses and provisions when the obligations arise, which is usually through the rendering of service by employees.

Superannuation and long service leave provisions are actuarially assessed prior to each reporting date and are measured at the present value of the estimated future payments.

The unconditional component of the long service leave entitlements is classified as a current liability. It relates to staff currently employed for nine or more years at the reporting date.

All other employee benefit liabilities (i.e. for benefits falling due wholly within twelve months after reporting date) are assessed by management and are measured at the undiscounted amount of the estimated future payments.

The amount recognised for defined superannuation provisions is the net total of the present value of the defined benefit obligation at the reporting date, minus the fair value at that date of any plan assets out of which the obligations are to be settled directly.

Actuarial gains and losses are recognised outside of profit or loss in the 'Statement of comprehensive income' in the year in which they occur.

The actuarial assessment of defined superannuation provisions uses the Projected Unit Credit Method and reflects estimated future salary increases and the benefits set out in the terms of the plan. The liabilities are discounted using the market yield on government bonds of similar maturity to those obligations. Actuarial assumptions are unbiased and mutually compatible and financial assumptions are based on market expectations for the period over which the obligations are to be settled.

Contributions to defined contribution superannuation plans are expensed when employees have rendered service entitling them to the contributions.

**(h)** The audit fees of WSB Division is paid by the State Transit Authority of NSW.

## 1. Summary of significant accounting policies (continued)

### (i) Accounting standards issued but not yet effective

At reporting date all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (The AASB) that are relevant to Division operations and effective for the current annual reporting period have been adopted.

Early adoption of new or revised Accounting Standards/Interpretation: Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the financial reporting period ended 30 June 2012. The Division's assessment of the impact of these new standards and interpretations is set out below:

Standard	Summary of key requirements/changes	Applicable to annual reporting periods beginning on or after	Impact on Reporting Entity's Financial Statements
AASB 9 Financial Instruments and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9	AASB 9 introduces new requirements for the classification, measurement and derecognition of financial assets and financial liabilities. It was further amended by AASB 2010-7 to reflect amendments to accounting for financial liabilities. Financial assets and financial liabilities can be designated and measured at fair value. The existing four category approach to measurement after initial recognition will be reduced to two categories - either amortised cost or fair value.	The IASB has deferred the effective date of this standard to 1 January 2015. It is expected that AASB will also make a similar amendment.	On initial application of AASB 9, all existing financial instruments will need to be classified according to the AASB 9 criteria and transitional requirements. The impact on the reporting entity's accounting for financial assets and liabilities is not expected to be significant.
AASB 10 Consolidated Financial Statements	AASB 10 supersedes AASB 127. It introduces a new principles-based control model that focuses on both power and rights or exposure to variable returns. The Standard requires the parent entity to present consolidated financial statements as those of a single economic entity replacing the requirements of AASB 127 Consolidated and Separate Financial Statements.	1 January 2013	The new definition of control is not expected to impact on the reporting entity. The concept of "single economic entity" may impact on the format of the consolidated financial statements unless modifications are made for public sector entities.

**Notes to and forming part of the financial statements  
For the year ended 30 June 2012**

**1. Summary of significant accounting policies (continued)**

Standard	Summary of key requirements/changes	Applicable to annual reporting periods beginning on or after	Impact on Reporting Entity's Financial Statements
AASB 12 Disclosure of Interests in other Entities	AASB 12 focuses on disclosures that would help users better assess the nature and financial effects of an entity's involvement with other entities and particularly enhances disclosures about consolidated entities and unconsolidated (off balance sheet) structured entities. The standard sets out the required disclosures for entities reporting under AASB 10 and AASB 11 and replaces the disclosure requirements of AASB 128 Investment in Associates.	1 January 2013	Application of the standard will not affect any of the amounts recognised in the consolidated financial statements. However, it may impact on the type of information disclosed.
AASB 13 Fair Value Measurement and AASB 2011-8.	The Standard defines fair value, establishes a single framework or guidance for the measuring of fair value and requires enhanced disclosures about fair value measurements. AASB 13 applies when another standard requires or permits fair value measurements or disclosures. The standard establishes a 3 tier "fair value hierarchy".	1 January 2013	The reporting entity's major assets -property, plant and equipment and investment properties are recognised at fair value. NSW Treasury is considering the implications of the changes and will provide future directions by revising Valuation of Physical Non-Current Assets at Fair Value (TPP07-1).

## 1. Summary of significant accounting policies (continued)

Standard	Summary of key requirements/changes	Applicable to annual reporting periods beginning on or after	Impact on Reporting Entity's Financial Statements
AASB 119 Employee Benefits AASB 2011-10 and AASB 2011-11	This Standard will mainly impact the accounting for defined benefit pension schemes. The corridor approach for the recognition of actuarial gains and losses has been removed, as has the option to recognise actuarial gains and losses in profit or loss. The impact of this is that all actuarial gains and losses will be recognised in other comprehensive income in the period in which they arise. In addition, the calculation of net interest cost has changed. There will no longer be separate calculations of the expected return on plan assets and the interest cost of funding the defined benefit obligation. Instead, a single rate is applied to the net of the defined benefit obligation and plan assets.	1 January 2013 with retrospective implementation as per AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.	The requirements for measurement of employer liabilities and assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities and assets, are substantially different under the revised AASB 119. NSW Treasury is considering the implications of the changes and will provide future directions.
AASB 127 Consolidated and Separate Financial Statements has been renamed Separate Financial Statements. The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements (in addition to consolidated financial statements). The Standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates and jointly controlled entities are accounted for either at cost or in accordance with AASB 9 Financial Instruments	AASB 127 Consolidated and Separate Financial Statements has been renamed Separate Financial Statements. The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements (in addition to consolidated financial statements). The Standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates and jointly controlled entities are accounted for either at cost or in accordance with AASB 9 Financial Instruments.	1 January 2013	The AASB may modify the application of this standard to the not-for-profit entities. As such it is not practical to assess the impact of its application on the reporting entity's consolidated financial statements.

**Notes to and forming part of the financial statements  
For the year ended 30 June 2012**

**1. Summary of significant accounting policies (continued)**

Standard	Summary of key requirements/changes	Applicable to annual reporting periods beginning on or after	Impact on Reporting Entity's Financial Statements
AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income	AASB 2011-9 made changes to AASB 101 Presentation of Financial Statements. The only significant impact will be that, in the Statement of Comprehensive Income, items within the "Other Comprehensive Income" section will need to be presented in two sub-sections, based on whether they may be recycled to net result in the future.	1 July 2012	The impact on the reporting entity's financial statements is expected to be insignificant.

## 2. Receivables

		2012	2011
	Notes	\$'000	\$'000
<b>Current</b>			
Receivables from Western Sydney Buses		540	412
<b>Total current receivables</b>		<b>540</b>	<b>412</b>
<b>Non-current</b>			
Receivables from Western Sydney Buses		142	150
Retirement benefits	5(b)(i)	-	6
<b>Total non-current receivables</b>		<b>142</b>	<b>156</b>

## 3. Payables

Accrued salaries, wages and on-costs		94	71
<b>Total payables</b>		<b>94</b>	<b>71</b>

## 4. Provisions

<b>Current</b>			
Employee benefits		446	341
<b>Total current provisions</b>		<b>446</b>	<b>341</b>
<b>Non-current</b>			
Retirement benefits		22	-
Employee benefits	5(b)(i)	120	156
<b>Total non-current provisions</b>		<b>142</b>	<b>156</b>

**Notes to and forming part of the financial statements  
For the year ended 30 June 2012**

**5. Retirement benefits**

(a) The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

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

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership.

All the schemes are closed to new members.

All fund assets are invested by the Trustee at arm's length through independent fund managers.

(b) **The principal actuarial assumptions that have been used in the calculation are:**

	2012	2011
	% pa	% pa
Discount rate	3.06	5.28
Expected return on fund assets as at 30 June	8.60	8.60
Expected rate of salary increases	2.50	3.50
Expected rate of increase in consumer price index	2.50	2.50

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

(i) **The assessed liability and funds held in reserve account with the Trustee are as follows:**

Economic entity	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
<b>As at 30 June 2012</b>				
Gross liability	193	31	-	224
Reserve balance	(172)	(30)	-	(202)
<b>Total over funded liability</b>	<b>21</b>	<b>1</b>	<b>-</b>	<b>22</b>
<b>Economic entity</b>				
<b>As at 30 June 2011</b>				
Gross liability	167	26	-	193
Reserve balance	(168)	(31)	-	(199)
<b>Total over funded liability</b>	<b>(1)</b>	<b>(5)</b>	<b>-</b>	<b>(6)</b>

## 5. Retirement benefits (continued)

### (b) (ii) Reconciliation of the present value of the defined benefit obligation:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
<b>As at 30 June 2012</b>				
Present value of partly funded defined benefit obligations at beginning of the year	167	26	-	193
Current service cost	6	1	-	7
Interest cost	9	1	-	10
Contributions by fund participants	3	-	-	3
Actuarial (gains)/losses	12	4	-	16
Benefits paid	(4)	(1)	-	(5)
<b>Present value of partly funded defined benefit obligations at end of the year</b>	<b>193</b>	<b>31</b>	<b>-</b>	<b>224</b>
<b>As at 30 June 2011</b>				
Present value of partly funded defined benefit obligations at beginning of the year	154	25	-	179
Current service cost	6	1	-	7
Interest cost	8	1	-	9
Contributions by fund participants	3	-	-	3
Actuarial (gains)/losses	-	(1)	-	(1)
Benefits paid	(4)	-	-	(4)
<b>Present value of partly funded defined benefit obligations at end of the year</b>	<b>167</b>	<b>26</b>	<b>-</b>	<b>193</b>

**Notes to and forming part of the financial statements**  
**For the year ended 30 June 2012**

**5. Retirement benefits (continued)**

(b) (iii) Reconciliation of the fair value of fund assets:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
<b>As at 30 June 2012</b>				
Fair value of fund assets at beginning of the year	168	31	-	199
Expected return on fund assets	14	3	-	17
Actuarial gains/(losses)	(11)	(3)	-	(14)
Employer contributions	2	-	-	2
Contributions by fund participants	3	-	-	3
Benefits paid	(4)	(1)	-	(5)
<b>Fair value of fund assets at end of the year</b>	<b>172</b>	<b>30</b>	<b>-</b>	<b>202</b>
<b>As at 30 June 2011</b>				
Fair value of fund assets at beginning of the year	153	29	-	182
Expected return on fund assets	13	2	-	15
Actuarial gains/(losses)	1	-	-	1
Employer contributions	2	-	-	2
Contributions by fund participants	3	-	-	3
Benefits paid	(4)	-	-	(4)
<b>Fair value of fund assets at end of the year</b>	<b>168</b>	<b>31</b>	<b>-</b>	<b>199</b>

(iv) Historical information:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
<b>As at 30 June 2012</b>				
Present value of defined benefit obligation	193	31	-	224
Fair value of fund assets	(172)	(30)	-	(202)
(Surplus)/deficit in fund	20	1	-	21
Experience adjustments - fund liabilities	12	4	-	16
Experience adjustments - fund assets	11	3	-	14
<b>As at 30 June 2011</b>				
Present value of defined benefit obligation	167	26	-	193
Fair value of fund assets	(168)	(31)	-	(199)
Total unfunded liability	(2)	(6)	-	(8)
Experience adjustments - fund liabilities	-	(1)	-	(1)
Experience adjustments - fund assets	(1)	-	-	(1)

## 5. Retirement benefits (continued)

(b) (v) Expected employer contribution to be paid during the annual reporting period beginning after the reporting date:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
As at 30 June 2012	5	-	-	5
As at 30 June 2011	2	-	-	2

(vi) Defined benefits fund expense/(income) for the period:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
<b>Ended 30 June 2012</b>				
Current service cost	6	1	-	7
Interest cost	9	1	-	10
Expected return on fund assets	(14)	(3)	-	(17)
<b>Total included in retirement benefits expense</b>	<b>1</b>	<b>(1)</b>	<b>-</b>	<b>-</b>
<b>Ended 30 June 2011</b>				
Current service cost	6	1	-	7
Interest cost	8	1	-	9
Expected return on fund assets	(13)	(2)	-	(15)
<b>Total included in retirement benefits expense</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>

**Notes to and forming part of the financial statements**  
**For the year ended 30 June 2012**

**5. Retirement benefits (continued)**

(vii) Amounts recognised in the statement of comprehensive income

Economic entity	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
<b>Ended 30 June 2012</b>				
Actuarial (gains)/losses	23	7	-	30
<b>Economic entity</b>				
<b>Ended 30 June 2011</b>				
Actuarial (gains)/losses	(2)	(1)	-	(3)

The cumulative amount of actuarial losses/(gains) recognised in the 'statement of comprehensive income' since 01 July 2006 is:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Ending 30 June 2012	53	15	-	68

(viii) Actual return on fund assets for the period:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
<b>Ended 30 June 2012</b>				
Actual return on fund assets	-	-	-	-
<b>Ended 30 June 2011</b>				
Actual return on fund assets	13	2	-	15

## 5. Retirement benefits (continued)

(ix) A summary of the financial position of the fund calculated in accordance with AAS 25 Financial Reporting by Superannuation Plans as supplied by the Trustee:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
<b>As at 30 June 2012</b>				
Accrued benefits	167	25	-	<b>192</b>
Net market value of the fund assets	(173)	(30)	-	<b>(203)</b>
<b>Net (surplus)/deficit</b>	<b>(6)</b>	<b>(5)</b>	<b>-</b>	<b>(11)</b>
<b>As at 30 June 2011</b>				
Accrued benefits	154	22	-	<b>176</b>
Net market value of the fund assets	(168)	(31)	-	<b>(199)</b>
<b>Net (surplus)/deficit</b>	<b>(14)</b>	<b>(9)</b>	<b>-</b>	<b>(23)</b>

(x) Recommended contribution rates for the period ending:

	<b>SASS Multiple of member contributions</b>	<b>SANCS % member salary</b>	<b>SSS Multiple of member contributions</b>
30 June 2012	-	-	-
30 June 2011	0.50	-	-

The method used to determine the employer contribution recommendations at the last actuarial review was the Aggregate Funding method. The method adopted affects the timing of the cost to the employer.

Under the Aggregate Funding method, the employer contribution rate is determined so that sufficient assets will be available to meet benefit payments to existing members, taking into account the current value of assets and future contributions.

**Notes to and forming part of the financial statements  
For the year ended 30 June 2012**

**5. Retirement benefits (continued)**

(xi) The weighted-average economic assumptions adopted for the last actuarial review of the fund were:

	2012	2011
	% pa	% pa
Expected rate of return on fund assets backing current defined benefit liabilities	8.30	8.30
Expected rate of return on fund assets backing other liabilities	7.30	7.30
Expected salary increase rate	4.00	4.00
Expected rate of CPI increase	2.50	2.50

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

(xii) The percentage invested in each asset class at the balance sheet date:

	2012	2011
	% pa	% pa
Australian equities	28.0	33.4
Overseas equities	23.7	29.5
Australian fixed interest securities	4.9	5.7
Overseas fixed interest securities	2.4	3.1
Property	8.6	9.9
Cash	19.5	5.1
Other	12.9	13.3

(xiii) If a surplus exists in the employer's interest in the fund, the employer may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the fund's actuary.

Where a deficiency exists, the employer is responsible for any difference between the employer's share of the fund assets and the defined benefit obligations.

**6. Events after the reporting period**

The Trunk Transitway Services Contract (Liverpool-Parramatta Transitway corridor) operated by WSB has been included as part of the first round private bus operator contract region tenders which commenced on 1 July 2012. State Transit will continue to operate the services until the Director General of the Department of Transport advises of termination.

**End of Audited Financial Statements**

## Statement by the Division Head for the year ended 30 June 2012

Pursuant to section 41(C)(1B) and 41(C)(1C) of the Public Finance and Audit Act 1983, I declare that in my opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position and transactions of the Western Sydney Buses Division as at 30 June 2012; and
2. The financial statements have been prepared in accordance with the provisions of the Australian Accounting Standards which include Australian Accounting Interpretations, Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2010 and the Treasurer's Directions.

Further, at the date of this statement, I am not aware of any circumstances which would render the particulars included in the financial statements to be misleading or inaccurate.



**Peter Rowley**

Division Head  
Sydney - 27 September 2012



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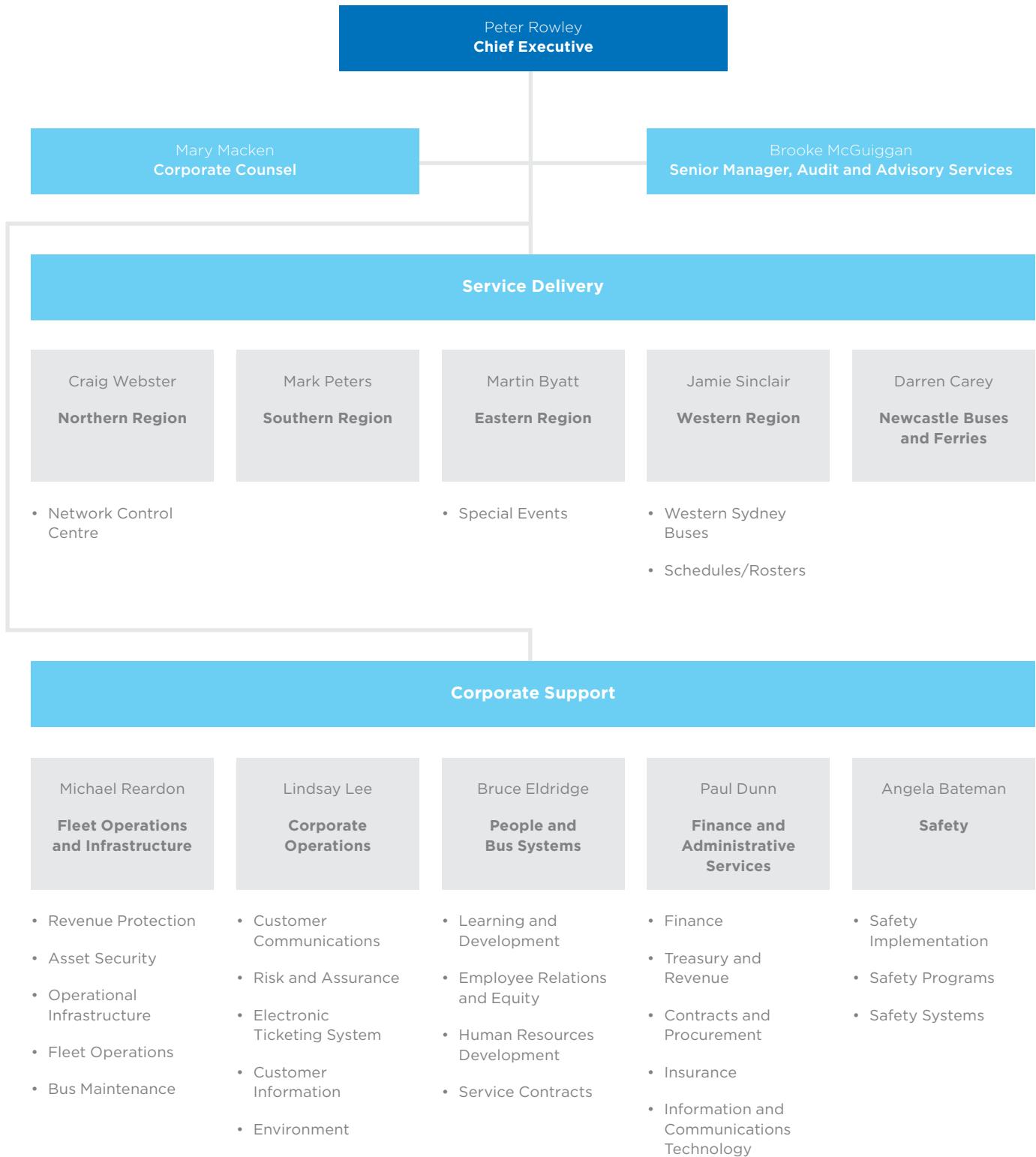
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# Organisational items

## 1. Executive structure (as at 30 June 2012)



# Organisational items

## 2. Legislation

The State Transit Authority of NSW is constituted as an operating body without policy or regulatory functions and is not charged with the administration of legislation. However, set out below is an overview of the legislation directly relevant to the State Transit Authority of NSW during 2011/12.

### **Transport Administration Act**

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

### **Regulations**

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

- Transport Administration (Staff) Regulation 2005
- Transport Administration (General) Regulation 2005

### **Orders**

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

### **Passenger Transport Act**

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

# Statutory information

## 3. Summary of land

In accordance with Section 41B(1)(d) of the Public Finance and Audit Act 1983, stated below is a summary of the Authority's land holding as at 30 June 2012 according to actual use of the land.

Land Use Classification	\$'000
Bus depots	143,650
Minor operational assets	939
Commercial properties	2,640
<b>Total</b>	<b>147,229</b>

## Disposal of property

During the year, State Transit did not dispose of any land.

## 4. Capital works expenditure

Major Works	Completion Date	\$'000
<b>Bus Replacement Program</b>		
<b>133 Volvo diesel buses</b>		
65 buses delivered	June 13	29,788
<b>100 Scania diesel buses</b>		
37 buses delivered	June 13	17,668

# Statutory information

## 5. Consolidated income and expenditure

	2010/11	2011/12	2011/12	2011/12	2011/12
	Actual	Actual	Budget	Variance	Variance
	\$'000	\$'000	\$'000	\$'000	%
<b>Income</b>					
Operational revenue	610,116	631,557	631,362	195	0.03%
Interest	22,892	27,983	28,701	(718)	-2.50%
Other revenue	22,387	24,090	20,144	3,946	19.59%
<b>Total income</b>	<b>655,395</b>	<b>683,630</b>	<b>680,207</b>	<b>3,423</b>	<b>0.50%</b>
<b>Expenditure</b>					
Employee benefits	388,956	404,788	392,141	(12,647)	-3.23%
Depreciation and amortisation	29,224	29,933	29,664	(269)	-0.91%
Fleet running expenses	96,459	103,019	106,798	3,779	3.54%
Borrowing costs	20,896	24,550	26,137	1,587	6.07%
Other operating costs	110,532	111,193	106,425	(4,768)	-4.48%
<b>Total expenditure</b>	<b>646,067</b>	<b>673,483</b>	<b>661,165</b>	<b>(12,318)</b>	<b>-1.86%</b>
<b>Profit/(loss) before tax</b>	<b>9,328</b>	<b>10,147</b>	<b>19,042</b>	<b>(8,895)</b>	<b>-46.71%</b>

The operating budget for 2012/13 is a surplus of \$26 million comprising total revenue of \$671.3 million and total expenditure of \$645.3 million.

The financial review commentary is included as part of Competitive Business Performance.

# Statutory information

## 6. Government funding and social program

Government funding consisted of the following:

### Bus System Contracts

State Transit has entered into four separate Metropolitan Bus System Contracts (MBSC) and one Outer Metropolitan Bus System Contract (OMBSC) with Transport for NSW for the provision of bus services in Sydney and Newcastle. The term of each contract is seven years with the four MBSC commencing on 1 July 2005 and the OMBSC on 1 July 2006.

### Other government payments

Newcastle Ferry Services and Western Sydney Buses continued to receive payments from the Government for providing free and concessional fares in 2011/12.

Concession reimbursements were also received from the Government in the categories of pensioner and senior citizens, school students, tertiary students, the unemployed, other welfare recipients and blind civilians.

State Transit's Stockton Ferry was deficit funded in 2011/12 and the Liverpool to Parramatta Transitway was deficit funded from 15 August 2011.

# Statutory information

## 7. Implementation of fare determinations

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

A change in State Transit's fare scale, effective from 2 January 2012, was made in accordance with the determination of IPART. The fare change was made by order, published in the Government Gazette, dated 23 December 2011.

The following table summarises the determinations made by IPART in relation to Sydney bus and Newcastle bus and ferry fares.

Ticket	IPART Determination	Implementation
Sydney Bus Fares	Price increases will apply to the following: MyBus Single Adult 1-2 - \$0.10 MyBus Single Adult 3-5 - \$0.20 MyBus Single Adult 6+ - \$0.20 MyBus Single Conc 1-2 - \$0.00 MyBus Single Conc 3-5 - \$0.10 MyBus Single Conc 6+ - \$0.10 MyBus TravelTen Adult 1-2 - \$0.80 MyBus TravelTen Adult 3-5 - \$1.60 MyBus TravelTen Adult 6+ - \$1.60 MyBus TravelTen Conc 1-2 - \$0.40 MyBus TravelTen Conc 3-5 - \$0.80 MyBus TravelTen Conc 6+ - \$0.80	All changes to fares were in line with the Tribunal's guidelines.
Multi Modal Fares	MyMulti 1 Adult - \$2.00 MyMulti 2 Adult - \$3.00 MyMulti 3 Adult - \$3.00 MyMulti DayPass Adult - \$1.00 MyMulti 1 Conc - \$1.00 MyMulti 2 Conc - \$1.50 MyMulti 3 Conc - \$1.50 MyMulti DayPass Conc - \$0.50	All changes to fares were in line with the Tribunal's guidelines.
Newcastle Bus and Ferry Fares	1 Hour Adult - \$0.20 4 Hour Adult - \$0.40 All Day Adult - \$0.50 TimeTen Adult - \$1.50 Newcastle Ferry Single Adult - \$ 0.10 1 Hour Conc - \$0.10 4 Hour Conc - \$0.20 All Day Conc - \$0.20 TimeTen Conc - \$0.70 Newcastle Ferry Single Conc - \$ 0.10	All changes to fares were in line with the Tribunal's guidelines.
School Term Pass	The price of the School Term Pass will increase by \$1.90 to \$50.70.	The change to the price of the School Term Pass was within the Tribunal's guidelines.

# Statutory information

## 8. Funds granted to non-government community organisations

No payment was made by State Transit to non-Government community organisations during 2011/12.

## 9. Liability management performance

In the year ending 30 June 2012, the market cost of funds of State Transit's debt portfolio, which includes actual interest costs, accrued interest costs, the amortisation of bond premium or discount amounts and the change in market capital value of the debt portfolio, was 13.99 per cent, compared to the benchmark portfolio market cost of funds of 12.78 per cent.

## 10. Investment management performance

State Transit invests its surplus short-term funds in NSW Treasury Corporation's HourGlass Investment Cash Facility Trust. In the year ending 30 June 2012, State Transit's weighted average rate of return on the investment was 4.90 per cent (net of fees and expenses). The NSW Treasury Corporation HourGlass Investment Cash Facility Trust benchmark is the UBS Bank Bill Index and the benchmark return was 4.70 per cent with no adjustment for management fees and expenses.

## 11. Performance in paying accounts for all suppliers

State Transit's performance in paying trade creditor accounts during the year is set out below, in accordance with the requirements of the Annual Reports (Statutory Bodies) Regulation 2010:

Measure	September 2011	December 2011	March 2012	June 2012
<b>All Suppliers</b>				
Number of accounts due for payment	19,587	18,120	17,858	19,150
Number of accounts paid on time	17,637	16,185	15,311	16,898
Actual percentage of accounts paid on time (based on number of accounts)	90%	89%	86%	88%
Dollar amount of accounts due for payment	\$124,826,693.25	\$150,004,296.29	\$109,792,166.44	\$120,842,230.76
Dollar amount of accounts paid on time	\$119,994,182.22	\$139,639,325.20	\$103,842,930.58	\$112,912,846.67
Actual percentage of accounts paid on time (based on \$)	96%	93%	95%	93%
Number of payments for interest on overdue accounts	NIL	NIL	NIL	NIL
Interest paid on overdue accounts	NIL	NIL	NIL	NIL

# Statutory information

## Performance in paying accounts for small business suppliers

Penalty interest payment to small businesses will apply from 1 January 2012 and, to the extent possible, reporting of these payments has commenced from the March 2012 quarter.

Measure	March 2012	June 2012
<b>Small Business Suppliers</b>		
Number of accounts due for payments	1,903	1,960
Number of accounts paid on time	1,500	1,641
Actual percentage of accounts paid on time (based on number of accounts)	79%	84%
Dollar amount of accounts due for payment	\$1,847,959.22	\$2,456,163.25
Dollar amount of accounts paid on time	\$1,466,571.81	\$2,168,433.17
Actual percentage of accounts paid on time (based on \$)	79%	88%
Number of payments for interest on overdue accounts	NIL	NIL
Interest paid on overdue accounts	NIL	NIL

There were 3,181 creditors from State Transit's master file that were identified as being paid less than \$2 million in a year. Letters advising the details of the NSW Government policy on the Payment of Accounts were sent to these creditors on 24 November 2011. The letter requested the creditor to identify if they are a small business and to confirm in writing that they satisfy the definition of a small business under the terms of the policy. A second standard letter to confirm that the creditor is identified as a small business was attached. To date, over 600 creditors have identified themselves as a small business. A report highlighting possible overdue small business invoices is run daily by the Accounts Payable Unit that is subsequently reviewed.

## Aged transactions by quarter for all suppliers and small business suppliers

Quarter	Current \$'000	30-60 \$'000	60-90 \$'000	90+ \$'000	Total Amount \$'000
<b>All Suppliers</b>					
September 2011	7,208	63	1	117	7,389
December 2011	3,055	102	5	11	3,173
March 2012	13,499	223	2	64	13,788
June 2012	6,800	258	6	41	7,105
<b>Small Business Suppliers</b>					
March 2012	232	3	-	-	235
June 2012	346	8	2	-	356

# Statutory information

## 12. Consultancy and professional fees

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

1. Consultancy Fees	\$'000
(a) Where consultancy fees exceeded \$50,000	Nil
(b) Where consultancy fees paid were less than \$50,000	35
<b>2. Professional Services</b>	<b>1,440</b>

## 13. Mobile phones

Procedures for issuing mobile telephones to staff are outlined in State Transit's Telephone and Mobile Telephones Manual. The Chief Executive, General Managers and Depot Managers are responsible for issuing mobile telephones as and when a business need is demonstrated. In 2011/12 there were 316 mobile telephones in use (382 in 2010/11).

## 14. Credit card certification

This is to certify that corporate credit cards are issued to State Transit's staff for business purposes and used in accordance with the Credit Card Use Best Practice Guide, (TPPO5-01).



Certified by:  
Peter Rowley,  
Chief Executive

# Statutory information

## 15. Response to matters raised by the Auditor-General

The following issues were raised by the Auditor-General in the 2011/12 Audit Report:

- The four Metropolitan Bus System Contracts operated by the Authority expired on 30 June 2012. In October 2011, the Department of Transport extended the expiry date of the contracts to 30 June 2013. The contract does not allow for further extensions.
- The Outer Metropolitan Bus System Contract operated by the Authority is due to expire on 30 June 2013.
- It is the intention of Transport for NSW to directly negotiate with the Authority for the new performance based contracts, similar to those used to tender the private operated regions.

In response, State Transit has received a letter from Transport for NSW confirming the current state of the contracts as mentioned above. The provisions of the new performance based contracts will be advised in the 2012/13 Annual Report.

## 16. Overseas travel

During the year, no overseas travel was undertaken by State Transit staff.

## 17. Annual Environmental and WRAPP Report 2011/12

### Environmental Management Policy

State Transit's Environment Policy, last amended in June 2010, is on display at all depots for staff access and information and is available to the public at <http://www.statetransit.info/buses-and-the-environment/environmental-policy>

### Environmental notices

There were no environmental penalty notices received during 2011/12.

### Environmental incidents

A total of 18 environmental incidents for in-service operation of the bus fleet were reported to the Environment Office, compared with the 11 reported in the previous financial year.

Incidents primarily related to spills or leaks resulting from accidents or mechanical failure. All such environmental incidents are reviewed to ensure their appropriate management by the responsible depot. The environmental incident report rate for 2011/12 is 0.087 incidents per million passenger trips.

### Environmental complaints handling

In 2011/12, 203 public environmental complaints were referred to Transport Info for Sydney Buses operations, compared with 229 for the previous year. The rate of environmental complaints for Sydney Buses is 1.06 complaints per million passenger trips. The majority of these public complaints related to noise or smoke from buses.

Newcastle Buses received nine complaints, identical to the number of complaints for the previous year, with a rate of 0.75 complaints per million passenger trips. Complaints are recorded in categories of noise, smoke, spillage or littering from the bus and depot noise pollution. Public environmental complaints made to Transport Info are referred to the responsible depot for investigation and response.

# Statutory information

## 17. Annual Environmental and WRAPP Report 2011/12 continued

### Environment pollution line referrals

Seven Environmental Line Reports were referred to State Transit for investigation and resolution. Complaints varied from depot noise, PA system noise, gas smell, and oil and grease spill. All referred complaints were investigated and detailed responses provided to the regulator.

### Trade waste notices

Two Sydney Water trade waste non-compliance notices were referred to the relevant depots and Regional Management for response and resolution.

## Media based reporting – air quality and emissions, water, noise, lands, energy and waste

### Air quality

The emissions profile of State Transit's bus fleet continues to improve with the acquisition of an additional 65 Euro 5 Diesel and 37 EEV articulated vehicles delivered in 2011/12. New fleet acquisition helps to improve State Transit's overall fleet emissions profile and contribute to improved air quality in the Sydney region through the displacement of older Euro 2 bus emissions.

State Transit works to reduce total greenhouse emissions from its commercial / passenger fleet by leasing fuel efficient vehicles with high environmental performance scores from State Fleet Services, and through the increasing use of E10 fuel for these vehicles.

### Greenhouse gas emissions

Transport emissions derived from fuel combustion, using National Greenhouse Accounts Factors, were calculated as follows:

State Transit Service	Tonnes CO <sub>2</sub> (e)
Passenger and Service vehicles under 3.5 tonnes	214
Newcastle Ferries Scope 1 direct emissions	197
Diesel Bus Fleet Scope 1 tailpipe emissions	101,285
CNG Bus Fleet Scope 1 tailpipe emissions	51,666
<b>Total Transport Footprint</b>	<b>153,362 CO<sub>2</sub>(e)</b>

This total transport carbon footprint equates to approximately 741.5 tonnes CO<sub>2</sub>(e) per million passenger trips.

Scope 2 Greenhouse Gas Emissions for stationary sources, mainly in the form of electricity consumption by State Transit depots accounted for 10,758,212 kWhrs or 9,574 tonnes of CO<sub>2</sub>(e).

State Transit's total carbon footprint due to stationary and mobile sources equals 162,936 tonnes of CO<sub>2</sub>(e).

### Water

State Transit bus depot operations consumed around 65,280 kL of potable water at an average of 32kL per bus per annum. This consumption per bus has decreased significantly from last financial year's average of 38.26 kL per bus per annum.

Reductions in annual water consumption have been achieved by the addition of rainwater harvesting systems to displace potable water use at a number of depots and by the detection and repair of leaks.

# Statutory information

## Stormwater

The prevention of stormwater pollution within depot environments is managed by a combination of signage, yard scrubbing, spill kits and spill response, bunding of spill risk structures, stormwater containment via penstock or stormwater isolation valves and spill risk assessment and control of diesel fuel delivery and fuelling procedures.

For in-service prevention of spills, bus operators contact the Network Control Centre for emergency assistance from the Fire Brigade and assistance from our fleet of customer service vehicles which carry portable spill kits to enable a response to in-service spills in the event of an accident or mechanical failure.

## Noise

During 2011/12, 15 cases of depot noise related complaints were recorded via Transport Info. A number of additional public environmental noise complaints were received from the OEH Environment Line. All referred noise complaints are investigated to determine source and appropriate corrective actions. Depot-based noise from bus start ups, public announcement systems and garage radios are monitored and controlled via operational measures including noise surveys, standard operating procedures, restricted hours of operation for noisy equipment, and staff education and awareness of the importance of minimising noise and potential nuisance to nearby neighbours.

## Contaminated and remediated lands

### OEH notifications

Following from Stage 2 Contaminated Site investigations, the Mona Vale Bus Depot site was notified to the EPA under the Duty to Notify Provisions of the Contaminated Lands Management Act, 2007.

## Heritage

State Transit manages a Heritage Register of 11 items. As part of its responsibility, State Transit inspects and maintains its heritage assets in accordance with NSW Heritage Council Guidelines and has conducted a sympathetic redevelopment of Tempe Depot administration and tram shed buildings.

## Energy

### Electricity consumption

Depot electricity consumption totaled 10,758,212 kWhrs. This represents a 2.8 per cent decrease on the previous year's consumption.

### Gas consumption

Depot natural gas consumption for gas operated appliances was 3,016 Gigajoules.

### Diesel fuel consumption

Some 37.5 million litres of diesel fuel was consumed by our diesel bus fleet of 1,553 diesel vehicles.

### Compressed natural gas consumption

Approximately 24.5 million cubic metres of compressed natural gas was consumed by 656 CNG vehicles.

# Statutory information

## 17. Annual Environmental and WRAPP Report 2011/12 continued

### Fuel storage systems

The 11 State Transit depots with underground diesel fuel storage tanks have in place Underground Petroleum Storage System (UPSS) Environmental Protection Plans that describe the loss monitoring and incident management procedures for identifying potential leaks from underground storage and delivery structures. These pollution prevention procedures include annual Tank Integrity Testing, annual Cathodic Protection Survey, monthly Statistical Inventory Reconciliation Analysis and half-yearly groundwater monitoring of onsite UPSS wells.

State Transit is undertaking a program to replace its underground diesel storage tanks with above ground tanks. A new above ground storage tank has been installed at Port Botany Depot, bringing the number of depots with above ground tanks to three.

### Waste

Transpacific Industries Group continued to provide licensed total waste management solid and liquid waste collection and recycling services for all State Transit depots, as part of the Total Waste Management contract first commenced in September 2007. The contract provides for the collection and recycling of batteries, waste metal (ferrous and non-ferrous), oil filters, waste oil, cardboard and paper and the collection and disposal of oily water and waste coolant. Additional waste collection services provided to State Transit by Transpacific include fluorescent tube recycling, turbo wash and parts washers liquid waste.

### WRAPP Report

During 2011/12, State Transit's total waste management contractor Transpacific Industries collected the following quantities of waste for recycling:

Waste Oil	1,150 tonnes;
Waste Surfactants	60 tonnes;
Recycled Paper	130 tonnes;
Oil Filters	3 tonnes;
Fluorescent Tubes	0.3 tonnes;
Bus Batteries	90 tonnes; and
Steel	55 tonnes.

# Statutory information

## 18. Government Information (Public Access) Applications

### 1. Review of proactive release program - Clause 7(a)

Under section 7 of the GIPA Act, agencies must review their programs for the release of government information to identify the kinds of information that can be made publicly available. This review must be undertaken at least once every 12 months.

State Transit's program for the proactive release of information involves the release of information concerning State Transit's operation, functions, structure and in relation to State Transit's performance in the provision of passenger transport services.

This includes:

- Publication of State Transit's Annual Report and Corporate Plan;
- Details on State Transit's fleet of buses;
- Regular updates on timetable changes, school service changes and general travel advice;
- The production and distribution of a range of publications, including timetables, flyers and brochures to assist passengers;
- Transport news and announcements, timetable changes and other travel information regularly publicised through the Sydney Buses and Newcastle Buses and Ferries websites; and
- The publication of customer service, reliability and safety data.

All key publications are available on the State Transit website or through the Transport Info website at [www.131500.com.au](http://www.131500.com.au).

During the reporting period, State Transit reviewed this program by:

- Examining the types of information being requested through formal and informal applications;
- Assessing the type of information held by State Transit; and
- Analysing the types of information proactively released by other agencies.

As a result of this review, State Transit continued with the proactive release of information as outlined above.

### 2. Number of access applications received - Clause 7(b)

During the reporting period, State Transit received a total of eight (8) formal access applications (including withdrawn applications but not invalid applications).

### 3. Number of refused applications for Schedule 1 information - Clause 7(c)

During the reporting period, State Transit refused a total of zero (0) formal access applications because the information requested was information referred to in Schedule 1 of the GIPA Act. Of those applications, zero (0) were refused in full, and zero (0) were refused in part.

# Statutory information

## 18. Government Information (Public Access) Applications continued

### 4. Statistical information about access applications - Clause 7(d) and Schedule 2

**Table A: Number of applications by type of applicant and outcome\***

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	1	0	1	1	0	0	0	1
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	1	0	0	0	0	0	0	0
Members of the public (application by legal representative)	1	1	1	1	0	0	0	0
Members of the public (other)	3	3	0	3	0	0	0	0

\* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

**Table B: Number of applications by type of application and outcome**

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	3	1	2	2	0	0	0	1
Access applications that are partly personal information applications and partly other	3	3	0	3	0	0	0	0

\* A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual). The total number of decisions in Table B should be the same as Table A.

# Statutory information

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

\*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

	Number of occasions when application not successful
Responsible and effective government	2
Law enforcement and security	0
Individual rights, judicial processes and natural justice	5
Business interests of agencies and other persons	1
Environment, culture, economy and general matters	0
Secrecy provisions	2
Exempt documents under interstate Freedom of Information legislation	0

# Statutory information

## 18. Government Information (Public Access) Applications continued

**Table F: Timeliness**

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	8
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
<b>Total</b>	<b>8</b>

**Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)**

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*The Information Commissioner does not have the authority to vary decisions, but can make recommendation to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

**Table H: Applications for review under Part 5 of the Act (by type of applicant)**

	Number of applications for review
Applications by access applicants	1
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

# Statutory information

## 19. Digital recordkeeping

State Transit has identified its digital records that are required to support high risk business processes. Most of the affected business applications are expected to be replaced in the next few years and it is not considered cost effective to modify them to comply with the State Records Authority's Standard No. 10 Digital Recordkeeping.

The very small number of remaining record producing systems will require modification. The options are modifications to either make them compliant recordkeeping systems or to create compliant records that are exported to a suitable recordkeeping capability. This remains under review.

## 20. Corruption prevention and ethics

### Ethics

State Transit is committed to operating efficient, safe and reliable bus services and Newcastle ferry services, consistent with our legislative responsibilities. We conduct our business in an ethical manner having regard to NSW Government and State Transit policies.

Our staff are required to conduct their activities in accordance with State Transit's Code of Conduct and observe a high standard of probity, ethical behaviour and integrity in their business dealings. Just as we expect our staff to behave ethically and comply with our Code of Conduct, we expect high standards of behaviour from organisations and individuals that do business with us.

Our Statement of Business Ethics was revised and updated during the year and is included on our website. The Statement provides clear guidelines on how we expect our business partners to behave, and tells them what they can expect from us, in particular in relation to procurement practices, safety, environmental management, reporting of unethical behaviour, incentives, gifts and benefits, conflicts of interest and public interest disclosures. All individuals and organisations that deal with State Transit must comply with these standards of ethical behaviour.

### Public Interest Disclosures

The objective of the *Public Interest Disclosures Act 1994* (the "Act") is to encourage public officials to report any evidence of actual or suspected corrupt conduct, maladministration, serious and substantial waste or government information contravention.

State Transit's internal reporting procedure was revised and updated to reflect the many changes made to the Act, and also included recommendations from the Model Internal Reporting Policy and Better Practice Guidelines for Public Interest Disclosures issued by the NSW Ombudsman. These changes include improvements to the protections available to public officials when reporting wrongdoing, and new reporting requirements to the NSW Parliament and the NSW Ombudsman on agencies compliance with their obligations under the Act.

State Transit undertook a number of activities to promote staff awareness of the protections available, and organisational responsibilities and obligations under the Act. These included policy briefings for senior managers, provision of public interest disclosure workshops facilitated by the NSW Ombudsman's Office to the Senior Executive, Depot Managers and other Senior Managers, inclusion of information on public interest disclosures for new staff during general induction and in other internal training programs, revision and updates to a number of other policy and procedure documents including the Statement of Business Ethics, and general information updates to all staff included in internal newsletters.

# Statutory information

## 20. Corruption prevention and ethics continued

The *Public Interest Disclosures Regulation 2011* (the Regulation) requires agencies to report the number of public interest disclosures received by it from 01 January 2012. In accordance with section 4 of the Regulation, and section 31 of the Act, Figure 1 shows the number of public interest disclosures received by State Transit for the six month period ending 30 June 2012.

<b>Figure 1 – Public Interest Disclosure Statistics</b>	
No. of public officials who made public interest disclosures to State Transit	1
No. of public interest disclosures received by State Transit	2
<b>Of the public interest disclosures received, these were primarily concerned with:</b>	
Corrupt conduct	2
Maladministration	0
Serious and substantial waste	0
Government information contravention	0
Local government pecuniary interest contravention	0
No. of public interest disclosures (received since 1 Jan 2012) that have been finalised in this reporting period	2

### Fraud and corruption prevention

State Transit is committed to maintaining high standards of ethical conduct. State Transit does not tolerate fraudulent or corrupt behaviour and is committed to ensuring that its work environment is free of fraud and corruption. Where fraud and corrupt activity does occur, State Transit's objective is to ensure that it is rapidly detected, effectively investigated and appropriate actions are taken.

State Transit undertook a number of fraud and corruption prevention activities during the year with the objective of reducing fraud and corruption risk within the workplace. This included:

- the provision of expertise and advice to staff and management on a wide range of corruption risks, ethical, probity and policy issues;
- delivery of fraud and corruption prevention sessions to staff across different areas of the business;
- information included in the internal staff newsletter to raise general awareness of corruption prevention issues; and
- a focus on the revision and update of key fraud and corruption prevention policies and procedures such as those dealing with managing reports of suspected corrupt conduct (including public interest disclosures), the Statement of Business Ethics, and procedures for gifts and benefits.

During the year, coordination of State Transit's statutory reporting obligations to the Independent Commission Against Corruption (ICAC) was transitioned to the Coordinator Fraud and Corruption Prevention, who is also responsible for facilitating the reporting of State Transit's obligations under the Public Interest Disclosure Act 1994 to the NSW Ombudsman.

# Statutory information

## 21. Privacy management

In accordance with the Privacy and Personal Information Protection Act 1998, State Transit has implemented a Privacy Management Plan.

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

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

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

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

## 22. Internal audit

State Transit's Internal Audit Unit provides independent, objective assurance and advisory services designed to add value and improve State Transit's operations. Internal Audit supports management in achieving State Transit's objectives and statutory obligations by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

Internal Audit's service delivery model in 2011/12 was based on a combination of in-house staff, internal audit contractors and external specialist resources. To meet the changing risk profile and environment in 2012/13, a new service delivery model will be implemented, consisting of an in-house Chief Audit Executive and a co-source partner. The co-source model has been selected to provide Internal Audit with timely access to a wide range of skills.

The Audit and Risk Committee reviews the annual plan, coverage and resources of the Internal Audit Unit and recommends approval by the Chief Executive. The results, progress and performance of Internal Audit is regularly reviewed by the Committee.

Internal Audit is authorised to have full, free and unrestricted access to all functions, property, personnel records, accounts, files and other information and documentation.

Management is responsible for ensuring that appropriate corrective actions are taken in a timely manner to address reported areas for improvement arising from audit projects. The status of management actions are monitored by the Executive Governance and Risk Committee and the Audit and Risk Committee.

# Statutory information

## 23. Risk management and insurance activities

### Risk management

State Transit recognises risk is inherent in its business and that effective management of risk allows for resources to be allocated efficiently, provides greater certainty and is central to achieving business objectives.

State Transit is compliant with the *Internal Audit and Risk Management Policy for the NSW Public Sector* (TPP 09-05) developed by NSW Treasury.

State Transit uses *ISO AS/NZS 31000: 2009 Risk Management Standard* to improve decision-making and to minimise the impact of those risks and any event that may affect operational activities, our reputation, compliance with our regulators or the safety and security of our employees, passengers or other road users.

State Transit is committed to the continual improvement of its Risk Management Program, with consideration to the changing environment in which it operates. The Risk and Assurance Unit is responsible for maintaining and implementing State Transit's Risk Management Framework, which sets out the whole of business approach to managing risk.

The Risk and Assurance Unit reports regularly to the Executive Governance and Risk Committee which oversees the implementation, operation and review of that framework. As a further assurance, State Transit has an Audit and Risk Committee comprising of two independent members and one non-independent member. The overall objective of the Audit and Risk Committee is to provide independent assistance to the Chief Executive by overseeing and monitoring State Transit's governance, risk and control framework, and its external accountability requirements.

Service delivery is paramount to State Transit's success. State Transit recognises that services are provided in an environment that may be affected by many factors outside of its control. State Transit has an Emergency Management Plan for effective communication and management of serious incidents. To facilitate the provision of services during recovery from unplanned adverse events, State Transit has a series of Business Continuity Plans.

### Insurance

State Transit's mature insurance program provided financial protection for the authority during the year.

State Transit insures real and personal assets through an insurance broker and manages claims in conjunction with a specialist claims management service. The insurance program provides cover for physical loss or damage to insurable assets and property, consequential loss, public and products liability, personal injury, motor accidents, professional risks, plus marine hull and liability for Newcastle Ferries. State Transit's insurance program maintains competitive premiums and extensive coverage as a result of quotations from the insurance market based on State Transit's risk profile.

Compulsory Third Party Insurance for State Transit's fleet of more than 2,200 buses is provided by a licensed insurer in accordance with legislation regulated by the Motor Accidents Authority of NSW.

# Statutory information

## 24. Internal Audit and Risk Management Statement



### **Internal Audit and Risk Management Statement for the 2011-2012 Financial Year for the State Transit Authority of New South Wales**

I, Peter Rowley, Chief Executive, am of the opinion that the State Transit Authority of New South Wales has internal audit and risk management processes in place that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

I, Peter Rowley, Chief Executive, am of the opinion that the Audit and Risk Committee for the State Transit Authority of New South Wales is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Committee are:

- Brian Blood Independent Chair 3 years
- Barry Leithhead Independent Member 2 years
- Lindsay Lee Non-independent Member 3 years

I, Peter Rowley, Chief Executive, declare that this Internal Audit and Risk Management Attestation is made on behalf of the following controlled entities (or subsidiaries):

- Western Sydney Buses

These processes provide a level of assurance that enables the senior management of the State Transit Authority of New South Wales to understand, manage and satisfactorily control risk exposures.

As required by the policy, I have submitted an Attestation Statement outlining compliance with the policy to Treasury.

A handwritten signature in black ink, appearing to be 'Peter Rowley', written over a horizontal line.

Peter Rowley  
Chief Executive  
State Transit

Monday, July 16, 2012

# Operational items

## 25. Customer response

State Transit's Customer Relations staff – located in each depot with a coordinating group in the corporate area – provide timely and accurate responses to customer feedback. Localised staff are able to ensure effective resolution of issues in each operational area.

Customer feedback includes queries, suggestions, compliments and complaints received via Transport Info (131500 and website), letters and from other sources, about State Transit's bus services in Sydney (including Western Sydney Buses) and bus and ferry services in Newcastle.

A total of 36,481 issues of all types were received in 2011/12, an overall decrease of 0.97 per cent from 2010/11, with a feedback rate of 1.7 issues per 10,000 boardings. Once again, the year saw an increase in customers lodging their feedback via online channels, such as the internet and via mobile applications and smart phones.

<b>All Issues</b>		
<b>Source</b>	<b>2010/11</b>	<b>2011/12</b>
Phone 131500	26,278	25,456
Online channels	9,162	9,351
Letters	700	611
Ministerial correspondence	632	569
<b>Total</b>	<b>36,772</b>	<b>36,481</b>

The main sentiment of customer feedback related to delays to bus services, buses not stopping, staff behaviour, early bus services and staff helpfulness.

<b>Top five feedback issues</b>		
<b>Issue</b>	<b>2010/11</b>	<b>2011/12</b>
Bus late	8,954	7,898
Failed to stop	3,359	4,231
Staff poor behaviour	2,436	2,568
Staff helpful	2,296	2,330
Bus early	1,722	1,625

## 26. Disability plans

State Transit maintains disability action plans for each of its bus service contracts with Transport for NSW and these also conform to the requirements of the *NSW Disability Services Act 1993*. State Transit is also implementing the requirements of the *Disability Standards for Accessible Public Transport 2002* under the *Commonwealth Disability Discrimination Act*.

Progress in this area includes:

- More than 59,000 timetabled wheelchair-accessible services per week (56% of services);
- Purchase of 102 new wheelchair-accessible buses during 2011/12, bringing the total number of accessible buses to 1,596 (72% of fleet). This is currently ahead of the Commonwealth Disability Discrimination Act 2012 target; and
- Competency assessment which is included in all initial and on-going training of bus operators.

# Operational items

## 27. Service changes

In 2011/12, State Transit made a number of service changes to realign resources to better meet customers' needs.

### Changes to Botany Road, Crown Street and Anzac Parade services

In March 2012, State Transit adjusted services that operate along Botany Road, Crown Street and Anzac Parade to take into account current traffic conditions. These timetable adjustments were introduced to better reflect the actual travel time of services to improve reliability.

### Improved connectivity with train, ferry and other bus services

During 2011/12, a number of timetable adjustments were made to improve connections with train, ferry and other bus services. These adjustments occurred on:

- Route 226 to ensure better connections with the train to Central;
- Route 288 to ensure better bus connections at Mosman; and
- Routes 505 and 538 to connect with ferry services after changes to the ferry timetable.

### Improved reliability

During 2011/12, State Transit introduced changes to some bus routes to improve reliability and minimise delays due to heavy traffic in the peaks. These changes included:

- The re-routing of routes 502, 505, 508, 510 and L37 to travel via Bathurst Street instead of Druitt Street; and
- The re-routing of routes E86, E88 and E89 to travel via Grosvenor Street instead of travelling along York and Druitt streets.

To better reflect journey times and improve reliability of bus services, State Transit also made minor timetable adjustments on a number of routes including 182, 448 and Metrobus routes M20, M30, M40, M41 and M50.

### Reflecting customer demand

State Transit increased service levels on a number of routes during 2011/12 to better meet the needs of its customers. This included:

- Introducing an additional AM peak trip on Route L80;
- Increasing the number of evening and night time trips on routes E88, L88 and L90 between Railway Square and the Northern Beaches;
- Doubling the number of Route X81 trips on weekends and public holidays throughout summer to cater for increased patronage to and from Bondi Beach; and
- Introducing a new Route 362 summer only service – operating between Bondi Beach, Tamarama Beach, Bronte Beach and Coogee Beach – on weekends and public holidays between 10am and 8pm.

State Transit also made minor adjustments to the timetables of routes E50, E69, E70 and 200 to better match customer demand.

# Human resource items

## 28. Human resources statistics

The below table shows a comparison of State Transit's staff by classification (and full-time equivalent) over the five-year period from July 2007 to June 2012.

Head-count	2007/08	2008/09	2009/10	2010/11	2011/12
Operations	3,787	3,944	4,029	4,209	4,294
Maintenance	379	384	383	419	416
Administration	653	666	679	700	611
SES	14	12	11	11	11
<b>Total</b>	<b>4,833</b>	<b>5,006</b>	<b>5,102</b>	<b>5,339</b>	<b>5,332</b>
<b>Full-time Equivalent</b>	<b>4,628</b>	<b>4,853</b>	<b>4,947</b>	<b>5,182</b>	<b>5,174</b>
Casuals (included above)	66	116	94	113	113

Note: The figures are converted to full-time equivalents for part-time staff, and represent the average staffing levels for the year (they do not include overtime hours). Administration figures for 2011/12 exclude positions assigned to Transport for NSW and Transport Shared Services.

## 29. CES/SES bands

Band	Number July 2011	Number June 2012
Level 7	1	1
Level 5	1	1
Level 4	9	8
Level 3	1	1
<b>Total</b>	<b>12</b>	<b>11</b>

# Human resource items

## 30. Senior Executives' qualifications

### Senior Executives at 30 June 2012

Name	Position	Qualification
Angela Bateman	General Manager Safety	Grad Dip OHS Mgt, B App Sc (OT)
Martin Byatt	General Manager Eastern	CTM
Darren Carey	General Manager Newcastle Buses and Ferries	Grad Aust Inst Company Directors, Bus Mgt Cert, Grad Cert Retail Mgt, CTM
Paul Dunn	General Manager Finance and Administrative Services	MBA, Grad Dip App Fin, B Comm, ACA
Bruce Eldridge	General Manager People and Bus Systems	MTM, CTM
Lindsay Lee	General Manager Corporate Operations	BA (Hons)
Mark Peters	General Manager Southern	Grad Cert Bus Mgt, CTM
Michael Reardon	General Manager Fleet Operations and Infrastructure	CTM
Peter Rowley	Chief Executive	MTM, CTM
Jamie Sinclair	General Manager Western	Adv Mgt Cert, Business Mgt Cert, CTM
Craig Webster	General Manager Northern	MBA, BA Econ

# Human resource items

## 31. SES performance review and remuneration

State Transit had two executives in the report period whose remuneration equaled or exceeded the minimum remuneration for Senior Executive Service, Level 5:

### Peter Rowley, Chief Executive, SES Level 7

<b>Period in position</b> 1 July 2011 – 30 June 2012	<b>Total Remuneration Package</b> \$402,150 per annum	<b>Performance Payment 2011/12</b> State Transit policy specifies that no performance payments are made
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#### Responsibilities

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

#### Achievements

Mr Rowley managed State Transit effectively in 2011/12, maintaining State Transit's reputation as a reliable public transport provider.

Key achievements for 2011/12 include:

- Improvements to safety key performance indicators during the year including a 14 per cent reduction of State Transit's Lost Time Injury Frequency Rate, bringing it down to the lowest level on record;
- Delivery of 102 low-floor, wheelchair-accessible, environmentally-friendly buses to the fleet, keeping State Transit's average fleet age below the statutory requirement of 12 years;
- Improved signage and information for customers across the Sydney Buses and Newcastle Buses and Ferries networks;
- Strong patronage growth on all State Transit operated Metrobus routes;
- WorkCover OHS Management System Audit against the OHS Model for Self-Insurers 2005 successfully passed;
- Full compliance with all requirements of Treasury Policy 09/05 including full implementation of State Transit's Risk Management Program;
- Requirements successfully met for the four Metropolitan Bus System Contracts for Sydney Buses and the Outer Metropolitan Bus System Contract for Newcastle Buses;
- Security was maintained; and
- ISO 9001:2008 Quality Certification maintained for State Transit's bus services.

The Minister for Transport, Gladys Berejiklian, and the Director-General of Transport for NSW, Les Wielinga, indicated that they are satisfied that the performance targets specified in Mr Rowley's performance contracts have been achieved and exceeded.

# Human resource items

## Paul Dunn, General Manager, Finance and Administration, SES Level 5

<b>Period in position</b> 1 July 2011 – 30 June 2012	<b>Total Remuneration Package</b> \$268,061 per annum	<b>Performance Payment 2011/12</b> State Transit policy specifies that no performance payments are made
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### Responsibilities

The General Manager, Finance and Administration is responsible for managing State Transit's financial and business systems effectively.

### Achievements

Key achievements for 2011/12 include:

- Unqualified financial statements for the year ended 30 June 2011 were signed by the Assistant Auditor-General;
- Oversaw the development of the annual Total Asset Management Plan;
- Achieved compliance with all third party reporting requirements;
- Oversaw the development of a Procurement Improvement Plan;
- Provided leadership for the implementation of the Information Security Management System;
- Managed the provision of financial advice and information to internal management and external parties;
- Managed the financial performance of State Transit through financial planning, budgeting, forecasting and reporting systems and processes;
- Provided leadership for the delivery of a range of corporate service functions for State Transit;
- Oversaw the issue of major tenders, their evaluation and the awarding of contracts;
- Implemented the NSW Treasury mandated early close arrangements including internal control and accounting systems certification;
- Chaired the Property Advisory Group which provided governance of the property portfolio;
- Sponsored the development of the Information and Communications Technology (ICT) Strategic Plan;
- Oversaw State Transit's contribution to the Transport Corporate and Shared Services Reform Program; and
- Sponsored the implementation of the business improvement program for the finance, procurement and ICT functions.

The Chief Executive, Peter Rowley, indicated that he is satisfied that the performance targets specified in Mr Dunn's performance contracts have been achieved and exceeded.

# Human resource items

## 32. Equal Employment Opportunity (EEO) target groups

Trends in the Representation of EEO Groups				
EEO Group	Benchmark / Target	Percentage of Total Staff		
		2010	2011	2012
Women	50.0%	10.4%	9.7%	9.4%
Aboriginal people and Torres Strait Islanders	2.6%	1.0%	0.9%	0.8%
People whose first language was not English	19.0%	24.9%	25.9%	26.1%
People with a disability	N/A	2.9%	2.8%	2.7%
People with a disability requiring work-related adjustment	1.5%	2.9%	2.8%	2.7%

Trends in the Distribution of EEO Groups				
EEO Group	Benchmark / Target	Distribution Index		
		2010	2011	2012
Women	100	123	124	126
Aboriginal people and Torres Strait Islanders	100	92	94	89
People whose first language was not English	100	93	92	92
People with a disability	100	109	113	112
People with a disability requiring work-related adjustment	100	109	113	112

Note 1. A Distribution Index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of staff. Values less than 100 mean that EEO groups tend to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels.

Note 2. The Distribution Index is not calculated where EEO group or non-EEO group numbers are less than 20.

# Human resource items

## 33. Multicultural Policies and Services Program

### Planning and evaluation

State Transit's Corporate Plan for the report year 2011/12 was based on six key areas: Customer Experience, Safety, Competitive Business Performance, Business Growth, Environment and People and Organisational Sustainability. The Multicultural Policies and Services Program has been integrated into the Customer Experience and People and Organisational Sustainability areas of the Corporate Plan with the key aim of developing equitable, inclusive and high performance services for all passengers and a service culture that is trained, resourced and managed to achieve this target. State Transit's Senior Executive Committee meets monthly to monitor and review performance against the targets for Customer Experience and also for our People/Human Resources Program. **(Planning, Leadership)**

### Program and service delivery

State Transit is now established as a service provider within the Transport cluster, managed by Transport for NSW. Network service planning and community stakeholder engagement for service change programs are now the principal responsibility of Transport for NSW. State Transit's role is to assist and support Transport for NSW in service change management programs.

State Transit, in collaboration with Transport for NSW, engages in consultation with ethnic communities regarding the introduction of new or changed bus services, using interpreters when required. In areas with a high level of ethnic diversity, brochures are produced in the predominant languages of the area where the service changes are to be implemented.

To assist visitors to the City and residents from non-English speaking backgrounds, State Transit provides information on its fares, ticketing options and PrePay system on its website in 11 languages other than English. Translations available on the website include Arabic, Chinese, Greek, Indonesian, Italian, Korean, Macedonian, Portuguese, Spanish, Turkish and Vietnamese.

The translated documents are loaded together with the English equivalent on the various State Transit websites; [sydneybuses.info](http://sydneybuses.info), [newcastlebuses.info](http://newcastlebuses.info) and [statetransit.info](http://statetransit.info). **(Access and Equity, Communication)**

### Communications

The Transport Info website - [www.131500.com.au](http://www.131500.com.au) - jointly supported by State Transit, RailCorp and Transport for NSW, provides an explanation of its TripPlanner function in 10 major languages. These are Arabic, Chinese, Greek, Indonesian, Italian, Japanese, Korean, Russian, Spanish and Vietnamese.

State Transit will continue to support the Transport Info website during 2012/13. **(Access and Equity)**

### Funded services

State Transit is a client of the Department of Immigration and Citizenship, which runs the Translating and Interpreting Services (TIS), 131450, for people who do not speak English and for English speakers needing to communicate with them. TIS provides both telephone and onsite interpreters for non-English speakers. Through TIS, a three-way conversation can be arranged with the Transport Info call centre agent, the caller and the interpreter.

State Transit will continue to seek translating and interpreting services from the Department of Immigration and Citizenship in 2012/13. **(Access and Equity, Communication)**

# Human resource items

## 33. Multicultural Policies and Services Program continued

### Learning and development

Since the implementation of the Traineeship Program in 2002, all new bus operators have been trained to the level of Certificate III from the Transport and Logistics Training Package. There are units of competency in this program, which train and assess how to work effectively with customers from a culturally diverse background. These units include:

- Working effectively with others – modes, methods and forms of communication within the workplace; and
- Working in a socially diverse environment – appreciating and valuing social diversity in the workplace.

All bus operators who have completed their traineeship have been trained in the above units. **(Human Resources)**

State Transit also provides staff with the opportunity to upgrade their English language skills, where this has direct implications for their role. **(Access and Equity, Human Resources)**

A significant proportion (26%) of State Transit employees come from a non-English speaking background. As a result of the culturally and linguistically diverse background of staff, the Learning and Development Unit has all training materials and guides written in plain English. **(Human Resources, Access and Equity)**

State Transit will continue to provide these training opportunities to staff in 2012/13.

In 2011/12, State Transit's Learning and Development Unit worked with various schools and organisations to provide Year 10 students with meaningful work experience at State Transit. All students were successfully placed including those with various disabilities such as hearing impairment, sight impairment, and cognitive disability.

The students benefited from their work experience through the skills they've developed and the confidence they've gained putting these into practice in the workplace. **(Access and Equity)**

### Retreat spaces

State Transit demonstrates its commitment to ensuring employees from culturally diverse backgrounds can meet their religious obligations whilst at work. With 10 established retreat spaces across the organisation, employees can utilise these spaces for religious, spiritual or contemplative purposes. **(Human Resources)**

## 34. Agreements with the Community Relations Commission

There has been no requirement for an agreement specified by the Community Relations Commission.

# Human resource items

## 35. 2011 Annual Award recipients

The following work teams and individuals received a Recognition Award for their outstanding contributions to State Transit. These included awards presented to staff for contributions to the following key areas of success: Safety, Competitive and Winning Performance, Excellence in Customer Experience and Apprentices and Trainees of the Year.

### **Safety**

Michael Turl  
James Forsyth  
Chris Ryan  
Ranjit Abraham

### **Competitive and Winning Performance**

Vaughan Gernhoefer  
Phillip Hee  
David MacNamara  
David Smith  
Gary Coleman  
Shan Guan  
Eugene Desira-Rixon  
Mihaly Baki  
Phyllis Brown  
Sam (Houssin) Arjah  
Warren Graves  
Connie Chan  
Rinah Agustin  
Debbie Clarke  
Luke Holdsworth  
Kevin Howard  
Tony Fisher  
Jeff Jago  
Jaye Danna  
Deanne-Lee Nissel Wilkie  
Selina Hatcher  
Nicole White

### **Excellence in Customer Experience**

David Lichnos  
Phillip Archer  
Joseph Burns  
Renato Gillego  
Kathleen Lynch  
Duminda Fernando

### **Apprentices of the Year**

Sean Davies  
Josh Martin  
Jesse Wakeling

### **Trainees of the Year**

Tanveer Kamaruzzaman  
Rahat Kaul  
Alasdair Berry  
Fernando Sanchez  
June Song

### **Transport Ministers Award for Excellence**

WorkCover Safety Solution Award

### **Maintenance Workshop of the Year 2011**

Newcastle Maintenance Workshop

### **Depot of the Year 2011**

Randwick Depot

## Other

### **36. Annual Report publication details**

The State Transit Annual Report was produced in house and designed by Hot Mustard Design and Media.

The Annual Report is designed as a website document (PDF) able to be printed if required by individual users. To access this Annual Report and previous years' Annual Reports please go to [www.statetransit.info/publications](http://www.statetransit.info/publications)

The cost of producing this report was \$12,760 + gst.

# Other

## 37. Contact details

### Hours of Service

8.30am to 5.00pm  
Monday to Friday

### Service Information

131 500  
6.00am to 10.00pm daily

### Head Office

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

P.O. Box 2557  
Strawberry Hills NSW 2012

Telephone: (02) 9508 2900

### Sydney Bus Depots

Brookvale	(02) 9941 5816
Burwood	(02) 9582 4444
Kingsgrove	(02) 9582 3014
Leichhardt	(02) 9582 5915
Mona Vale	(02) 9997 1257
North Sydney	(02) 9245 5260
Port Botany	(02) 9582 7612
Randwick	(02) 9298 6714
Ryde	(02) 9941 6814
Tempe	(02) 9508 2964
Waverley	(02) 9298 6623
Willoughby	(02) 9941 9215

### Western Sydney Buses

Bonnyrigg (02) 9610 7724

### Newcastle Buses

Belmont (02) 4974 1600  
Hamilton (02) 4974 1600

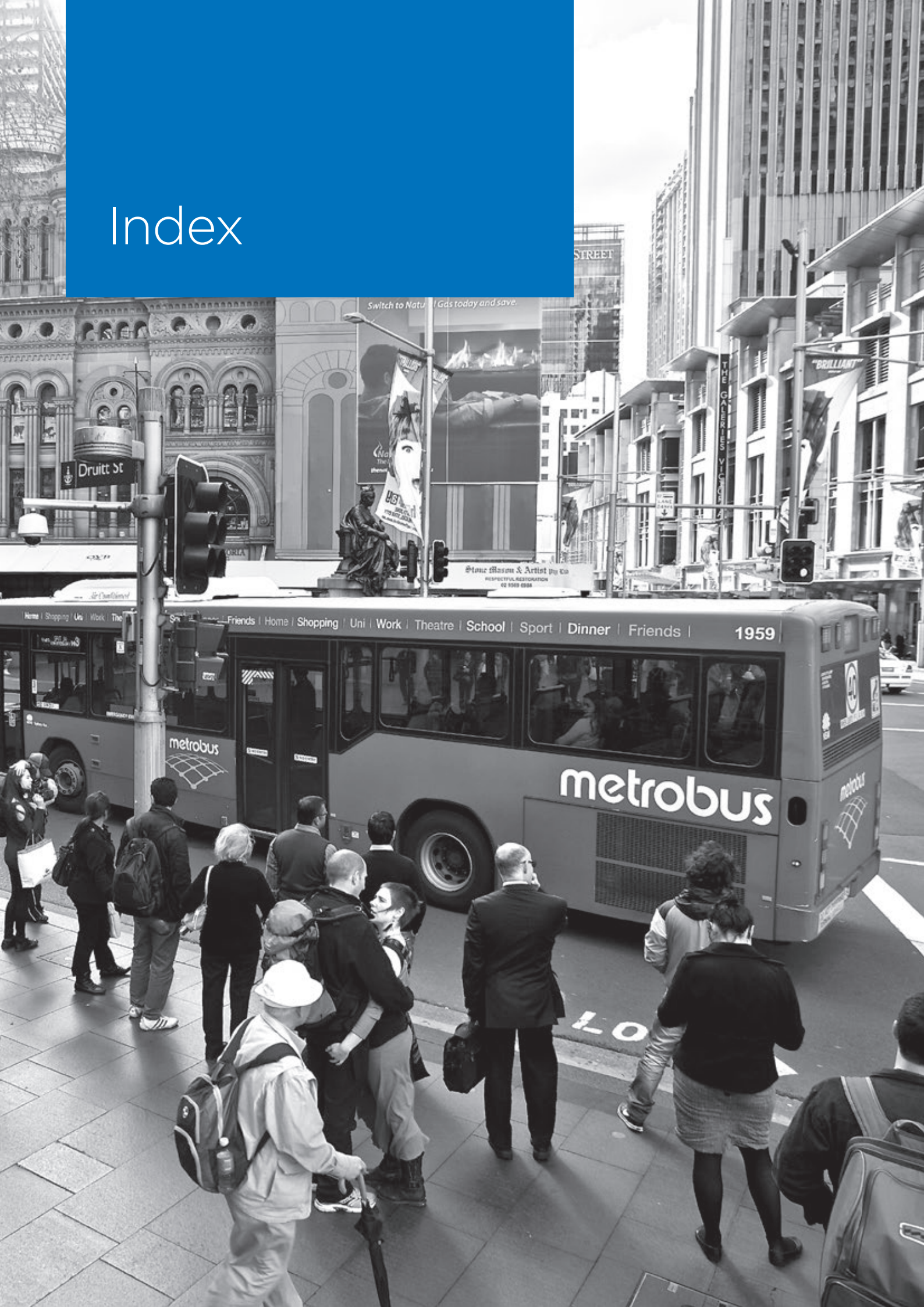
### Newcastle Ferry Services

(02) 4974 1160

### Website Addresses

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

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