



Annual Report
1999/2000



SYDNEY BUSES



SYDNEY FERRIES



NEWCASTLE SERVICES

TABLE OF CONTENTS

About State Transit	2
Network Map	4
Performance Highlights	5
YEAR IN REVIEW	
CEO's and Chairman's Foreword	8
KEY PERFORMANCE INDICATORS	
Sydney Buses, Sydney Ferries, Newcastle Services	10
REVIEW OF OPERATIONS	
Service delivery	12
Managing the business	16
Safety and security	19
State Transit People	20
Delivering for the Olympics	25
5. Financial Statements	27
6. Appendices	106
7. Index	137



SYDNEY BUSES



SYDNEY FERRIES



NEWCASTLE SERVICES

ABOUT STATE TRANSIT

State Transit operates the largest fleet of buses and ferries in Australia.

Every working day our fleet of 1900 buses and 30 ferries delivers on average over 15,000 trips carrying 600,000 passengers to their destinations. This amounts to 217 million passengers every year. Over 4,500 people deliver these bus and ferry services in Sydney and Newcastle.

Most of our services are in established urban areas and they connect people to major regional centres and to the Central Business Districts of Sydney and Newcastle.

The State Transit Authority has three business groups; Sydney Buses, Sydney Ferries and Newcastle Bus and Ferry Services.

Sydney Buses operates over the central part of the Sydney metropolitan area and services were extended this year to Parramatta in the west.

Sydney Ferries operates across the length and breadth of Sydney Harbour and along the length of the Parramatta River into the Central Business District of Parramatta.

Newcastle Buses operates over a large part of the cities of Newcastle and Lake Macquarie. Newcastle Ferries operates services between Newcastle and Stockton.

Finally, State Transit operates a small but significant number of tourism services - the Explorer buses, the Airport Express and Harbour Cruises.

State Transit operates 24 hours a day, 7 days a week at high frequency using modern buses and ferries. A high priority is placed on security and safety; all buses are in radio contact with a control room in the Sydney Traffic Management Centre, and are fitted with Closed Circuit Television (CCTV), door safety systems and special school bus warning systems. All ferry wharves will soon be similarly equipped with CCTV monitored from our control room.

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

Fleet

The bus fleet totals more than 1900 buses; more than 400 are low floor of which 306 buses are fitted with wheelchair ramps to be fully accessible for people with disabilities, and 600 buses are fitted with air-conditioners. The entire fleet is fitted with Closed Circuit Television surveillance units to improve the security of staff and passengers.

The ferry fleet of thirty vessels in Sydney and Newcastle consists of four Freshwater class vessels, three Lady class, nine First Fleeters, three JetCats, seven RiverCats and two HarbourCats. The first of twelve SuperCats, the 'Mary MacKillop' was due to be launched in September 2000. Twelve SuperCats will be constructed and the Collaroy, the first of the 4 Freshwater class Manly ferries being refurbished, was due to be recommissioned in September 2000.

How we design our services

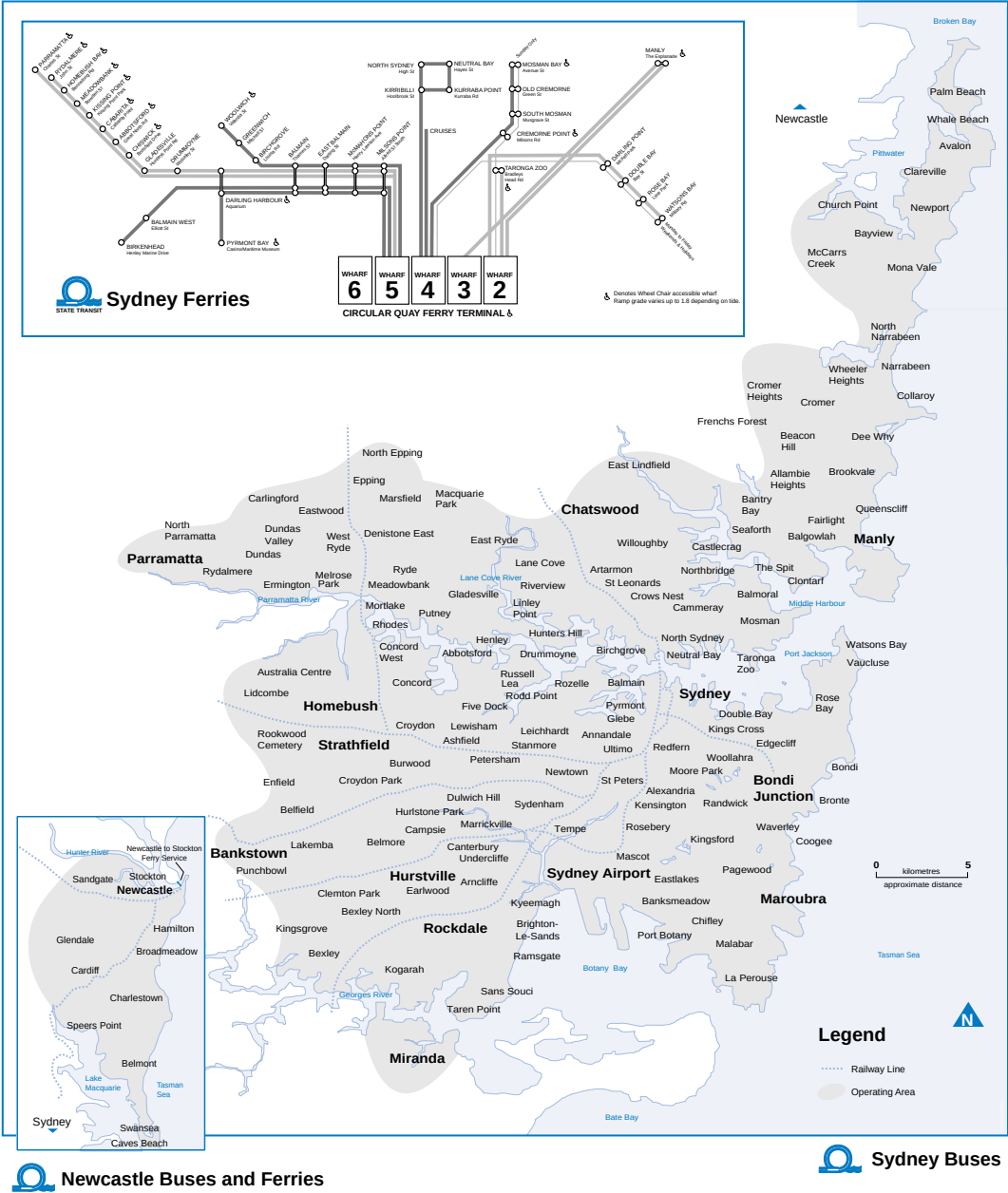
At State Transit we design our bus and ferry routes and timetables so that they are simple to understand, frequent, direct, reliable and accessible to the majority of the community. Our experience shows that these characteristics provide the community with better bus services that match their travel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

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

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

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

NETWORK MAP



PERFORMANCE HIGHLIGHTS

- 150 new buses in 1999/2000 met the growth in demand, bringing the fleet to 1,906 by the end of the year including the delivery of the first 90 of 150 new Mercedes Benz Ultra Low Floor, wheelchair accessible, Compressed Natural Gas (CNG) powered, air conditioned buses at a total project cost of \$60 million.
- Patronage increased by 6 million passenger trips to reach 217 million across State Transit in 1999/2000.
- The acquisition of North and Western Buslines and the Parramatta-Ryde Bus Service opened the way for a long-overdue integration of services in the Parramatta-Ryde-Epping area.
- The new Route 520 from Circular Quay to Parramatta along Victoria Road is the first State Transit service connecting the two major CBDs of Sydney and Parramatta and allowing direct connections between intermediate centres including Ryde and Gladesville.
- A new cross regional service, Route 353 was introduced to connect the Eastern beachside suburbs with each other and Sydney Airport. This service has been so successful that the patronage target for the end of the first 12 months was reached after only 10 weeks of service.
- Construction of new highspeed ferries began in 1999/2000 with the first of twelve SuperCats, the 'Mary MacKillop' due to be launched, and the Collaroy, the first of 4 Freshwater class Manly ferries being refurbished, due to be recommissioned in September 2000.
- New Automatic Ticketing and Fare Collection systems for Sydney Ferries were installed at Circular Quay at a total cost of \$5 million.
- Every State Transit bus is now fitted with Closed Circuit Television recorders (CCTV) to deter anti-social behaviour on buses at a total cost of \$4 million and CCTV is now being installed on ferry wharves.
- State Transit won the 1999 Premier's Gold Award for Economy and the Environment and the Australian Fleet Managers Association award for its contribution to the environment through its Compressed Natural Gas bus program - 50% less greenhouse gases and 50% quieter than diesel.

STOP PRESS

Olympic Update - State Transit helps meet the Olympic challenge

- What helped the Olympic transport task was the superhuman efforts of a team of dedicated State Transit transport professionals who knew their business and knew their passengers. The Government took a decision to put a team of State Transit managers, supervisors, inspectors and despatchers into operation to assist Bus 2000 staff to get the show on the road. State Transit committed some 450 buses and 700 staff to the Olympic network from our fleet of 1900 and our total driver complement of 3300. There is no doubt that the success of the Olympic transport operation was a major contributor to the Best Games ever!
- During the Olympics, Sydney Ferries broke the record for patronage set on Federation Day 1901 - on one day Sydney Ferries carried more than 80,000 passengers and overall Sydney Ferries tripled the number of passengers normally carried.



1999 – 2000

YEAR IN REVIEW
KEY PERFORMANCE INDICATORS
REVIEW OF OPERATIONS

CEO's and Chairman's Foreword

1999-2000 brought State Transit into the new century as the pre-eminent bus and ferry operator in Australia running larger fleets and carrying more passengers than any other bus or ferry operator in the nation.

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

In 1999/2000 all these objectives presented challenges that were met well, including successful transport operations for the most significant major events ever experienced in Sydney including the Millennium New Years Eve 2000 and the Olympic Games!

The growing economy has put more pressure on public transport operators. More passengers means more services. State Transit greatly expanded its services in the past year and the size of the bus and ferry fleet has grown to meet this demand. The challenge should not be underestimated because transport systems are expensive to set up and maintain and funds are finite. State Transit must always give value for money.

The need to operate smarter has seen steady improvements in the quality of services with new buses and ferries coming into service with greater comfort standards, new fleet management systems, and considerable efforts made in planning and developing new services.

The year saw pleasing operations and financial results with a 2.8% growth in patronage and a surplus of \$0.7m.

Since 1997 State Transit has entered into fuel hedging contracts to guard against fuel cost increases. In 1999/2000 against significant increases in the price of crude oil and a weakening Australian dollar/US dollar exchange rate, State Transit's fuel hedging policy meant that we were largely insulated from the fuel price rises that impacted on many transport businesses.

The way was opened for a long-overdue integration of services in the Parramatta-Ryde-Epping area with the acquisition of North and Western Buslines and the Parramatta-Ryde Bus Service.

New cross regional services were introduced with the Route 353 service connecting the Eastern beachside suburbs with Sydney Airport and the Route 520 service from Circular Quay to Parramatta along Victoria Road, the first State Transit service connecting the two major CBDs of Sydney and Parramatta.

State Transit's commitment to transport for people with limited mobility acknowledges that there are benefits for many in the community and not only people with disabilities. People with heavy bags and suitcases or carrying little children, pregnant women, older citizens can all have trouble getting in or out of vehicles or stations. State Transit continues to lead the world in terms of the quality and presentation of its bus fleet, as well as the operation of dedicated wheelchair accessible bus services, now timetabled on more than 35 bus routes across Sydney.

A new age of sophistication in comfort standards for ferry services started in 1999/2000. The 'Mary MacKillop', the first of the new high speed SuperCats, was due to be launched in September 2000. The refurbishment of the Manly ferries also began with the first vessel, Collaroy, due to be recommissioned also in September.

On the environment front, State Transit's contribution to air quality was recognised when it won the 1999 Premier's Award for Economy and the Environment for its Compressed Natural Gas powered bus program. The new SuperCats are also an environment success story. The SuperCats' fuel consumption rates are 60% lower than those for the JetCats, significantly reducing exhaust and noise emissions. The hull design creates very low wash minimising the environmental impact on the Harbour's shores.

All State Transit buses have been installed with CCTV. The completion of the \$4 million installation of CCTV recorders to deter anti-social behaviour on buses has seen a significant drop in the number of security incidents on State Transit buses in Sydney and Newcastle.

The Board of State Transit set a target for a major improvement in Occupational Health and Safety performance in 1999/2000. State Transit staff and management responded with great commitment and by the target date of September 2000 there had been a 27.6% reduction in days lost through workplace injuries. New targets are being set for the coming year to continue the campaign for continuous improvement in workplace safety.

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

Much progress was made on State Transit's new Business Management System which satisfies the requirements of ISO9001:2000 and is based on the Quality Policy Statement for the organisation.

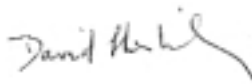
State Transit is now positioned to become ISO accredited early in 2001.

State Transit's Information Technology systems satisfactorily undertook the transition to the Year 2000 with no major issues encountered on all the key dates including the end of financial year 1999 - 2000. Also on the technology front, the new Automatic Ticketing and Fare Collection system for Sydney Ferries at Circular Quay was completed with major improvements in the flow and convenience of passengers at the Quay.

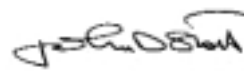
For State Transit management, some adjustments to lines of accountability were made during the year in order to streamline management of State Transit's service delivery functions. A new flatter management structure was introduced with the management of Sydney operations divided into four operational groups, North Western, South Western, Eastern Suburbs and Warringah, each headed by a General Manager directly responsible for all services in that area.

The Board and Management of State Transit continue to drive for financial viability, operational sophistication and a quality service culture.

We would like to thank staff and management for their commitment to the service delivery ethos of State Transit. The success of the transport in the Olympics Games has shown that working together can produce extraordinary results.



David Herlihy
Chairman



John Stott, PSM
Chief Executive

KEY PERFORMANCE INDICATORS

In 1999/00 Dollars 1996/97 1997/98 1998/99 1999/00

Consolidated State Transit

Total Revenue ('000)	\$379,336	\$388,454	\$400,951	\$422,156
Total Expenses ('000)	\$378,215	\$393,138	\$415,964	\$424,677
Patronage ('000)	207,340	210,143	211,839	217,825
Kilometres ('000)	78,992	80,379	81,962	85,431
Staff	4,303	4,305	4,369	4,690
Total revenue per passenger	\$1.83	\$1.85	\$1.89	\$1.94
Total revenue per Km	\$4.80	\$4.83	\$4.89	\$4.94
Passengers per vehicle Km	2.62	2.61	2.58	2.55
Cost per passenger	\$1.82	\$1.87	\$1.96	\$1.95
Cost per vehicle Km	\$4.79	\$4.89	\$5.08	\$4.97
Passengers per employee	48,185	48,814	48,487	46,445
Vehicle Km per employee	18,357	18,671	18,760	18,216
Fleet size - buses	1,627	1,705	1,719	1,906
Fleet size - ferries	28	28	30	30

Sydney Bus Services

Total Revenue ('000)	\$287,127	\$301,096	\$310,138	\$331,146
Total Expenses ('000)	\$280,588	\$295,901	\$310,336	\$315,692
Patronage ('000)	180,932	183,792	185,762	191,855
Kilometres ('000)	67,851	69,317	70,979	74,502
Staff	3,282	3,302	3,330	3,620
Total revenue per passenger	\$1.59	\$1.64	\$1.67	\$1.73
Total revenue per Km	\$4.23	\$4.34	\$4.37	\$4.44
Passengers per vehicle Km	2.67	2.65	2.62	2.58
Cost per passenger	\$1.55	\$1.61	\$1.67	\$1.65
Cost per vehicle Km	\$4.14	\$4.27	\$4.37	\$4.24
Passengers per employee	55,129	55,661	55,784	52,999
Vehicle Km per employee	20,674	20,992	21,315	20,581
Changeovers per 100,000 Kms	18.6	19.5	19.2	18.0
Average bus vehicle age	11.5	11.3	11.9	11.8
Bus service reliability (on time)	97.5%	97.2%	97.1%	97.4%
Fleet size - buses	1,452	1,532	1,546	1,724

In 1999/00 Dollars	1996/97	1997/98	1998/99	1999/00
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Newcastle Bus and Ferry Services

Total Revenue ('000)	\$26,239	\$26,108	\$26,674	\$26,687
Total Expenses ('000)	\$32,498	\$32,135	\$32,140	\$30,772
Patronage ('000)	13,397	13,283	12,997	12,712
Kilometres ('000)	9,804	9,724	9,685	9,614
Staff	385	381	377	381
Total revenue per passenger	\$1.96	\$1.97	\$2.05	\$2.10
Total revenue per Km	\$2.68	\$2.68	\$2.75	\$2.78
Passengers per vehicle Km	1.4	1.4	1.3	1.3
Cost per passenger	\$2.43	\$2.42	\$2.47	\$2.42
Cost per vehicle Km	\$3.31	\$3.30	\$3.32	\$3.20
Passengers per employee	34,797	34,864	34,475	33,365
Vehicle Km per employee	25,465	25,522	25,690	25,234
Changeovers per 100,000 Kms	17.9	17.3	15.3	17.4
Average bus vehicle age	10.8	11.8	12.8	13.3
Bus service reliability (on time)	98.8%	99.2%	97.9%	95.1%
Fleet size - buses	175	173	173	182
Fleet size - ferries	2	2	2	2

Sydney Ferry Services

Total Revenue ('000)	\$56,512	\$59,095	\$59,312	\$62,186
Total Expenses ('000)	\$62,057	\$63,485	\$67,228	\$70,387
Patronage ('000)	13,011	13,068	13,080	13,258
Kilometres ('000)	1,337	1,338	1,298	1,315
Staff	411	418	433	455
Total revenue per passenger	\$4.34	\$4.52	\$4.53	\$4.69
Total revenue per Km	\$42.27	\$44.17	\$45.69	\$47.29
Passengers per vehicle Km	9.7	9.8	10.1	10.1
Cost per passenger	\$4.77	\$4.86	\$5.14	\$5.31
Cost per vehicle Km	\$46.42	\$47.45	\$51.79	\$53.53
Passengers per employee	31,657	31,263	30,208	29,138
Vehicle Km per employee	3,253	3,201	2,998	2,890
Ferry service reliability (on time)	99.5%	98.6%	98.4%	99.5%
Fleet size - ferries	26	26	28	28

REVIEW OF OPERATIONS

SERVICE DELIVERY

OBJECTIVE

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

- new and improved services
- enhancing the reliability, convenience and comfort of services
- increasing the accessibility of buses and ferries
- improving passengers' access to travel information
- improving environmental sustainability - less congestion means better air quality.

PERFORMANCE

Patronage results

State Transit's services have attracted many more passengers in the past year. Patronage grew by 6 million trips or 2.8% to reach 217 million trips across State Transit in 1999/2000.

In Sydney Buses, strong growth was experienced in the morning peak period possibly reflecting growth in employment levels. Relatively high patronage growth in the Evening period indicates a trend to later finish to the working day as well as an increase in use of public transport for leisure activities. Saturday evening and Sunday also experienced high levels of growth. Both AM and PM periods account for more than 50% of the total patronage in Sydney Buses and were well served by increases in the number of scheduled trips.

New and improved services

North & Western acquisition

State Transit acquired two bus companies in 1999/2000; North and Western Buslines and the Parramatta-Ryde Bus Service. The acquisition expanded State Transit's market in the North West area of Sydney.

This has opened the way for a long-overdue integration of services in the Parramatta-Ryde-Epping area by amalgamating the three former service contract areas. It is now possible for State Transit to structure an effective network of trunk and feeder services and improve service frequencies.

The amalgamation of the State Transit, North & Western and Riverside contract areas is an important contribution to the Government's comprehensive transport strategy for Sydney, Action for Transport 2010 by:

- getting more people on public transport
- reducing car dependency and
- improving Sydney's air quality.

Better Buses Plan - North Western services

Following the purchase, State Transit took the next step to improve services in these areas by giving more direct links to the City, Ryde, Chatswood, Parramatta, Burwood and Macquarie. Sydney Buses introduced integrated fares and a direct service between the CBDs of Sydney and Parramatta.

Under the Better Buses plan for the North West area, State Transit's approach has been to understand the community's travel needs and come up with an innovative and effective network that works best for the majority of people. At the end of the report year, the Better Buses community

consultation program was underway to help design the new bus routes and the new network was expected to be announced in late 2000.

New services introduced

A new cross regional Route 353 was introduced to connect the Eastern beachside suburbs with each other and with Sydney Airport. This service has been so successful that the patronage target for the end of the first 12 months was reached after only 10 weeks of service.

The new Route 520 was introduced in March 2000 linking the Sydney CBD with the Parramatta CBD and allowing direct connections between intermediate centres including Ryde and Gladesville for the first time on the northern side of the Parramatta River. The new service was predicted to attract 25,000 passengers in its first year with annual patronage growth of around 10 per cent.

The very popular cross regional Route 370 from Coogee to Leichhardt introduced in 1998/99, directly connecting the inner west with the eastern beach suburbs, has proven its success with extra services being introduced this year to meet increased demand.

Expanded services were also introduced on Route 288 city to Epping, Route 294 City to Macquarie Park, Route 293 to Marsfield and Route 295 Epping to Macquarie University.

New ferry services

Sydney Ferries Parramatta River ferry services made their first stops at the new Cabarita and Kissing Point wharves in January 2000.

Morning and afternoon peak hour ferry services to Rose Bay, Double Bay and Darling Point were substantially increased with a new express service from Rose Bay to Circular Quay to cut travel times by half. The services were introduced in response to rapidly growing passenger demand.

Fleet enhancement - Accessibility, Comfort and Environment

Bus Fleet

State Transit continues to lead the nation in terms of the quality and presentation of its bus fleet and the operation of dedicated wheelchair accessible bus services, now timetabled on more than 35 bus routes across Sydney.

150 new buses were delivered in 1999/2000 to meet growth in demand. At year end, State Transit's bus fleet totalled 1900 buses, 600 of which were air-conditioned (31% of fleet), 400 buses were low floor design (21% of fleet) and 300 buses were fitted with wheelchair ramps and fully accessible (15% of fleet). The average age of the bus fleet was 11.95 years across State Transit, below the limit of 12 years set by State Transit's service contracts.

Ferry Fleet

Construction of new highspeed ferries commenced in 1999/2000 with the first of twelve SuperCats, the 'Mary MacKillop' due to be launched in September 2000. The SuperCats carry 250 passengers travelling at 24 knots. The SuperCats are able to operate anywhere on the Harbour and can travel up the Parramatta River as far as Rydalmere. The SuperCats are being built by ADI Ltd at Garden Island Dockyard, the first time commercial ferries have been built on Sydney Harbour since the 1970s. Twelve SuperCats will be constructed.

REVIEW OF OPERATIONS

Refurbishment of the Manly fleet also commenced with the first vessel, Collaroy, due to be recommissioned in September 2000. The Collaroy refurbishment included a redesigned interior, new passenger seating, extended open deck areas, larger windows, new kiosk facilities, new floors and ceilings, wooden hand rails on outer decks, improved lighting in passenger areas, modernised toilets and baby change facilities and storage areas for bikes and luggage. The remaining 3 Manly ferries are scheduled to be overhauled at a rate of one each year for the next 3 years.

Environment

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

State Transit's CNG bus program won the Premier's Gold Award for the Economy and the Environment and the AFMA Fleet Management Award in 1999/2000 indicating that State Transit is increasingly regarded as a deliverer of environmental best practice in public transport.

State Transit's new Mercedes-Benz CNG powered buses produce 50% less exhaust emissions than the current diesel Euro 2 specifications and are 50% quieter than diesel buses. State Transit is also following the development of alternative propulsion technologies such as fuel cell and hybrid buses.

State Transit continues to invest in environmental protection measures such as stormwater control and fuel spill control in its bus depots and the Balmain Shipyard.

The new SuperCats' fuel consumption rates are 60% lower than those for the JetCats, significantly reducing exhaust and noise emissions and saving \$500,000 in operational costs each year. The hull design creates very low wash minimising the environmental impact on the Harbour's shores.

Passenger information

The new 131 500 Transport InfoLine call centre was introduced which features the full integration of information covering services provided by State Transit and CityRail as well as private sector transport operators.

New passenger information displays for State Transit bus passengers were trialled and introduced along Victoria Road. The displays incorporate easier to read timetables, as well as a destination guide designed for individual stops with a list of landmarks, venues and attractions that can be reached from the individual bus stop along with the relevant bus route numbers to get there. The initiative is being expanded to other stops in State Transit networks in Sydney and Newcastle.

A joint State Transit/Roads and Traffic Authority (RTA) project in the Warringah area is trialling the delivery of real-time information for bus passengers.

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

Bus priority measures

Sydney's traffic can affect the reliability of State Transit's services. Bus priority measures are one of the best ways of improving the reliability of bus services. State Transit benefited from numerous bus priority initiatives implemented by the Roads and Traffic Authority including, red bus lanes in York, George, Albion, Foveaux, Bathurst, Elizabeth and Clarence Streets and on the Bus Roadway at Moore Park and in Miller St, North Sydney. Eastern Distributor Bus Priority Measures included the Moore Park Bus Station, transit lanes in Foveaux, Albion, Oxford, Flinders, Lee Streets and Anzac Parade. State Transit continues to work with the RTA on such issues and acknowledges its contribution.

Major Events

New Years Eve for the new millennium was predicted to be the busiest night in the city's history and was seen as a major test of the transport management systems in advance of the forthcoming Olympic Games. State Transit spent 6 months in careful planning for the event and the operation was delivered with military precision on the night. State Transit provided almost 50% more bus services for the New Years Eve transport task compared to previous years with more than 1000 buses operating on the night and double the number of supervisory staff on the ground to move thousands of revellers throughout the night and New Years day. The arrangements proved to be highly successful with buses operating at full capacity but with no major delays.

State Transit also played an important transport role in other major events prior to the Olympics including the City to Surf, the Corroboree 2000 March, the Gay and Lesbian Mardi Gras, the Host City Marathon and the Double Header at Olympic Park. A full report on the Olympic transport task can be found in 'Delivering for the Olympics' in this report.

REVIEW OF OPERATIONS

MANAGING THE BUSINESS

OBJECTIVE

State Transit's objective is to provide services at best cost for passengers and the Government:

- by operating at the most cost effective level
- by working smarter with improved technology
- by implementing our quality system

PERFORMANCE

FINANCIAL REVIEW

State Transit's end of year result for 1999/2000 was a surplus of \$0.7m. This result was achieved notwithstanding the acquisition of the North and Western and Riverside bus companies and the loss of revenue from rental properties, but was assisted by the writeback of superannuation provisions following the triennial review of State Transit's liabilities.

The value of State Transit's net asset position at 30 June 2000 (\$143.8m) was held at a similar level to the previous year (\$143.3m).

Due to the high level of capital expenditure required for the bus replacement program along with the purchase of North and Western and Riverside, additional debt of \$68m was required in 1999/2000. This increased the debt equity ratio from 27% in 1998/99 to 44% in 1999/2000.

Wage rate increases whilst modest by comparison with other public and private sector outcomes, continued to run ahead of CPI and exceeded the levels provided by IPART in its determination of fares.

Capital Expenditure

Capital expenditure in 1999/2000 was \$74.8m compared with \$24.9m in 1998/99. \$55.8m of the total capital expenditure was incurred on the bus replacement program to ensure that the State Transit fleet complied with the 12 year average age fleet requirement of the Passenger Transport Act contracts and the ongoing program for wheelchair access on the bus fleet.

The upgrade of State Transit's IT systems during 1999/2000 was mainly driven by cost efficiencies. However, some upgrades were also driven by compliance with Y2K. The total capital expenditure on system upgrades in 1999/2000 was \$2.6m.

Cost of Wharf Infrastructure

In 1999/2000 State Transit rebuilt the Kirribilli Wharf and improved the Taronga Zoo wharf at a total cost of \$800,000.

Government Reimbursements and CSOs

Total Government reimbursement in 1999/2000 was \$177.3m. State Transit's reimbursement was again capped by Treasury and compares with an entitlement of \$192.7m under the established funding methodology. No Service Level CSO has been paid for bus services in Sydney since 1995/96.

Fuel Hedging Policy

Since 1997 State Transit has entered into fuel hedging contracts to guard against fuel cost increases. The cost of fuel in 1999/2000 was \$36.5m, which was \$7.4m higher than the previous year reflecting increases in the price of crude oil in conjunction with a weakening Australian dollar/US dollar exchange rate. The increase however was significantly offset by a gain of \$4m generated by State Transit's successful fuel hedging policy. This program is managed by expert financial advisers.

IPART cost efficiencies

A 1998 IPART report identified potential savings in Sydney Buses if identified measures for cost efficiencies were implemented. A three year implementation program was proposed. Savings of \$4.3m were achieved by State Transit in 1999/2000 bringing total annual savings to \$6.4m. Another \$7.2m is expected to be implemented in 2000/2001.

Quality Systems

State Transit is committed to quality and consistency and to continually improving the way it works. State Transit has therefore developed a new Business Management System which documents policies, systems and procedures and satisfies the requirements of ISO9001:2000. It is based on the Quality Policy Statement for the organisation. The straightforward Business Management System used throughout State Transit will ensure a consistently high standard of service to State Transit customers and provide staff with improved processes and clearer, simpler working instructions. The Business Management System is continuously improved by suggestions from staff using Business Improvement Notices. It is envisaged that ISO certification will be gained in 2001.

REVIEW OF OPERATIONS

Technology

AFC for ferries

The installation of new Automatic Ticketing and Fare Collection systems at Circular Quay was completed at a total cost of \$5 million.

OLYMPIC UPDATE

The reliability of the new Ferry AFC systems was truly tested during the Olympic Games, processing 1.4 million passengers, a 106% increase over the 1999 September holidays, with no major disruptions to the system.

Upgrade to scheduling and rostering systems

Bus and crew rostering and scheduling is a complex technical issue that requires sophisticated software to get optimum productivity. The scheduling and rostering Integrated Systems Project (known as HASTUS) was undertaken to enhance State Transit's scheduling and rostering functions, by providing software assisted solutions to period rostering, daily schedule management and public information operations. The additional modules introduced in 1999/2000 were for period rostering management and daily service management. The project was completed in March 2000 with all software modules delivered.

Integrated Ticketing

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

Y2K

State Transit satisfactorily undertook the transition to the Year 2000 with no major issues encountered on all the key dates including the end of financial year 1999/2000. The NSW Office of Information Technology confirmed State Transit's compliance with the Government's methodology on the Year 2000 project. This was independently certified by an approved consulting firm under the Office of Information Technology Year 2000 panel contract.

IPART fares determination - Introducing the GST

The 2000 IPART determination increased fares to apply the Commonwealth Government's Goods and Services Tax for the first time. Fare increases averaged 8.8%. The \$1 pensioner excursion ticket for State Transit and CityRail services increased by 10% due to the impact of the GST. There were limited savings to State Transit as a result of the new tax system because the concessions on the diesel fuel excise did not apply to State Transit which operates solely in metropolitan areas and also because State Transit's costs are largely labour related.

Risk Management and Insurance

State Transit manages its risks through risk management strategies incorporated into its policies, procedures and work instructions and through its Integrated Insurance Program.

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

During the year, State Transit reviewed, updated and documented its Emergency Response Plans for Bus and Ferry Operations. The aim was to reduce the risk of loss of life, injury, asset loss and operational disruption. State Transit tested its emergency response preparedness by conducting major simulations for both its Bus and Ferry Operations. These simulations demonstrated that in the event of a real life crisis, appropriate actions would be taken in an effective and timely manner.

Response to ICAC report on Ferries ticketing

In October 1999 a final report was received from the ICAC concerning its investigation into the manipulation of ticketing systems by Sydney Ferries Cashiers at Manly Wharf in 1994. State Transit discovered revenue collection irregularities at Manly Wharf in late 1996 and acted quickly to report the matter to the ICAC, the Auditor General and the Police as well as launching its own internal investigation.

State Transit has comprehensively reviewed and upgraded fraud detection at Sydney Ferries; management controls have been strengthened, new systems introduced for hiring staff and a new Automatic Fare Collection system introduced, Fraud awareness training was introduced for all staff and a new system implemented for managing and monitoring revenue collection systems. The many changes introduced are helping to develop a culture in Sydney Ferries of zero tolerance to fraudulent and corrupt conduct.

REVIEW OF OPERATIONS

SAFETY AND SECURITY

OBJECTIVE

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

The incidence of safety and security issues is very low. Unfortunately sometimes anti-social behaviour does occur and people can feel insecure when using public transport.

State Transit's objective is to enhance the safety and security of its services so that passengers and employees feel safe at all times.

PERFORMANCE

CCTV - Security Incidents on Buses Reduced

The completion of the \$4 million installation of CCTV recorders on all State Transit buses has proven to be a significant improvement in on-board security on Sydney Buses.

Statistics show a significant fall in the number of assaults and robberies since the cameras began to be installed in 1998 and the introduction of joint State Transit/NSW Police initiatives such as Operation Bus Stop which involves Police making regular random patrols of bus services. The number of cases of anti-social behaviour on Sydney Buses had fallen from 154 in 1998/99 to 100 in 1999/2000.

A comparison of thefts on Sydney Buses over the same period shows the number of incidents also dropped from 42 to 29. The majority of thefts involved small amounts of money snatched from drivers' cash trays.

Safety is a key priority for State Transit and these statistics indicate that the strategy is working well. The reduction in security incidents has not only enhanced the security of State Transit's passengers, but also State Transit drivers and supervisory staff.

State Transit drivers have recognised the benefits of the security cameras and have reported that not only has the number of assaults decreased, but the severity of incidents has also reduced noticeably.

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

CCTV on Wharves

Given the benefits to be gained, installation of CCTV commenced on Sydney Harbour wharves with the first installation planned to be completed at Taronga Zoo Wharf in August 2000. Priority was given to installations of the CCTV on Circular Quay, Manly, Taronga, Darling Harbour, Homebush Bay and Meadowbank wharves together with the commissioning of the Circular Quay control centre.

Positive assistance was provided by the RTA and Sydney Water in making available radio repeater station sites on the Harbour and Gladesville bridges and at a number of prominent water towers around the Sydney Harbour basin.

School student safety

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

Door safety

Although all buses meet statutory safety requirements, State Transit believes that better technology is now available and began to trial new door safety systems to retrofit the existing bus fleet to ensure that passengers can get on and off our buses as safely as possible.

Driver security training

State Transit continued to implement its personal safety training program aimed at providing our bus drivers with the necessary skills to manage situations which threaten safety and security on our buses. Personal Safety training for Bus Operations staff was extended to Sydney Ferries operations personnel. Over 3000 Bus and Ferry Operations staff were trained.

Occupational Health and Safety

Safety of staff continues to be a high priority and further improvements were made in Occupational Health and Safety (OH&S) performance.

Decreases occurred in the number of incidents, the number of lost time injuries, and the total number of days lost. While the total number of staff increased by over 7% during the year, the number of workers compensation claims remained about the same.

On a pleasing note, the number of physical assaults against drivers decreased by 52%.

Newcastle Services trialled a new OH&S Quality System during the year before its implementation throughout State Transit. In addition to prevention programmes targeting specific hazards such as musculo-skeletal injuries related to bus seats and destination winders, State Transit trained line managers in its OHS&R System with a particular emphasis placed on techniques for accident investigation.

A new system of "Safety Alerts" was introduced for publishing important OH&S information, particularly instructions for working safely with newly identified hazards.

Against the performance target set by the Board of State Transit for a reduction in days lost through workplace injuries, there was a 13.5% reduction across State Transit as a whole by the end of the report year. Newcastle Services achieved better than the Board's target of a 50% reduction in days lost.

2000 UPDATE

For the target period specified by the Board of State Transit, the July to September quarter for 2000, there was a reduction of 27.6% in days lost for the whole organisation. Further targets for improvements in OH&S performance across State Transit are to be set before the end of 2000.

REVIEW OF OPERATIONS

STATE TRANSIT PEOPLE

OBJECTIVE

State Transit values its staff as its most important resource.

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

PERFORMANCE

The quality of State Transit's services relies on the skills and commitment of its people. State Transit is a learning organisation committed to the training and development of its people as its principal investment in the future of the organisation

Enterprise Agreements

Enterprise Agreements were successfully concluded for bus operations, maintenance, managerial, professional, technical, administration and clerical employees, as well as ferry masters and engineers.

The Agreements have helped lay the foundation for improved financial performance and enhanced customer service.

STA restructure

Some adjustments to lines of accountability were made in order to streamline management of State Transit's service delivery functions. Sydney Buses operations were organised into 4 groups, North Western, South Western, Eastern Suburbs and Warringah, each headed by a Senior Executive directly responsible for all services in that area. A new Division, Service Planning and Co-ordination replaced the Commercial Strategy Division.

Bus driver recruitment campaign

Recruitment of bus operators was up by over 50% on the previous years level - a total of 580 new drivers commenced during the year. The need for more drivers resulted from increased services, Olympic demands and increased turnover rates.

Due to a general increased demand for drivers in the current economic climate, an aggressive recruitment drive was required. The advertising campaign utilised a range of media to publicise our need for drivers throughout the year. The media included radio, newspaper displays, posters on the side of and inside buses and taxi back advertising.

Customer service

There was an increasing focus also on provision of excellent customer service. A review of bus drivers customers relations training commenced with the objective of implementing an improved training program by the beginning of 2001. This training is in addition to the customer service provided in the bus drivers Induction Program.

The Sydney Ferries customer service training continued in 1999/2000. New uniforms and personal standards presentation were implemented for Sydney Ferries staff.

EEO

During the reporting period, 965 new employees were recruited. Of these, 156 or 16% were women.

To encourage people with family commitments to enter the workforce, State Transit has made a concerted effort to increase the number of part-time Bus Operator positions. The effort has continued, and there are now 239 positions,

an increase of 71 or 42.26% during the reporting period. Women hold 14.23% of all part-time Bus Operator positions. Female Bus Operators hold 11.1% of all Bus Operator positions.

The Spokeswomen's program is on-going, with State Transit again having a presence on the Spokeswomen's Central Committee through one of our spokeswomen, who was recently elected to serve for the 2000/2002 period. Our Spokeswomen's Liaison Officer has also served a term on the Central Committee.

The Olympics will also provide an opportunity to demonstrate the richness and value of the ethnic and cultural diversity of our employees. Special name badges will be issued to those employees who will be involved in public contact through the Olympic and Paralympic period. Of the 1766 employees to whom badges will be issued, 784 (44.4%) volunteered to wear nationality flags on them, signifying their willingness and ability to provide special assistance to people of that nationality. Overall, 84 different nationalities are represented by these volunteers. Some volunteers have demonstrated that they are multi-lingual, with up to four flags on their badges.

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

Action Plan for Women Initiatives

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

State Transit began a recruitment drive in 1999/2000 to attract women to the job of bus driver.

Representation of women in State Transit has increased from 10% to 11% in what is, traditionally, a male-dominated industry. In order to increase the participation rate of women, a series of advertisements was run in a number of newspapers, supported by human interest stories featuring female bus drivers.

The package of initiatives aimed to increase and maintain representation of women in the workforce also included job sharing, telecommuting or working from home, Spokeswomen program, and series of safety and security programs including personal safety training and the installation of CCTV on all buses and ferry wharves.

REVIEW OF OPERATIONS

Employee Folder

A new Employee Folder was issued to all staff, updating and reinforcing the Code of Conduct, the Employee Assistance Handbook and policies on equity, harassment and grievance issues.

Employee Hotline

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

Graduate Trainees

State Transit has a long term objective of fostering the high quality candidates for management in State Transit. As a result a Graduate Trainee program was introduced in the report year with five graduates selected, including 1 woman graduate and 4 graduates from non-English speaking backgrounds. The program is project based with participants gaining wide experience in different environments in State Transit.

Traineeships

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

Seven trainees were involved in the Clerical Traineeships program, who will be eligible for a Certificate II in Business (Office Administration) when they complete all work placements and meet the competencies of the traineeship. Sixteen trainees were involved in the Operations

Traineeships which provides a 2 year program for current employees interested in pursuing a career in operations management. Marine traineeships last one year for all new recruits for marine General Purpose Hands. Bus operator traineeships are also now offered focussing on skills acquisition for the role. All new Bus operators without appropriate qualifications now enter via this traineeship.

DELIVERING FOR THE OLYMPICS

State Transit's aim for 1999/2000 was to be in shape for the Olympic transport challenge.

State Transit's careful and comprehensive planning and preparation for the provision of services over the Olympic period consumed considerable time and resources in 1999/2000, but it all paid off.

The following is an extract from a paper delivered by John Stott, Chief Executive of State Transit to the UITP (International Association of Public Transport) Conference in Melbourne in October 2000.

[The Sydney Olympic Games](#)

"The 2000 Olympics was probably the largest peace time logistics exercise in Australia's history.

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

State Transit was awarded the contract for the In Village Transport System providing transport for the athletes staying in the Olympic Village during the Games, for the City Loop service in the CBD and for the shuttle services for the Beach Volleyball at Bondi Beach. However, State Transit was not a member of Bus 2000 consortium which was originally contracted to provide the bus services for the Games.

The demand on the spectator, athletes, media and workforce bus fleets exceeded Bus 2000's expectations. This led to the Government

appointing a team of State Transit managers, supervisors, inspectors and despatchers to assist the Bus 2000 consortium.

State Transit also contributed up to 450 buses and 900 drivers to supplement the Bus 2000 fleet. This included a major contribution from State Transit's Newcastle Buses which provided 80 buses (50% of their fleet) and 140 drivers.

Many of the State Transit staff worked 18 hours and more per day to bed down the systems for receiving buses, for getting them security cleared and for tracking them through the system, for inducting and accrediting drivers, for scheduling services and rostering drivers and even for finding accommodation.

[Opening Night](#)

On the night of the opening ceremony at the Olympic Stadium, we were able to field 800 buses from the Regents Park depot which, together with 500 buses from other depots and operators, moved some 40,000 people into and out of the Olympic precinct exactly according to the original projections. On the same night, another 90,000 people were moved by rail.

[The Games](#)

In the following days the numbers increased and we met our targets. On the largest attendance day, Friday, 22 September the Olympic Transport system lifted 180,000 people in the morning and another 200,000 in the afternoon whilst also delivering a huge number of people to outlying venues.

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

REVIEW OF OPERATIONS

The Transport Outcome

So how did we perform? Over 16 days of the games, massive crowds were carried on both bus and rail. State Transit's core services were able to meet the demand for regular travel across the network.

For Sydney Ferries, it seemed that everyone who came to Sydney wanted to go for a cruise on the Harbour and we carried unprecedented loads. We carried three times as many passengers each day as we would normally do and the ferry fleet carried more than one million passengers. The public view was that the system performance had met and exceeded expectations and the IOC expressed great satisfaction. It was acknowledged that the whole transport task was one of the success stories of the "the best Games ever".

The Lessons

So what did we learn from the Sydney Olympics?

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

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

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

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

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

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

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

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

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

- The Olympic transport task was a success because of the superhuman efforts of a team of dedicated transport professionals who knew their business and knew their passengers.

I cannot speak too highly of all the people, from both private and public sector transport operators who made Sydney's games transport system work. Without their contribution, the "best games ever" would not have happened." – *John Stott*

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

27

STATE TRANSIT

54

ACN 090 845 097
PTY LIMITED

65

RIVERSIDE BUS & COACH
SERVICES PTY LIMITED

73

RIVERSIDE BUS & COACH
SERVICES UNIT TRUST

88

NORTH & WESTERN
COACHES PTY LIMITED

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES
INCOME AND EXPENDITURE STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2000

	Note	Consolidated		State Transit	
		2000	1999	2000	1999
		\$ 000	\$ 000	\$ 000	\$ 000
Income	2(i)	422,156	391,679	416,898	391,679
Expenditure	2(ii)	424,677	406,344	416,725	406,344
Operating profit/(loss) before abnormal items and income tax		(2,521)	(14,665)	173	(14,665)
Abnormal items	2(iii)	3,220	5,880	3,220	5,880
Operating profit/(loss) before income tax		699	(8,785)	3,393	(8,785)
Income tax attributable to operating profit	3(i)	-	-	-	-
Operating profit/(loss) after income tax		699	(8,785)	3,393	(8,785)
Retained profits at the beginning of the financial year		51,493	50,846	51,493	50,846
Reversal of provision for major periodic maintenance		-	10,534	-	10,534
Transfer from reserves	15	15,096	15,458	15,096	15,458
Total available for appropriation		67,288	68,053	69,982	68,053
Dividend paid	4	-	(16,560)	-	(16,560)
Retained profits at the end of the financial year		67,288	51,493	69,982	51,493

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

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

BALANCE SHEET

AS AT 30 JUNE 2000

	Note	Consolidated		State Transit	
		2000	1999	2000	1999
		\$ 000	\$ 000	\$ 000	\$ 000
CURRENT ASSETS					
Cash		11,414	2,400	11,066	2,400
Receivables	5	10,924	7,146	20,479	7,146
Inventories	6	7,560	6,272	7,374	6,272
Other	7	6,253	7,690	6,023	7,690
TOTAL CURRENT ASSETS		36,151	23,508	44,942	23,508
NON-CURRENT ASSETS					
Investments	8	-	-	7,790	-
Property, plant and equipment	9	388,525	347,558	376,271	347,558
Intangibles	10	7,917	258	5,786	258
Other	7	1,529	123	1,529	123
TOTAL NON-CURRENT ASSETS		397,971	347,939	391,376	347,939
TOTAL ASSETS		434,122	371,447	436,318	371,447
CURRENT LIABILITIES					
Accounts payable	11	35,794	24,598	35,296	24,598
Borrowings	12	2,076	4,429	2,076	4,429
Provisions	13	33,370	31,093	33,370	31,093
Other	14	13,199	7,141	13,199	7,141
TOTAL CURRENT LIABILITIES		84,439	67,261	83,941	67,261
NON-CURRENT LIABILITIES					
Borrowings	12	121,022	50,604	121,022	50,604
Provisions	13	83,370	108,747	83,370	108,747
Other	14	1,280	1,523	1,280	1,523
TOTAL NON-CURRENT LIABILITIES		205,672	160,874	205,672	160,874
TOTAL LIABILITIES		290,111	228,135	289,613	228,135
NET ASSETS		144,011	143,312	146,705	143,312
EQUITY					
Reserves	15	76,723	91,819	76,723	91,819
Retained profits		67,288	51,493	69,982	51,493
TOTAL EQUITY		144,011	143,312	146,705	143,312

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

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2000

	Note	Consolidated		State Transit	
		2000	1999	2000	1999
		\$ 000	\$ 000	\$ 000	\$ 000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities:					
Passenger Revenue:					
- Fares, charters and tourist services		235,253	209,289	232,292	209,289
- Reimbursement for:					
- free travel by school students	2(iv)(a)	32,422	29,844	30,557	29,844
- concessional travel by pensioners	2(iv)(a)	70,112	68,836	69,467	68,836
- concessional travel by other	2(iv)(a)	25,540	24,211	25,540	24,211
- community service obligations	2(iv)(b)	50,223	45,033	50,223	45,033
Total passenger revenue		413,550	377,213	408,079	377,213
Advertising income		8,323	7,469	8,273	7,469
Other income		1,676	2,447	1,675	2,447
Interest received		759	849	727	849
Payments to suppliers		(135,943)	(125,674)	(133,557)	(125,674)
Payments to employees		(261,507)	(245,163)	(257,882)	(245,163)
Interest and other finance costs		(4,469)	(4,942)	(4,323)	(4,942)
Net cash provided by operating activities	(i)	22,389	12,199	22,992	12,199
Cash flows from investing activities:					
Purchase of controlled entities, net of cash	(ii)	(9,123)	-	(7,790)	-
Payments for service contract rights		(8,967)	-	(6,334)	-
Payments for property, plant and equipment		(98,638)	(25,162)	(98,638)	(25,162)
Proceeds from sale of property, plant and equipment		40,884	24,092	40,343	24,092
Net cash used in investing activities		(75,844)	(1,070)	(72,419)	(1,070)
Cash flows from financing activities:					
Proceeds from borrowings		72,495	9,224	72,495	9,224
Repayment of borrowings		(2,441)	(2,611)	(2,441)	(2,611)
Repayment of lease liabilities		(7,585)	(1,904)	(1,989)	(1,904)
Funds transferred to NSW Treasury	4	-	(16,560)	-	(16,560)
Loans to controlled entities		-	-	(9,972)	-
Net cash provided by (used in) financing activities		62,469	(11,851)	58,093	(11,851)
Net increase/(decrease) in cash held		9,014	(722)	8,666	(722)
Cash at the beginning of the financial year		2,400	3,122	2,400	3,122
Cash at the end of the financial year	(iii)	11,414	2,400	11,066	2,400

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

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES
NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2000

	Consolidated		State Transit	
	2000	1999	2000	1999
	\$ 000	\$ 000	\$ 000	\$ 000
(i) Reconciliation of operating result after income tax to net cash provided by operating activities:				
Operating profit/(loss) after income tax	699	(8,785)	3,393	(8,785)
Adjustments to reconcile net operating result to net cash provided by operating activities:				
Amortisation of service contract rights	1,307	-	805	123
Depreciation and amortisation	31,571	32,228	30,958	32,228
Net loss/(profit) on sale of non-current assets	(2,409)	(6,857)	(3,245)	(6,857)
Bad and doubtful debts	-	(60)	-	(60)
Equipment write-off	262	246	262	246
Provision for employee entitlements	(20,501)	(2,698)	(20,020)	(2,698)
Other provisions	(1,105)	(4,376)	(1,105)	(4,376)
Other non cash items	327	(165)	378	(288)
Changes in assets and liabilities:				
(Increase)/Decrease in inventory	(953)	(933)	(1,102)	(933)
(Increase)/Decrease in prepayments	344	(108)	361	(108)
(Increase)/Decrease in other assets	420	(234)	(124)	(234)
(Increase)/Decrease in receivables	(3,021)	528	(3,361)	528
Increase/(Decrease) in trade creditors	8,736	3,436	9,096	3,436
Increase/(Decrease) in deferred tax	70	-	-	-
Increase/(Decrease) in provision for income tax	(54)	-	-	-
Increase/(Decrease) in revenue received in advance	6,696	(23)	6,696	(23)
Net cash provided by operating activities	22,389	12,199	22,992	12,199

(ii) Purchase of controlled entities

The following controlled entities were acquired by the consolidated entity at the dates stated and their operating results have been included in the income and expenditure statement from the relevant date.

Entity and consideration given	Date acquired	Proportion of shares/units acquired	Consolidated 2000 \$ 000
North and Western Coaches Pty Limited acquired by State Transit Authority – Cash	13/12/1999	100%	7,790
Riverside Bus & Coach Services Unit Trust acquired by ACN 090 845 097 Pty Limited – Cash	29/02/2000	100%	2,207
Total Consideration			9,997

In addition 100% of the shares in ACN 090 845 097 Pty Limited were acquired for \$1 with effect from 9 December, 1999 and 100% of the shares in Riverside Bus & Coach Services Pty Limited were acquired for \$4 by ACN 090 845 097 Pty Limited with effect from 1 March 2000. Both entities were acquired for cash.

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

NOTES TO THE STATEMENT OF CASH FLOWS (cont'd)

FOR THE YEAR ENDED 30 JUNE 2000

	Consolidated 2000 \$ 000
The amount of assets and liabilities acquired by major class are:	
Cash	874
Receivables	757
Inventories	335
Other assets	967
Property, plant and equipment	14,402
Accounts payable	(397)
Borrowings	(6,120)
Provisions	(821)
	9,997
Outflow of cash to acquire the entities, net of cash acquired:	
Cash Consideration	9,997
Cash balance acquired	(874)
Outflow of cash	9,123

(iii) Reconciliation of cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand and in the bank and short term deposit with Treasury Corporation Cash Facilities – Hour Glass.

Cash at the end of the financial year, as shown in the Statement of Cash Flows, is reconciled to the related items in the Balance Sheet as follows:

	Consolidated		State Transit	
	2000 \$ 000	1999 \$ 000	2000 \$ 000	1999 \$ 000
Cash on hand and in the bank	3,893	1,812	3,545	1,812
Short term deposit – Hour Glass Cash Facility	7,521	588	7,521	588
	11,414	2,400	11,066	2,400

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared as a general purpose financial report which complies with the requirements of the Public Finance and Audit Act 1983, the Public Finance and Audit (General) Regulation 1995, Australian Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and applicable Treasurer's Directions and Treasury Circulars.

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

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

At 30 June 2000, the consolidated financial position showed current assets of \$36.083M compared with current liabilities of \$84.439M. Given the small amounts of receivables and inventories in the business, it is usual for current liabilities to exceed current assets.

The positive cash flow from operations is projected to continue in the year ending 30 June 2001 and subsequent years. These cash flows, together with the establishment of additional financing arrangements will be sufficient to meet the consolidated financial obligations including the capital expenditure programs.

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

(b) Principles of Consolidation

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

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

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

(c) Cash

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

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

The investment is generally able to be redeemed at short notice. The value of the investment can decrease as well as increase depending upon market conditions. The value that best represents the maximum credit risk exposure is the net fair value.

Interest is recognised in the income and expenditure statement as it accrues.

(d) Receivables

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

In relation to trade debtors, the concentration of credit risk is minimised by undertaking transactions with a large number of customers. The majority of customers are concentrated in Australia in the newsagency business.

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

A provision for doubtful debts is recognised when the collection of the full nominal amount is no longer probable.

Bad debts are written off when they are determined to be irrecoverable. The carrying amount approximates fair value.

(e) Inventories

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

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

**NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2000

(f) Property, Plant and Equipment

The following policies apply to property, plant and equipment.

(i) Basis of Valuation

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

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

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

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

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

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

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

(ii) Leased Assets

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

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

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

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

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

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

**NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2000

(iii) Depreciation

All property and plant and equipment and capitalised leased assets, but excluding freehold land and works in progress, are depreciated over their estimated useful lives commencing from the time an asset is held ready for use. Depreciation is calculated on a straight line basis except for buses which are depreciated in line with the pattern of expiry of their service potential.

Major depreciation periods are:

	2000	1999
Freehold buildings and wharves	40 yrs	40 yrs
Plant and equipment	3 to 20 yrs	3 to 20 yrs
Buses	20 yrs	20 yrs
Ferries	10 to 25 yrs	10 to 25 yrs

(iv) Capitalisation Policy

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

(v) Works in Progress

Costs relating to acquisition of property, plant and equipment which have not been completed are shown in the financial statements as capital works in progress and are not depreciated until the assets are brought into service.

(vi) Spares for Plant and Equipment

Major spares originally purchased specifically with particular items of equipment are included in the cost of the equipment and depreciated accordingly.

(vii) 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.

(g) Intangibles

(i) Service Contract Rights

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

(h) Accounts Payable

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

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

**NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2000

(i) **Borrowings**

(i) **Long Term Loans**

Borrowings are recorded at face value less unamortised discount or plus unamortised premium.

Any discounts or premiums are deferred and amortised to the income and expenditure statement over the term of the borrowing on a straight line basis. Interest is charged as it accrues.

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

(ii) **Finance Leases**

Any increase or decrease in lease payments resulting from changes in the factors on which lease payments are based, which occur subsequent to the inception of the lease, are shown as contingent rentals in the income and expenditure statement.

(iii) **Debt Defeasance**

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

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

(j) **Employee Entitlements**

(i) **Salaries and Wages**

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

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

Provision has been made in the financial statements for benefits accruing to employees in relation to annual leave and long service leave estimated to be payable to employees on the basis of statutory and contractual requirements. The provision for long service leave includes the current legal obligations and the expected future payments where no legal entitlement has arisen.

(iii) **Superannuation**

The employees' retirement benefits liability in respect of three defined benefit superannuation schemes administered by the Superannuation Administration Authority is fully provided for in the financial statements. The liability for employees' retirement benefits is based on an actuarial assessment (refer Note 13(i)).

(k) **Deferred revenue**

Premium arising from the purchase of bonds is recognised in the Balance Sheet as deferred revenue and amortised over the term of the loans.

(l) **Reserves**

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

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

(m) Insurance

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

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

(n) Derivatives

(i) Foreign Exchange

Specific Hedges

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

Open or unrealised positions at balance date are brought to account by marking each contract to market.

General Hedges

Gains and losses on foreign exchange contracts that are not specific to a purchase commitment are brought to account as they arise in determining the result for the period.

Transactions denominated in foreign currencies are initially translated into Australian currency at the rate of exchange applicable at the date of transaction. At balance date, amounts payable to and by the economic entity in foreign currencies are translated to Australian currency at rates of exchange applicable at balance date.

(ii) Commodity Swaps

Commodity swap agreements are entered into with the objective of reducing the risk of rising fuel prices. The swap agreements effectively convert the floating price for Tapis Crude Oil to a medium term fixed price. The transactions form the nature of a general hedge to match the underlying exposure of future fuel purchases.

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

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

(iii) Options

Options for foreign currency and commodity prices are entered into with the objective of reducing the risk of rising fuel prices. These options provide the right, but not the obligation, to transact in fixed rate foreign exchange and commodity agreements. Depending on the market rates, the holder has the choice of exercising the option, or allowing it to lapse.

Premiums paid to purchase options are disclosed as assets. Realised gains or losses are included in the income and expenditure statement on maturity.

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

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

**NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2000

(o) Income Tax

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

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

(p) Borrowing Costs

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

- interest on bank overdrafts and short-term and long-term borrowings;
- amortisation of discounts or premiums relating to borrowings;
- finance lease charges; and
- certain exchange differences arising from foreign currency borrowings.

(q) Comparatives

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

(r) Rounding

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

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES
NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

	Note	Consolidated		State Transit	
		2000	1999	2000	1999
		\$ 000	\$ 000	\$ 000	\$ 000
2. INCOME AND EXPENDITURE					
(i) Income					
Passenger revenue:					
- Fares, charters and tourist services		231,212	208,924	228,412	208,924
- Reimbursement for:					
- free travel by school students	2(iv)(a)	33,503	29,757	32,070	29,757
- concessional travel by pensioners	2(iv)(a)	70,366	68,836	69,467	68,836
- concessional travel by other	2(iv)(a)	25,540	24,211	25,540	24,211
- community service obligations (pricing)	2(iv)(b)	31,927	30,782	31,927	30,782
- community service obligations (service)	2(iv)(b)	18,296	14,251	18,296	14,251
Total passenger revenue		410,844	376,761	405,712	376,761
Interest	(2(v))	763	850	730	850
Rent		617	1,569	617	1,569
Advertising		8,323	7,469	8,273	7,469
Proceeds from sale of assets		535	4,092	493	4,092
Other		1,074	938	1,073	938
Total income		422,156	391,679	416,898	391,679
(ii) Expenditure					
Wages and salaries		200,975	186,649	197,829	186,649
Provision for employee entitlements					
- Annual leave		17,845	16,341	17,800	16,341
- Long service leave		5,829	5,047	5,740	5,047
- Retirement benefits	13(ii)	1,427	19,134	1,359	19,134
Workers' compensation		3,156	4,298	3,030	4,298
Payroll tax		15,313	15,293	15,135	15,293
Fuel and fleet maintenance		62,331	53,995	61,049	53,995
General operating expenses		74,553	62,187	73,675	62,187
Depreciation					
- Plant and equipment		26,459	26,580	26,183	26,580
- Buildings		1,274	1,281	1,274	1,281
Amortisation of non-current assets					
- Leased plant and equipment		3,577	4,020	3,239	4,020
- Leasehold improvements		262	347	262	347
- Service contract rights		1,307	123	805	123
Fixed assets sold or written off		1,609	3,362	730	3,362
Operating leases		2,613	2,547	2,613	2,547
Finance charges related to leases		1,168	3,123	1,021	3,123
Consultant's fees		230	135	230	135
Audit fee		177	162	177	162
Provision for doubtful debts		-	(60)	-	(60)
Interest		4,572	1,780	4,574	1,780
Total expenditure		424,677	406,344	416,725	406,344

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF

THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

Note	Consolidated		State Transit	
	2000 \$ 000	1999 \$ 000	2000 \$ 000	1999 \$ 000
2. INCOME AND EXPENDITURE (CONT'D)				
(iii) Abnormal items credited				
Profit on sale of properties	3,220	5,880	3,220	5,880
(iv) New South Wales Government reimbursements				
(a) Free & concessional travel				
Free and concessional travel is provided to a range of community groups. The extent to which these groups are entitled to free and concessional travel is determined by Government policy. Reimbursement is provided for free school travel on the basis of a percentage of the number of passes on issue in the current year. In the case of pensioners, the traveller pays for an all-day concession ticket (\$1, \$2 or \$3) and the Government pays the balance of the full fare for all travel consumed. Other free and concessional travel is reimbursed on the basis of the Government paying the balance between the full fare applicable for each journey and the fare paid by the traveller.				
(b) Community Service Obligations (CSO)				
Reimbursements were received from the NSW Government in accordance with the Government's social policy programs designed to promote the accessibility and availability of public transport services. CSO payments comprise Pricing CSO and Service Level CSO.				
Pricing CSO - To assist in attracting additional passengers to use public transport, fares are held at a level below those of an equivalent commercial fare scale. As a consequence of this policy a reimbursement by way of a Pricing CSO was received.				
Service Level CSO - In accordance with the Government's policy to provide an accessible and available public transport service, services in excess of the minimum service level requirements are provided. A Service Level CSO is paid by the Government to cover the operation of some non-commercial services provided by Sydney Ferries and Newcastle Services. No payment is received for the non-commercial services operated by Sydney Buses.				
(v) Interest Income				
Interest received or due and receivable comprises:				
- Interest from Hour Glass facility (Unitised Investment)	693	802	693	802
- Other interest	70	48	37	48
	763	850	730	850
(vi) Audit Fee				
Audit fees payable to the NSW Audit Office for the audit of:				
- Annual financial statements	177	158	177	158
- Other	-	4	-	4
	177	162	177	162
(vii) Board members' remuneration				
The amount of remuneration, including superannuation contributions, received or due and receivable by the non executive members of the State Transit Authority Board for services in respect of all entities including those set out in Note 17 was \$130,963 (1999: \$152,660). There were no other benefits paid to the members of the Board.				

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF

THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

Note	Consolidated		State Transit	
	2000 \$ 000	1999 \$ 000	2000 \$ 000	1999 \$ 000
3. INCOME TAX				
(i) Income tax expense				
The prima facie tax on operating profit/(loss) differs from the income tax provided in the accounts as follows:				
Prima facie tax on operating profit/(loss)	252	(3,163)	1,222	(3,163)
Tax effect of permanent differences (net)	910	79	710	79
Prior year adjustment	-	(34)	-	(34)
(Offset of) /transferred to FITB	(1,162)	3,118	(1,932)	3,118
Income tax attributable to operating profit/(loss)	-	-	-	-
(ii) Benefit of tax losses and timing differences not brought to account				
Future income tax benefit arising from tax losses and timing differences have not been recognised as an asset because realisation of the benefit is not regarded as virtually certain.				
	66,843	59,830	65,014	59,830
(iii) Future Income Tax Benefits (FITB)				
A Future Income Tax Benefits of \$10.250M comprising timing differences of \$9.008M and the tax losses of \$1.242M was not recognised in the financial statements. The benefits of these assets will only be derived if:				
(a) the consolidated entity derives sufficient future assessable income to enable the benefits to be realised;				
(b) the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation; and				
(c) there is no adverse change in tax legislation affecting the consolidated entity in realising the benefit.				
4. DIVIDEND PAID				
At the direction of the NSW Treasury, a dividend, representing a capital repayment, was paid to the NSW Treasury under Section 59B of the Public Finance and Audit Act 1983 in the prior year by State Transit Authority.				
	-	16,560	-	16,560
5. RECEIVABLES (CURRENT)				
Trade debtors	10,505	6,213	10,504	6,213
Less – provision for doubtful debts	115	115	115	115
	10,390	6,098	10,389	6,098
Sundry debtors	539	1,053	123	1,053
Less – provision for doubtful debts	5	5	5	5
	534	1,048	118	1,048
Non-trade amounts owing by wholly-owned entities	-	-	9,972	-
	10,924	7,146	20,479	7,146

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF

THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

	Note	Consolidated		State Transit	
		2000	1999	2000	1999
		\$ 000	\$ 000	\$ 000	\$ 000
6. INVENTORIES					
Mechanical and electrical spares		4,925	4,190	4,782	4,190
Distillate		1,964	1,423	1,921	1,423
Tyres and tubes		222	240	222	240
Other		449	419	449	419
		7,560	6,272	7,374	6,272
7. OTHER ASSETS					
Current					
Prepayments		4,389	4,566	4,159	4,566
Retirement benefits		713	2,691	713	2,691
Other		1,151	433	1,151	433
		6,253	7,690	6,023	7,690
Non-Current					
Other		1,529	123	1,529	123
		1,529	123	1,529	123
8. INVESTMENTS					
Investments carried at cost:					
Securities not quoted on prescribed stock exchange:					
- Shares in controlled entities	17	-	-	7,790	-
		-	-	7,790	-
9. PROPERTY, PLANT AND EQUIPMENT					
Land, buildings and wharves					
<i>Land</i>					
Freehold operating land					
- At valuation	9(i)&(ii)	65,594	60,294	64,326	60,294
Freehold commercial land					
- At valuation	9(i)&(ii)	1,560	15,661	1,560	15,661
		67,154	75,955	65,886	75,955
<i>Buildings</i>					
- At valuation	9(i)&(ii)	52,199	50,753	52,027	50,753
Less accumulated depreciation		20,582	19,418	20,581	19,418
		31,617	31,335	31,446	31,335
Wharves					
- At valuation	9(i)&(ii)	11,413	11,488	11,413	11,488
Less accumulated depreciation		10,132	9,661	10,132	9,661
		1,281	1,827	1,281	1,827
Total land, buildings and wharves		100,052	109,117	98,613	109,117

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF

THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

	Note	Consolidated		State Transit	
		2000 \$ 000	1999 \$ 000	2000 \$ 000	1999 \$ 000
9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)					
Plant and equipment					
- At valuation	9(i)&(iii)	67,841	59,623	66,879	59,623
Less accumulated depreciation		45,209	41,576	45,134	41,576
Total plant and equipment		22,632	18,047	21,745	18,047
Buses					
Owned buses					
- At valuation	9(i)&(iii)	394,273	374,858	371,941	374,858
Less accumulated depreciation		245,390	221,811	232,975	221,811
		148,883	153,047	138,966	153,047
- At cost		56,463	-	56,463	-
Less accumulated depreciation		1,339	-	1,339	-
		55,124	-	55,124	-
Total owned buses		204,007	153,047	194,090	153,047
Leased buses					
- At valuation	9(i)&(iii)	55,895	56,646	55,895	56,646
Less accumulated amortisation		43,472	40,963	43,472	40,963
Total leased buses		12,423	15,683	12,423	15,683
Total buses		216,430	168,730	206,513	168,730
Motor vehicles (other than buses)					
- At valuation	9(i)&(iii)	692	795	680	795
Less accumulated depreciation		537	577	536	577
Total motor vehicles		155	218	144	218
Ferries					
Owned ferries					
- At valuation	9(i)&(ii)	98,200	98,200	98,200	98,200
Less accumulated depreciation		69,558	65,367	69,558	65,367
		28,642	32,833	28,642	32,833
Leased ferries					
- At valuation	9(i)&(ii)	24,500	24,500	24,500	24,500
Less accumulated amortisation		21,386	20,463	21,386	20,463
		3,114	4,037	3,114	4,037
Total ferries		31,756	36,870	31,756	36,870
Works in progress (at cost)		17,500	14,576	17,500	14,576
Total property, plant and equipment		388,525	347,558	376,271	347,558

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF

THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Note:

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

(ii) The following non-current assets were independently valued by registered valuers.

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

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

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

(iv) Major items of works in progress include buses \$5.8M, ferries \$6.4M, Automatic Fare Collection equipment \$1.6M and computer systems \$1.2M

Note	Consolidated		State Transit	
	2000 \$ 000	1999 \$ 000	2000 \$ 000	1999 \$ 000
10. INTANGIBLES				
Service contract rights	9,355	388	6,722	388
Less accumulated amortisation	1,438	130	936	130
	7,917	258	5,786	258

11. ACCOUNTS PAYABLE

Trade creditors	13,572	10,269	13,572	10,269
Other accruals	22,222	14,329	21,724	14,329
	35,794	24,598	35,296	24,598

12. BORROWINGS

Current

Unsecured loans – NSW Treasury Corporation	16(i)	-	2,441	-	2,441
Secured finance lease liabilities	16(ii)	2,076	1,988	2,076	1,988
		2,076	4,429	2,076	4,429

Non-Current

Unsecured loans – NSW Treasury Corporation	16(i)	101,128	28,634	101,128	28,634
Secured finance lease liabilities	16(ii)	19,894	21,970	19,894	21,970
		121,022	50,604	121,022	50,604

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF

THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

	Note	Consolidated		State Transit	
		2000	1999	2000	1999
		\$ 000	\$ 000	\$ 000	\$ 000
13. PROVISIONS					
<i>Current</i>					
Employee entitlement					
Leave		21,764	20,533	21,764	20,533
Other					
Workers' compensation		6,333	7,108	6,333	7,108
Public risk		960	640	960	640
Other claims		4,313	2,812	4,313	2,812
		11,606	10,560	11,606	10,560
		33,370	31,093	33,370	31,093
<i>Non-Current</i>					
Employee entitlement					
Leave		28,224	27,050	28,224	27,050
Retirement benefits	13(i)	33,133	57,533	33,133	57,533
		61,357	84,583	61,357	84,583
Other					
Workers' compensation		18,758	22,622	18,758	22,622
Public risk		140	630	140	630
Other claims		3,115	912	3,115	912
		22,013	24,164	22,013	24,164
		83,370	108,747	83,370	108,747

(i) Retirement Benefits

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

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

These schemes are administered by the Superannuation Administration Corporation. The liability for employee's retirement benefits under each scheme was determined by the Corporation's actuary, based on the triennial review as at 30 June 2000. The key economic assumptions used by the actuary to calculate the superannuation liability were:

	1999-2000	Thereafter
	% pa	% pa
Rate of investment return	7.0	7.0
Rate of salary increase	4.0	4.0
Rate of increase in Consumer Price Index	2.5	2.5

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF

THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

	Note	Consolidated		State Transit	
		2000 \$ 000	1999 \$ 000	2000 \$ 000	1999 \$ 000
13. PROVISIONS (CONT'D)					
The assessed liability as at 30 June 2000 and funds held in the Reserve Account with the Superannuation Administration Corporation are as follows:					
		SASS \$ 000	SANCS \$ 000	SSS \$ 000	Total \$ 000
Gross liability		128,285	17,483	3,900	149,668
Less – Investment reserve balance		100,256	12,379	4,613	117,248
Unfunded liability/(prepaid contributions)*		28,029	5,104	(713)	32,420
*Prepaid superannuation contributions are recognised as an asset.					
Non-Current liability					
Retirement benefits		33,133	57,533	33,133	57,533
(ii) Components of retirement benefit expenditure:					
Increase in balance of provision*		4,285	18,258	4,285	18,258
Interest received		(11,998)	(8,724)	(11,998)	(8,724)
Payments made under superannuation guarantee charge		6,455	5,684	6,387	5,684
Tax expense	-1998	-	1,597	-	1,597
	- 1999	-	2,319	-	2,319
	- 2000	2,685	-	2,685	-
Expenditure for the year		1,427	19,134	1,359	19,134
* Calculation of the 30 June 2000 retirement benefit liability is based on actuarial assumptions stated in 13(i) above, revised from assumptions used in previous years. As a result of this assessment a significant downward adjustment to the liability was made.					
14. OTHER LIABILITIES					
Current					
Deferred revenue	1(k)	645	333	645	333
Unearned income		11,496	4,801	11,496	4,801
Gain on foreign exchange contracts for capital WIP		1,058	2,007	1,058	2,007
		13,199	7,141	13,199	7,141
Non-Current					
Deferred revenue	1(k)	1,280	870	1,280	870
Gain on foreign exchange contracts for capital WIP		-	653	-	653
		1,280	1,523	1,280	1,523

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF

THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

	Note	Consolidated		State Transit	
		2000	1999	2000	1999
		\$ 000	\$ 000	\$ 000	\$ 000
15. RESERVES					
Asset Revaluation Reserve:					
Opening balance		91,819	107,622	91,819	107,622
Revaluation increment/(decrement)					
- Land		-	9,079	-	9,079
- Buildings		-	(1,145)	-	(1,145)
- Plant and equipment		-	(8,279)	-	(8,279)
Realised increment on property, plant and equipment sold during the year transferred to accumulated funds		(15,096)	(15,458)	(15,096)	(15,458)
Closing balance		76,723	91,819	76,723	91,819
16. COMMITMENTS					
(i) Loans					
Payable:					
Not later than 1 year		-	2,441	-	2,441
Later than 1 year but not later than 2 years		29,834	-	29,834	-
Later than 2 years but not later than 5 years		50,184	22,907	50,184	22,907
Later than 5 years		21,110	5,727	21,110	5,727
Total loans		101,128	31,075	101,128	31,075
Current liability	12	-	2,441	-	2,441
Non-Current liability	12	101,128	28,634	101,128	28,634
		101,128	31,075	101,128	31,075
(ii) Finance Lease Commitments					
Payable:					
Not later than 1 year		3,012	3,011	3,012	3,011
Later than 1 year but not later than 5 years		21,506	24,498	21,506	24,498
		24,518	27,509	24,518	27,509
Less – Future finance charges		2,548	3,551	2,548	3,551
Total lease liability		21,970	23,958	21,970	23,958
Current liability	12	2,076	1,988	2,076	1,988
Non-Current liability	12	19,894	21,970	19,894	21,970
		21,970	23,958	21,970	23,958

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF

THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

	Note	Consolidated		State Transit	
		2000	1999	2000	1999
		\$ 000	\$ 000	\$ 000	\$ 000
16. COMMITMENTS (CONT'D)					
(III) OPERATING LEASE COMMITMENTS					
Payable:					
Not later than 1 year		2,507	5,182	2,507	5,182
Later than 1 year but not later than 5 years		6,127	10,279	6,127	10,279
Later than 5 years		44,490	44,924	44,490	44,924
		53,124	60,385	53,124	60,385
(iv) Capital Expenditure Commitments					
Payable:					
Not later than 1 year		45,065	63,573	45,065	63,573
Later than 1 year but not later than 2 years		45,166	14,314	45,166	14,314
Later than 2 years but not later than 5 years		2,357	-	2,357	-
		92,588	77,887	92,588	77,887

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

17. CONTROLLED ENTITIES

The consolidated financial statements at 30 June 2000 include the following controlled entities. The financial years of all controlled entities are the same as that of the parent entity.

Name of controlled entity	Place of incorporation/ formation	% of shares/units held	
		2000	1999
ACN 090 845 097 Pty Limited	Australia	100%	Nil
North & Western Coaches Pty Limited	Australia	100%	Nil
Riverside Bus & Coach Services Pty Limited	Australia	100%	Nil
Riverside Bus & Coach Services Unit Trust	Australia	100%	Nil

With effect from 13 December 1999, the State Transit Authority of New South Wales purchased North & Western Coaches Pty Limited, whose principal activity was the provision of public transport.

ACN 090 845 097 Pty Limited was incorporated on 8 December 1999 for the specific purposes of acquiring shares in Riverside Bus & Coach Pty Limited (the trustee for Riverside Bus & Coach Services Unit Trust) and the units in Riverside Bus & Coach Services Unit Trust, whose principal activity was the provision of public transport. Both holdings were acquired with effect from 1 March 2000.

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF

THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

18. FINANCIAL INSTRUMENTS

- (i) **Interest Rate Risk** - Exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date are as follows:

	Fixed interest rate maturing in:										Weighted average effective interest rate	
	Floating interest rate		1 year or less		1 to 5 years		5 years or more		Non-interest bearing		Total carrying amount as per the balance sheet	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
Financial Instruments	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	%
(a) Financial Assets												
Cash on hand and in the bank	8,899	591							2,515	1,809	11,414	2,400
Receivables – Trade									10,924	7,146	10,924	7,146
Currency:												
- Options			297	10	235	57					-	-
- Swaps			635	-							-	-
Total financial assets	8,899	591	932	10	235	57	-	-	13,439	8,955	22,338	9,546
(b) Financial Liability												
Treasury Corporation Loans			-	2,441	87,882	22,907	13,246	5,727			101,128	31,075
Trade creditors & accruals									35,794	24,598	35,794	24,598
Finance lease liabilities											21,970	23,958
Currency:												
- Swaps				39							-	39
Total financial liabilities	21,970	23,958	-	2,480	87,882	22,907	13,246	5,727	35,794	24,598	158,892	79,631

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

NOTES TO AND FORMING PART OF

THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

18. FINANCIAL INSTRUMENTS (CONT'D)

(ii) Net Fair Values

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

	Total carrying amount as per balance sheet		Aggregate net fair value	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000
Financial Assets				
Cash	11,414	2,400	11,414	2,400
Receivables – Trade	10,924	7,146	10,924	7,146
Currency:				
- Options	-	-	532	67
- Swaps	-	-	635	-
Commodity:				
- Options	-	-	545	263
- Swaps	-	-	734	-
Total financial assets	22,338	9,546	24,784	9,876
Financial Liabilities				
Treasury Corporation Loans	101,128	31,075	103,363	32,400
Trade creditors & accruals	35,794	24,598	35,794	24,598
Finance lease liabilities	21,970	23,958	21,309	23,106
Currency – swaps	-	-	-	39
Commodity – swaps	-	-	-	702
Total financial liabilities	158,892	79,631	160,466	80,845

(iii) Credit Risk Exposures

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

In relation to derivative financial instruments, credit risk arises from the potential failure of counter parties to meet the obligations under the contract or arrangement.

The credit risk exposure in relation to these is as follows:

- (a) Currency agreements – Forward exchange contracts and currency options are entered into to manage the risk of price increases for the purchase of capital equipment and distillate fuel.

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

	2000		1999	
	Face Value A\$000	Market Value A\$000	Face Value A\$000	Market Value A\$000
Financial Instruments				
Forward Exchange contracts:				
Not later than 1 year	27,581	27,291	3,094	3,050

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES
**NOTES TO AND FORMING PART OF
 THE FINANCIAL STATEMENTS**
 FOR THE YEAR ENDED 30 JUNE 2000

18. FINANCIAL INSTRUMENTS (CONT'D)

	2000 Net Fair Value A\$000	1999 Net Fair Value A\$000
Currency Options:		
Not later than 1 year	297	9
Later than 1 year but not later than 2 years	188	32
Later than 2 years but not later than 3 years	47	26
	532	67

(b) **Commodity agreements**

At balance date the State Transit Authority holds a number of swap/option agreements for Tapis Crude Oil, a function of the contracted price paid for distillate fuel, which mature in each month during the period July 2000 to June 2003. These swaps/options are based on the hedge cover of a proportion of forecast fuel usage within approved parameters.

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

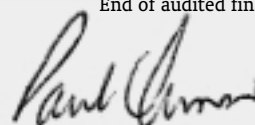
	2000		1999	
Financial Instruments	Face Value A\$000	Market Value A\$000	Face Value A\$000	Market Value A\$000
Commodity Swaps:				
Not later than 1 year	9,171	8,882	6,045	5,640
Later than 1 year but not later than 2 years	2,360	2,143	2,796	2,608
Later than 2 years but not later than 3 years	1,613	1,385	1,630	1,521
	13,144	12,410	10,471	9,769

	2000 Net Fair Value A\$000	1999 Net Fair Value A\$000
Commodity Options:		
Not later than 1 year	198	175
Later than 1 year not but later than 2 years	347	46
Later than 2 years but not later than 3 years	-	42
	545	263

19. CONTINGENT LIABILITIES

No significant contingent liabilities are anticipated.

End of audited financial statements.



PAUL DUNN

GENERAL MANAGER, FINANCE & BUSINESS SERVICES, SYDNEY

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES FOR THE YEAR ENDED 30 JUNE 2000

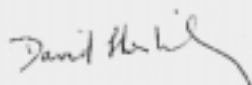
STATEMENT BY MEMBERS OF THE BOARD

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

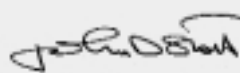
1. The accompanying financial statements exhibit a true and fair view of the financial position and transactions of the State Transit Authority of New South Wales and its subsidiaries as at 30 June 2000; and
2. The financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, Public Finance and Audit (General) Regulations 1995 and the Treasurer's Directions.

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

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



DAVID HERLIHY
CHAIRMAN
SYDNEY



JOHN STOTT PSM
CHIEF EXECUTIVE

STATEMENT OF RESPONSIBILITY

State Transit operates a system of internal controls throughout each of its financial and operational business systems. A subcommittee of the Board (Audit Committee), comprising two Board members and the Chief Executive, supported by senior management and other employees, oversee the operation of risk management strategies and internal controls. In addition, State Transit operates an active internal audit programme.

Business Managers at each of the operational sites have consistently issued monthly statements attesting that key control reports delivered from the various systems have been reviewed. These reports are designed to assist the improvement of processes and to detect trends or "out of course condition" which may point to improper losses.

In addition, at the end of the year, the General Managers, and Business Managers and others reporting to them, signed a certificate of compliance attesting that internal controls in financial and operational process were properly applied throughout the year.

To the best of our knowledge this system of internal controls has operated satisfactorily during the year.



GEOFF ASHTON
CHAIRMAN, AUDIT COMMITTEE
SYDNEY



JOHN STOTT PSM
CHIEF EXECUTIVE



BOX 12 GPO
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

STATE TRANSIT AUTHORITY OF NEW SOUTH WALES

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

Scope

I have audited the accounts of the State Transit Authority of New South Wales for the year ended 30 June 2000. The financial report includes the consolidated financial statements of the consolidated entity comprising the Authority and the entities it controlled at the year's end or from time to time during the financial year. The members of the Board of the Authority are responsible for the financial report consisting of the accompanying balance sheet, operating statement and statements of cash flows, together with the notes thereto and the information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament and members of the Board of the Authority based on my audit as required by sections 34 and 41C(1) of the *Public Finance and Audit Act 1983* (the *Act*).

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

In addition, other legislative and policy requirements, which could have an impact on the Authority's financial report, have been reviewed on a cyclical basis. For this year, the requirements examined comprised compliance with:

- core business activities being in accordance with *Transport Administration Act 1988*;
- key provisions of Part 2 of the *Public Sector Management Act 1988* and Parts 2, 3, 4, 5 and 6 of the *Public Sector Management (General) Regulation 1996*;
- operation of Special Deposits Account in accordance with *Transport Administration Act 1988*; and
- the Premier's Department SES Guidelines in respect of the CFO's contract.

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

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

Audit Opinion

In my opinion, the financial report of the State Transit Authority of New South Wales complies with section 41B of the *Act* and presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of the Authority and the consolidated entity as at 30 June 2000 and the results of their operations and their cash flows for the year then ended.

A T WILLFIELD FCA
ASSISTANT AUDITOR-GENERAL
(duly authorised by the Auditor-General of New South Wales
under section 41C(1A) of the *Act*)

SYDNEY
5 October 2000



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

ACN 090 845 097 PTY LIMITED

Directors' report	56
Profit and loss statement	58
Balance sheet as at 30 June 2000	58
Statement of cash flows	59
Notes to and forming part of the financial statements:	61
1. Statement of significant account policies	61
2. Details for the profit and loss statement	62
3. Income tax expense	62
4. Investments	62
5. Intangibles	62
6. Borrowings	62
7. Share capital	62
8. Controlled entities	63
9. Related party disclosure	63
Directors' declaration	63

ACN 090 845 097
PTY LIMITED

ACN 090 845 097 PTY LIMITED

DIRECTORS' REPORT

The Board of Directors of ACN 090 845 097 Pty Limited has pleasure in submitting the balance sheet of the company as at 30 June 2000, and related profit and loss and cash flow statements for the period then ended and report as follows:

DIRECTORS

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

Director	Qualifications and experience	Period of directorship
David James Herlihy	Chairman, State Transit Authority	9/12/99 to date
John Douglas Stott PSM	Chief Executive, State Transit Authority	9/12/99 to date
Ross Alexander Dalgleish	Company Director	8/12/99 to 9/12/99

Principal activities

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

The principal activity of the company during the period was investment in public transport. No significant change in the nature of activity occurred during the period.

Significant changes in the state of affairs

The State Transit Authority of New South Wales acquired all the shares in the company on 9 December 1999.

Results

The net loss after providing for income tax amounted to \$502,527 for the period ended 30 June 2000.

Dividends

There were no dividends declared or paid during the financial period.

Directors' meetings

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

Director	Number of meetings held while a Director	Number of meetings attended
David James Herlihy	2	2
John Douglas Stott PSM	2	2
Ross Alexander Dalgleish	1	1

Directors' benefits

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

ACN 090 845 097 PTY LIMITED

DIRECTORS' REPORT

Indemnifying officer

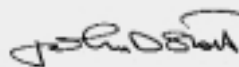
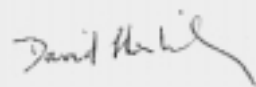
Pursuant to Clause 94 of its constitution the company has the authority to indemnify an officer of the company. During or since the financial period, the company has not in respect of any person who is or has been an officer of the company or a subsidiary of the company:

- (a) indemnified or made any relevant agreement for indemnifying any person against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- (b) paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses of defending legal proceedings.

Significant events after period end

It is planned to dissolve the company in the following financial year after transferring the company's business operations, asset and liabilities to State Transit Authority of New South Wales.

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



Dated at Sydney this 5th day of October 2000.

ACN 090 845 097
PTY LIMITED

ACN 090 845 097 PTY LIMITED

PROFIT AND LOSS STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2000

	Note	2000 \$
Operating revenue		-
Expenditure	2	502,527
Operating loss before income tax		(502,527)
Income tax attributable to operating loss		-
Operating loss after income tax		(502,527)
Retained profits at the beginning of the financial period		-
Accumulated losses at the end of the financial period		(502,527)

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

BALANCE SHEET

AS AT 30 JUNE 2000

	Note	2000 \$
NON-CURRENT ASSETS		
Investments	4	2,207,531
Intangibles	5	2,130,550
TOTAL NON-CURRENT ASSETS		4,338,081
TOTAL ASSETS		4,338,081
CURRENT LIABILITIES		
Borrowings	6	4,840,607
TOTAL CURRENT LIABILITIES		4,840,607
TOTAL LIABILITIES		4,840,607
NET ASSETS		(502,526)
EQUITY		
Share capital	7	1
Accumulated losses		(502,527)
TOTAL EQUITY		(502,526)

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

ACN 090 845 097 PTY LIMITED

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 JUNE 2000

	Note	2000 \$ Inflows (Outflows)
Cash flows from operating activities:		
Net cash provided by operating activities	(i)	-
Cash flows from investing activities:		
Purchase of controlled entities, net of cash acquired	(ii)	(1,977,402)
Payment for service contract rights		(2,633,077)
Net cash used in investing activities		(4,610,479)
Cash flows from financing activities:		
Proceeds from borrowings		4,610,478
Proceeds from share issue		1
Net cash provided by financing activities		4,610,479
Net increase in cash held		-
Cash at the beginning of the financial period		-
Cash at the end of the financial period		-
(i) Reconciliation of operating result after income tax to net cash provided by operating activities:		
Operating loss after income tax		(502,527)
Amortisation of service contract rights		502,527
Net cash provided by operating activities		-

(ii) Purchase of controlled entities

The following controlled entities were acquired by the company with effect from the dates stated.

Entity and consideration given	Date acquired	Proportion of shares/ units acquired	2000 \$
Riverside Bus & Coach Services Pty Limited - Cash	1/3/00	100%	4
Riverside Bus & Coach Services Unit Trust - Cash	1/3/00	100%	2,207,527
Total consideration			2,207,531

ACN 090 845 097
PTY LIMITED

ACN 090 845 097 PTY LIMITED

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 JUNE 2000

	Note	2000 \$ Inflows (Outflows)
(ii) Purchase of controlled entities (cont'd)		
The amounts of assets and liabilities acquired by major class are:		
Cash		230,129
Receivables		52,048
Inventories		82,712
Property, plant and equipment		3,737,743
Accounts payable		(42,278)
Borrowings		(1,706,295)
Provisions		(146,528)
		2,207,531
Outflow of cash to acquire the entities, net of cash acquired:		
Cash consideration		2,207,531
Cash balance acquired		(230,129)
		1,977,402

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

ACN 090 845 097 PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2000

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared as a general purpose financial report which complies with the requirements of the Public Finance and Audit Act 1983, the Public Finance and Audit (General) Regulation 1995, Corporations Law, Australian Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and applicable Treasurer's Directions and Treasury Circulars.

The financial statements cover the period from incorporation on 8 December 1999 to 30 June 2000 and have been prepared on an accrual accounting basis using historical costs.

The financial statements have been prepared on a going concern basis which assumes that the company is expected to be able to pay its debts as and when they fall due and continue in operation without any intention or necessity to liquidate or otherwise wind up its operations.

(b) Income Tax

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

The company is subject to the Tax Equivalent Regime under which it is required to pay a taxation equivalent to the NSW Government.

(c) Intangibles

Service Contract Rights

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

(d) Borrowings

(i) Inter-Entity Loans

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

(ii) Borrowing Costs

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

- interest on bank overdrafts and short-term and long-term borrowings
- amortisation of discounts or premiums relating to borrowings
- finance lease charges
- certain exchange differences arising from foreign currency borrowings

ACN 090 845 097 PTY LIMITED

**NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED 30 JUNE 2000

	Note	2000 \$
2. OPERATING REVENUE AND EXPENDITURE		
(i) Revenue		
Total revenue		-
(ii) Expenditure		
Amortisation of service contract rights		502,527
Total expenditure		502,527
(iii) Audit fee		
The company's audit fees payable to the NSW Audit Office for the audit of the annual financial statements have been provided for in the financial statements of the State Transit Authority of New South Wales.		
3. INCOME TAX		
(i) Income tax expense		
The prima facie tax on operating loss differs from the income tax provided in the accounts as follows:		
- Prima facie tax on operating loss		(180,910)
- Tax effect of permanent differences		180,910
		-
4. INVESTMENTS		
Investments carried at cost:		
Securities not quoted on prescribed stock exchange:		
- Shares and units in controlled entities		2,207,531
5. INTANGIBLES		
Service contract rights – at cost*		2,633,077
Less accumulated amortisation		502,527
		2,130,550
* This amount represents the fair value of the commercial service contracts issued by the NSW Department of Transport that are held by Riverside Bus & Coach Services Limited as trustee for Riverside Bus & Coach Services Unit Trust.		
	Note	2000 \$
6. BORROWINGS (CURRENT)		
Non-trade amounts owing to related parties:		
- Parent entity		4,840,607
7. SHARE CAPITAL		
Paid up capital:		
1 ordinary share		1

ACN 090 845 097 PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2000

8. CONTROLLED ENTITIES

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

ACN 090 845 097 Pty Limited was incorporated on 8 December 1999 for the specific purpose of acquiring shares in Riverside Bus & Coach Services Pty Limited (the trustee for Riverside Bus & Coach Services Unit Trust) and the units in Riverside Bus & Coach Services Unit Trust, whose principal activity was the provision of public transport.

9. RELATED PARTY DISCLOSURE

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

The company entered into the following transactions during the period with related parties in the wholly-owned group.

- Loans were received on short term inter-company accounts from the ultimate controlling entity.

(b) Accounts due to related parties in the wholly-owned group:

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

(c) Ultimate controlling entity

The ultimate controlling entity of the company is the State Transit Authority of New South Wales. The State Transit Authority of New South Wales acquired the company on 9 December 1999.

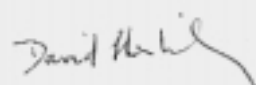
DIRECTORS' DECLARATION

The Board of Directors of ACN 090 845 097 Pty Limited have prepared the financial statements as a general purpose financial report which complies with the requirements of the Public Finance and Audit Act (1983), the Public Finance and Audit (General) Regulation 1995, Corporations Law, Australian Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and applicable Treasurer's Directions and Treasury Circulars.

In the opinion of the Directors of the company:

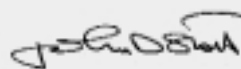
- the accompanying profit and loss statement is drawn up so as to give a true and fair view of the result of the company for the period ended 30 June 2000.
- the accompanying balance sheet is drawn up so as to give a true and fair view of the state of affairs of the company as at 30 June 2000.
- at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

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



DAVID JAMES HERLIHY
DIRECTOR

Dated at Sydney this 5th day of October 2000.



JOHN DOUGLAS STOTT PSM
DIRECTOR



BOX 12 GPO
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

ACN 090 845 097 PTY LIMITED

To Members of the New South Wales Parliament and Members of ACN 090 845 097 Pty Limited

Scope

I have audited the accounts of ACN 090 845 097 Pty Limited for the financial period ended 30 June 2000. The company's directors are responsible for the financial report consisting of the accompanying profit and loss statement, balance sheet, statement of cash flows and accompanying notes, and the directors' declaration, and the information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament and members of the company based on my audit as required by sections 34 and 41(1) of the *Public Finance and Audit Act 1983* (the Act) and the Corporations Law.

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

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

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

Audit Opinion

In my opinion the financial report of ACN 090 845 097 Pty Limited complies with section 41B of the Act, and is in accordance with:

- (a) the Corporations Law, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2000 and of its performance for the period ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.

R J Nordin
Auditor-General

SYDNEY
5 October 2000

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

RIVERSIDE BUS & COACH SERVICES PTY LIMITED

ACN 001 333 553

Directors' report	66
Profit and loss statement	68
Balance sheet as at 30 June 2000	68
Notes to and forming part of the financial statements	69
Directors' declaration	70

RIVERSIDE BUS & COACH SERVICES PTY LIMITED

DIRECTORS' REPORT

The Board of Directors of Riverside Bus & Coach Services Pty Limited has pleasure in submitting the balance sheet of the company as at 30 June 2000, and related profit and loss statement for the year then ended and report as follows:

Directors

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

Director	Qualifications and experience		Period of directorship
David James Herlihy	Chairman -	State Transit Authority of New South Wales	28/2/00 to date
John Douglas Stott PSM	Chief Executive -	State Transit Authority of New South Wales	28/2/00 to date
Fletcher Louis Desmond Kennedy	Company Director		10/2/76 to 28/2/00
Roma Noleen Kennedy	Company Director		10/2/76 to 28/2/00
Kenneth Alfred Butt	Company Director		31/5/93 to 28/2/00

Principal activities

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

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

Results

The net profit after providing for income tax amounted to \$nil.

Significant change in the state of affairs

A significant change in the state of affairs of the company occurred during the financial year. ACN 090 845 097 Pty Limited acquired the company on 28 February 2000.

Dividends

The directors do not recommend the payment of a dividend at this time. No amount has been paid or declared by way of dividend since the end of the previous financial year.

Directors' meetings

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

Director	Number of meetings held while a Director	Number of meetings attended
David James Herlihy	2	2
John Douglas Stott PSM	2	2
Fletcher Louis Desmond Kennedy	Not known	Not known
Roma Noleen Kennedy	Not known	Not known
Kenneth Alfred Butt	Not known	Not known

Directors' benefits

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

RIVERSIDE BUS & COACH SERVICES PTY LIMITED

DIRECTORS' REPORT

Indemnifying officer

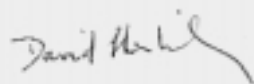
Since the end of the previous financial year, the company has not in respect of any person who is or has been an officer of the company or a subsidiary of the company:

- (a) indemnified or made any relevant agreement for indemnifying any person against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- (b) paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses of defending legal proceedings.

Significant events after year end

It is planned to dissolve the company in the following financial year after transferring the company's business operations, assets and liabilities to State Transit Authority of New South Wales.

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



DAVID JAMES HERLIHY
DIRECTOR



JOHN DOUGLAS STOTT PSM
DIRECTOR

Dated at Sydney this 5th day of October 2000.

RIVERSIDE BUS & COACH SERVICES PTY LIMITED

PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 30 JUNE 2000

	Note	2000 \$	1999 \$
Operating revenue		-	-
Expenditure		-	-
Operating profit/(loss) before income tax		-	-
Income tax attributable to operating profit/(loss)		-	-
Operating profit/(loss) after income tax		-	-
Retained profits at the beginning of the financial year		-	-
Total available for appropriation		-	-
Retained profits at the end of the financial year		-	-

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

BALANCE SHEET

FOR THE YEAR ENDED 30 JUNE 2000

	Note	2000 \$	1999 \$
CURRENT ASSETS			
Cash		4	4
TOTAL CURRENT ASSETS		4	4
TOTAL ASSETS		4	4
NET ASSETS		4	4
EQUITY			
Share capital		4	4
TOTAL EQUITY		4	4

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

RIVERSIDE BUS & COACH SERVICES PTY LIMITED
NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared as a general purpose financial report which complies with the requirements of the Public Finance and Audit Act 1983, the Public Finance and Audit (General) Regulation 1995, Corporations Law, Australian Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and applicable Treasurer's Directions and Treasury Circulars.

The financial statements have been prepared on a going concern basis which assumes that the Company is expected to be able to pay its debts as and when they fall due and continue in operation without any intention or necessity to liquidate or otherwise wind up its operations.

(b) Assets and liabilities of trust for which the Company is trustee

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

	2000	1999
	\$	\$
CURRENT ASSETS		
Cash	24,413	17,202
Receivables	74,420	88,787
Inventories	-	75,250
Other	-	2,556
	98,833	183,795
NON CURRENT ASSETS		
Property, plant and equipment	3,666,788	3,077,687
Intangibles	-	20,000
	3,666,788	3,097,687
TOTAL ASSETS	3,765,621	3,281,482
CURRENT LIABILITIES		
Accounts payable	-	37,598
Borrowings	1,609,075	830,812
Provisions	-	120,539
	1,609,075	988,949
NON CURRENT LIABILITIES		
Borrowings	-	409,965
Provisions	-	22,430
	-	432,395
TOTAL LIABILITIES	1,609,075	1,421,344

Comparative figures were unaudited.

RIVERSIDE BUS & COACH SERVICES PTY LIMITED

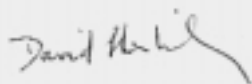
DIRECTORS' DECLARATION

The Board of Directors of Riverside Bus & Coach Services Pty Limited has prepared the financial statements as a general purpose financial report which complies with the requirements of the Public Finance and Audit Act (1983), the Public Finance and Audit (General) Regulation 1995, Corporations Law, Australian Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and applicable Treasurer's Directions and Treasury Circulars.

In the opinion of the Directors of the company:

- (a) the accompanying profit and loss statement is drawn up so as to give a true and fair view of the result of the company for the period ended 30 June 2000.
- (b) the accompanying balance sheet is drawn up so as to give a true and fair view of the state of affairs of the company as at 30 June 2000.
- (c) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

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



DAVID JAMES HERLIHY
DIRECTOR



JOHN DOUGLAS STOTT PSM
DIRECTOR

Dated at Sydney this 5th day of October 2000.



BOX 12 GPO
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

RIVERSIDE BUS & COACH SERVICES PTY LIMITED

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

Scope

I have audited the accounts of Riverside Bus & Coach Services Pty Limited for the financial year ended 30 June 2000. The company's directors are responsible for the financial report consisting of the accompanying profit and loss statement, balance sheet and accompanying notes, and the directors' declaration, and the information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament and members of Riverside Bus & Coach Services Pty Limited based on my audit as required by sections 34 and 41C(1) of the *Public Finance and Audit Act 1983* (the Act) and the Corporations Law.

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

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

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

Qualification

The financial report for the year ended 30 June 1999 has not been audited. Accordingly I am not in a position to and do not express an opinion on the comparatives for 1999 shown in Note 1(b).

Qualified Audit Opinion

In my opinion, except for the effects on the comparatives for 1999 shown in Note 1(b) of such adjustments, if any, as might have been determined to be necessary had the limitation on the scope of my work as discussed in the qualification paragraph not existed, the financial report of Riverside Bus & Coach Services Pty Limited complies with section 41B of the Act, and is in accordance with:

- (a) the Corporations Law, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2000 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.

R.J. Smith
Auditor-General

SYDNEY
5 October 2000



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

RIVERSIDE BUS & COACH SERVICES UNIT TRUST

Income and expenditure statement	74
Balance sheet as at 30 June 2000	75
Statement of cash flows	76
Notes to and forming part of the financial statements:	78
1. Statement of significant accounting policies	78
2. Details for the income and expenditure statement	81
3. Income tax	82
4. Receivables	82
5. Inventories	82
6. Other assets	82
7. Property, plant and equipment	82
8. Intangibles	83
9. Accounts payable	83
10. Borrowings	84
11. Provisions	84
12. Trust capital	84
13. Reserves	84
14. Finance lease commitments	84
15. Trustee	85
16. Financial instruments	85
Declaration by directors of the trustee company	86

RIVERSIDE BUS & COACH SERVICES UNIT TRUST
INCOME AND EXPENDITURE STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2000

	Note	2000 \$	1999 \$
Income	2(i)	2,981,439	2,997,078
Expenditure	2(ii)	3,040,614	2,972,966
Operating (loss)/profit before income tax		(59,175)	24,112
Income tax attributable to operating (loss)/profit	3	-	-
Operating (loss)/profit after income tax		(59,175)	24,112
Accumulated losses at the beginning of the financial year		(78,091)	(102,203)
Accumulated losses prior to distribution		(137,266)	(78,091)
Distribution to beneficiaries		(29,687)	-
Accumulated losses at the end of the financial year		(166,953)	(78,091)

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

RIVERSIDE BUS & COACH SERVICES UNIT TRUST

BALANCE SHEET

AS AT 30 JUNE 2000

	Note	2000 \$	1999 \$
CURRENTS ASSETS			
Cash		24,413	17,202
Receivables	4	74,420	88,787
Inventories	5	-	75,250
Other	6	-	2,556
TOTAL CURRENT ASSETS		98,833	183,795
NON-CURRENT ASSETS			
Property, plant and equipment	7	3,666,788	2,077,687
Intangibles	8	-	20,000
TOTAL NON-CURRENT ASSETS		3,666,788	3,097,687
TOTAL ASSETS		3,765,621	3,281,482
CURRENT LIABILITIES			
Accounts payable	9	-	37,598
Borrowings	10	1,609,075	830,812
Provisions	11	-	120,539
TOTAL CURRENT LIABILITIES		1,609,075	988,949
NON-CURRENT LIABILITIES			
Borrowings	10	-	409,965
Provisions	11	-	22,430
TOTAL NON-CURRENT LIABILITIES		-	432,395
TOTAL LIABILITIES		1,609,075	1,421,344
NET ASSETS		2,156,546	1,860,138
EQUITY			
Trust capital	12	191,000	191,000
Vested funds		-	384,783
Reserves	13	2,132,499	1,362,446
Accumulated losses		(166,953)	(78,091)
TOTAL EQUITY		2,156,546	1,860,138

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

RIVERSIDE BUS & COACH SERVICES UNIT TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2000

	Note	2000 \$ Inflows (Outflows)	1999 \$ Inflows (Outflows)
Cash flows from operating activities:			
Passenger Revenue:			
- Fares, charters and tourist services		2,376,410	2,340,502
- Reimbursement for:			
- free travel by school students	2(iii)	284,116	300,914
- concessional travel by pensioners	2(iii)	307,641	291,108
Total passenger revenue		2,968,167	2,932,524
Advertising income		6,028	8,922
Other income		6,860	18,892
Payments to suppliers		(1,205,789)	(964,775)
Payments to employees		(1,440,617)	(1,550,279)
Interest and other finance costs		(157,410)	(174,829)
Net cash provided by operating activities	(i)	177,239	270,455
Cash flows from investing activities:			
Payments for property, plant and equipment		(20,513)	(18,386)
Proceeds on disposal of property, plant and equipment		12,701	1,321
Net cash used in investing activities		(7,812)	(17,065)
Cash flows from financing activities:			
Proceeds from borrowings		1,493,031	-
Repayment of borrowings		(543,526)	-
Repayment of lease liabilities		(697,251)	(180,638)
Payments to beneficiaries		(414,470)	-
Net cash used in financing activities		(162,216)	(180,638)
Net increase in cash held		7,211	71,424
Cash at the beginning of the financial year		17,202	(54,222)
Cash at the end of the financial year	(ii)	24,413	17,202

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

RIVERSIDE BUS & COACH SERVICES UNIT TRUST
NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2000

	Note	2000 \$	1999 \$
(i) Reconciliation of operating result after income tax to net cash provided by operating activities:			
Operating (loss)profit after income tax		(59,175)	24,112
Adjustments to reconcile net operating result to net cash provided by operating activities:			
Depreciation and amortisation		203,039	266,759
Bad and doubtful debts		2,050	1,400
Provision for employee entitlements		(26,925)	12,662
(Profit)/loss on disposal of property, plant and equipment		5,725	(72)
Changes in assets and liabilities:			
(Increase)/Decrease in inventory		75,250	(946)
(Increase)/Decrease in prepayments		2,556	631
(Increase)/Decrease in receivables		12,317	(34,019)
Increase/(Decrease) in trade creditors		(37,598)	(72)
Net cash provided by operating activities		177,239	270,455
(ii) Reconciliation of cash			
For the purpose of the statement of cash flows, cash includes cash in the bank. Cash at the end of the financial year, as shown in the statement of cash flow, is reconciled to the related items in the balance sheet as follows:			
Cash on hand and in the bank		24,413	17,202

RIVERSIDE BUS & COACH SERVICES UNIT TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared as a general purpose financial report which complies with the requirements of the Public Finance and Audit Act 1983, the Public Finance and Audit (General) Regulation 1995, Australian Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and applicable Treasurer's Directions and Treasury Circulars.

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

The financial statements have been prepared on a going concern basis which assumes that the Unit Trust is expected to be able to pay its debts as and when they fall due and continue in operation without any intention or necessity to liquidate or otherwise wind up its operations.

(b) Change in Accounting Policy

Property, plant and equipment

The Unit Trust has changed its depreciation policy to a straight line basis except for buses which are depreciated in line with the pattern of expiry of their service potential as stated in Note 1(g)(iii). The change was made to better align depreciation charges with anticipated pattern of benefits derived from the assets. The impact of this change for the current financial year was an increase in depreciation charge of \$38,412.

(c) Cash

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

(d) Receivables

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

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written-off. A provision for doubtful debts is raised when some doubt as to collection exists. The credit risk is the carrying amount (net of any provision for doubtful debts).

(e) Prepayments

Prepayments represent amounts paid in advance for services that have been expended in the current period and where the benefit will be realised in a subsequent period.

(f) Inventories

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

(g) Property, Plant and Equipment

The following policies apply to property, plant and equipment.

(i) Basis of Valuation

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

In applying the current cost basis of valuation, all property, plant and equipment are valued at written down replacement cost. Written down replacement cost is based on the ratio of remaining useful life to total useful life to the entity, except for buses where the ratio of remaining service potential to total service potential has been applied.

RIVERSIDE BUS & COACH SERVICES UNIT TRUST

NOTES TO AND FORMING PART OF

THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

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

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

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

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

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

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

(ii) **Leased Assets**

A distinction is made between finance leases, which effectively transfer to the Unit Trust substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

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

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

- where at the inception of the lease there is a reasonable assurance that the Unit Trust will obtain ownership of the asset. In such circumstances amortisation is calculated on the estimated useful life.
- for buses, consistent with the Unit Trust basis of valuation, amortisation is calculated using a ratio of remaining service potential to total service potential.

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

(iii) **Depreciation**

All property and plant and equipment are depreciated over their estimated useful lives commencing from the time an asset is held ready for use. Depreciation is calculated on a straight line basis except for buses which are depreciated in line with the pattern of expiry of their service potential.

Major depreciation periods are:	2000	1999
Freehold Buildings	40 yrs	-
Plant and equipment	3 to 20 yrs	3 to 7 yrs
Buses	20 yrs	5 to 16 yrs

(iv) **Capitalisation Policy**

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

RIVERSIDE BUS & COACH SERVICES UNIT TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

(h) Accounts Payable

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

(i) Employee Entitlements

Provisions for annual leave and long service leave estimated to be payable to employees on the basis of statutory and contractual requirements has been taken over by State Transit Authority of New South Wales.

(j) Reserves

The asset revaluation reserve comprises revaluation increments recognised upon revaluation of the Unit Trust's non current assets. Upon disposal or retirement, any related revaluation increment/(decrement) remaining in the reserve in respect of the asset at the time of disposal is transferred to accumulated funds.

(k) Insurance

The Unit Trust purchases appropriate insurances to cover the liability, physical damage, business interruption, and other exposures arising out of its operations. The Unit Trust retains the responsibility for minor and predictable losses which are not cost effective to insure.

(l) Income Tax

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

From 1 March 2000, the Unit Trust became ultimately subject to the Tax Equivalent Regime under which distribution from the Trust may be subjected to a requirement to pay a taxation equivalent to the NSW Government.

(m) Borrowings

(i) Inter-Entity Loans

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

(ii) Borrowing Costs

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

- interest on bank overdrafts and short-term and long-term borrowings
- amortisation of discounts or premiums relating to borrowings
- finance lease charges
- certain exchange differences arising from foreign currency borrowings

(n) Comparatives

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

RIVERSIDE BUS & COACH SERVICES UNIT TRUST
NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

	Note	2000 \$	1999 \$
2. INCOME AND EXPENDITURE			
(i) Income			
Passenger revenue:			
- Fares, charters and tourist services		2,289,673	2,375,921
- Reimbursement for:			
- free travel by school students	2(iii)	358,536	300,914
- concessional travel by pensioners	2(iii)	307,641	291,108
Total passenger revenue		2,955,850	2,967,943
Rent		3,068	3,675
Advertising		6,028	8,922
Proceeds from sale of assets		12,701	1,321
Other		3,792	15,217
Total income		2,981,439	2,997,078
(ii) Expenditure			
Wages and salaries		1,556,661	1,550,279
Provision for employee entitlements:			
- Annual leave		22,881	(2,008)
- Long service leave		15,875	14,671
- Retirement benefits		65,348	58,802
Workers' Compensation		57,484	49,896
Payroll tax		71,745	69,381
Fuel and fleet maintenance		659,174	614,932
General operating expenses		210,522	172,775
Depreciation – plant & equipment		161,324	216,913
Amortisation of leased assets		41,715	49,846
Finance charges related to leases		110,452	92,863
Fixed assets sold or written off		18,425	1,250
Bad debts written off		-	1,400
Provision for doubtful debts		2,050	-
Interest		46,958	81,966
Total Expenditure		3,040,614	2,972,966

(iii) New South Wales Government reimbursements

Free & concessional travel

Free and concessional travel is provided to a range of community groups. The extent to which these groups are entitled to free and concessional travel is determined by Government policy. Reimbursement is provided for free school travel on the basis of a percentage of the number of passes on issue in the current year. In the case of pensioners, concessional travel is offered to pensioners at half the adult fare until 5 February 2000. From 6 February 2000, pensioners paid for an all-day concession ticket (\$1, \$2 or \$3) and the Government pays the balance of the full fare for all travel consumed. Other free and concessional travel is reimbursed on the basis of the Government paying the balance between the full fare applicable for each journey and the fare paid by the traveller.

RIVERSIDE BUS & COACH SERVICES UNIT TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

2. INCOME AND EXPENDITURE (CONT'D)

(iv) Audit Fee

The unit trust's audit fees payable to the NSW Audit Office for the audit of annual financial statements have been provided for by the State Transit Authority of NSW.

3. INCOME TAX

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

	2000	1999
	\$	\$

4. RECEIVABLES

Trade debtors	74,420	88,787
---------------	--------	--------

5. INVENTORIES

Fuel, parts, spares and tyres – at cost	-	75,250
---	---	--------

6. OTHER ASSETS

Prepayments	-	2,556
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7. PROPERTY, PLANT AND EQUIPMENT

Land and Buildings

Land

Freehold commercial land – At valuation	1,268,000	-
Freehold operating land – At valuation	-	1,350,000
	1,268,000	1,350,000

Buildings – At valuation	172,000	650,000
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Total land and buildings	1,440,000	2,000,000
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Plant and equipment

- At valuation	80,898	105,675
Less accumulated depreciation	7,827	-
	73,071	105,675

RIVERSIDE BUS & COACH SERVICES UNIT TRUST
NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

	2000 \$	1999 \$
7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)		
Buses		
<i>Owned buses</i>		
- At valuation	3,388,838	1,781,827
Less accumulated depreciation	1,235,121	1,091,854
	2,153,717	689,973
<i>Leased Buses</i>		
- At cost	-	332,310
Less accumulated depreciation	-	50,271
	-	282,039
Total Buses	2,153,717	972,012
Total property, plant and equipment	3,666,788	3,077,687

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

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

Class of assets	Date of valuation	Registered Valuers
Land and buildings	6 December 1999	Herron Todd White Valuers (Sydney) Pty Ltd
Plant & Equipment	7 December 1999	Rodney Hyman Assets Services Pty Ltd
Buses	15 March 1999	Rodney Hyman Assets Services Pty Ltd

Land and buildings, plant and equipment and buses were included in the June 1999 Financial Statements on the basis of a Directors' valuation.

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

	2000 \$	1999 \$
8. INTANGIBLES		
Goodwill – at cost	-	20,000
Less accumulated amortisation	-	-
	-	20,000
9. ACCOUNTS PAYABLE		
Trade creditors	-	37,598

RIVERSIDE BUS & COACH SERVICES UNIT TRUST
NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

	2000 \$	1999 \$
10. BORROWINGS		
Current		
Secured finance lease liabilities	-	287,286
Bills payable	-	300,000
Non-trade amounts owing to related parties:		
- Parent entity	1,609,075	-
- Directors	-	243,526
	1,609,075	830,812
Non-current		
Secured finance lease liabilities	-	409,965
11. PROVISIONS		
Current		
Employee leave entitlements	-	120,539
Non-current		
Employee leave entitlements	-	22,430
12. TRUST CAPITAL		
191,000 Trust Units	191,000	191,000
13. RESERVES		
Asset revaluation reserve:		
Opening balance	1,362,446	1,339,250
Revaluation increment/(decrement):		
- Land	(82,000)	-
- Buildings	(478,000)	-
- Plant and equipment	1,350,053	23,196
- Goodwill	(20,000)	
Closing balance	2,132,499	1,362,446
14. FINANCIAL LEASE COMMITMENTS		
Payable:		
Not later than 1 year	-	357,863
Later than 1 year but not later than 2 years	-	171,777
Later than 2 years but not later than 5 years	-	298,905
	-	828,545
Less future finance charges	-	131,293
Total lease liability	-	697,252
Current liability	-	287,287
Non-current liability	-	409,965
	-	697,252

RIVERSIDE BUS & COACH SERVICES UNIT TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

15. TRUSTEE

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

16. FINANCIAL INSTRUMENTS

(i) **Interest rate risk** - The Unit Trust's financial assets and liabilities as at 30 June 2000 are not exposed to interest rate risk as they are not interest bearing.

(ii) **Net fair values** - The aggregate net fair values of financial assets and liabilities, both recognised and unrecognised, at balance date are as follows:

	Total carrying amount as per balance sheet		Aggregate net fair value	
	2000 \$	1999 \$	2000 \$	1999 \$
Financial Assets				
Cash	24,413	17,202	24,413	17,202
Receivables – Trade	74,420	88,787	74,420	88,787
Total Financial Assets	98,833	105,989	98,833	105,989
Financial Liabilities				
Trade Creditors and accruals	-	37,598	-	37,598
Finance lease liabilities	-	697,251	-	697,251
Bills payable	-	300,000	-	300,000
Non-trade amount owing to related parties:				
- Parent entity	1,609,075	-	1,609,075	-
- Directors	-	243,526	-	243,526
Total Financial Liabilities	1,609,075	1,278,375	1,609,075	1,278,375

(iii) Credit Risk Exposures

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

17. COMPARATIVE

Comparative figures were unaudited.

**RIVERSIDE BUS & COACH SERVICES UNIT TRUST
(TRUSTEE – RIVERSIDE BUS & COACH SERVICES
PTY LIMITED ACN 001 333 553)**

**DECLARATION BY DIRECTORS OF
THE TRUSTEE COMPANY**

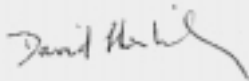
The directors of the trustee company have prepared the financial statements as a general purpose financial report which complies with the requirements of the Public Finance and Audit Act (1983), the Public Finance and Audit (General) Regulation 1995, Australian Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and applicable Treasurer's Directions and Treasury Circulars.

The directors of the trustee company declare that:

1. The financial statements and notes present fairly the trust's financial position as at 30 June 2000 and its performance for the year ended on that date in accordance with accounting policies described in Note 1 to the financial statements;
2. In the directors' opinion there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable.

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

Riverside Bus and Coach Services Pty Limited



DAVID JAMES HERLIHY
DIRECTOR



JOHN DOUGLAS STOTT PSM
DIRECTOR

Dated at Sydney this 5th day of October 2000.



BOX 12 GPO
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

RIVERSIDE BUS & COACH SERVICES UNIT TRUST

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

Scope

I have audited the accounts of the Riverside Bus & Coach Services Unit Trust for the year ended 30 June 2000. The trustees of the Unit Trust are responsible for the financial report consisting of the accompanying balance sheet, income and expenditure statement and statement of cash flows, together with the notes thereto, and the information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament and unit holders of the Unit Trust based on my audit as required by sections 34 and 41C(1) of the *Public Finance and Audit Act 1983* (the Act).

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

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

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

Qualification

The financial report for the year ended 30 June 1999 has not been audited. Accordingly I am not in a position to and do not express an opinion on the comparatives for 1999.

Qualified Audit Opinion

In my opinion, except for the effects on the comparatives for 1999 of such adjustments, if any, as might have been determined to be necessary had the limitation on the scope of my work as discussed in the qualification paragraph not existed, the financial report of the Riverside Bus & Coach Services Unit Trust complies with section 41B of the Act and presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of the Trust as at 30 June 2000 and the results of its operations and its cash flows for the year then ended.

R.J. Sendt
Auditor-General

SYDNEY
5 October 2000



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

NORTH & WESTERN COACHES PTY LIMITED

ACN 001 527 528

Directors' report	90
Profit and loss statement	92
Balance sheet as at 30 June 2000	92
Statement of cash flow	93
Notes to and forming part of the financial statements:	94
1. Statement of significant accounting policies	95
2. Details for the profit and loss statement	98
3. Income tax expense	99
4. Receivables	99
5. Inventories	99
6. Other assets	99
7. Property, plant and equipment	100
8. Accounts payable	101
9. Borrowings	101
10. Provisions	101
11. Other liabilities	101
12. Issued capital	102
13. Reserves	102
14. Related party disclosures	102
15. Finance lease commitments	103
16. Financial instruments	103
Directors' declaration	104

NORTH & WESTERN COACHES PTY LIMITED

DIRECTORS' REPORT

The Board of Directors of North & Western Coaches Pty Limited has pleasure in submitting the balance sheet of the company as at 30 June 2000, and related income and expenditure statement for the year then ended and report as follows:

Directors

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

Director	Qualifications and experience	Period of Directorship
David James Herlihy	Chairman – State Transit Authority of NSW	13/12/99 to date
John Douglas Stott PSM	Chief Executive – State Transit Authority of NSW	13/12/99 to date
Anthony Graham Butt	Company Director	22/5/97 to 13/12/99
Judith Anne Butt	Company Director	4/4/78 to 13/12/99
Kenneth Alfred Butt	Company Director	4/4/78 to 13/12/99
Peter John Titley	Company Director	25/11/99 to 13/12/99

Principal activities

The principal activity of the company during the financial year was the provision of public transport. No significant change in the nature of these activities occurred during the year.

Significant changes in the state of affairs

A significant change in the state of affairs of the entity occurred during the financial year.

On 13 December 1999 the company was acquired by the State Transit Authority of New South Wales and the employees of the company became employees of State Transit from that date.

Results

The net loss after providing for income tax amounted to \$2,217,363 (1999: \$1,885, 215 loss).

Dividends

There were no dividends declared or paid during the financial year.

Directors' meetings

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

Director	Number of meeting held while a Director	Number of meetings attended
David James Herlihy	2	2
John Douglas Stott PSM	2	2
Anthony Graham Butt	2	2
Judith Anne Butt	2	2
Kenneth Alfred Butt	2	2
Peter John Titley	1	1

NORTH & WESTERN COACHES PTY LIMITED

DIRECTORS' REPORT

Directors' benefits

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

Indemnifying officer

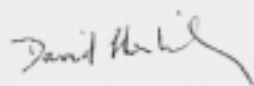
During or since the financial year, the company has not in respect of any person who is or has been an officer of the company:

- (a) indemnified or made any relevant agreement for indemnifying any person against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings;
- or
- (b) paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses of defending legal proceedings.

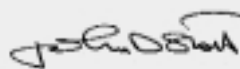
Significant events after year end

It is planned to dissolve the company in the following financial year after transferring the company's business operations, assets and liabilities to the State Transit Authority of New South Wales.

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



DIRECTOR



DIRECTOR

Dated at Sydney this 5th day of October 2000.

NORTH & WESTERN COACHES PTY LIMITED
PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2000

	Note	2000 \$	1999 \$
Operating revenue	2(i)	9,640,486	9,517,717
Expenditure	2(ii)	11,857,849	11,225,048
Operating loss before income tax		(2,217,363)	(1,707,331)
Income tax attributable to operating loss	3(i)	-	177,884
Operating loss after income tax		(2,217,363)	(1,885,215)
Retained profits at the beginning of the financial year		1,329,652	3,214,867
Transfer from reserves	13(ii)	1,532,557	-
Retained profits at the end of the financial year		644,846	1,329,652

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

BALANCE SHEET
AS AT 30 JUNE 2000

CURRENT ASSETS

Cash		323,862	688,536
Receivables	4	342,943	1,775,800
Inventories	5	185,983	175,735
Other	6	230,345	213,368
TOTAL CURRENT ASSETS		1,083,133	2,853,439

NON-CURRENT ASSETS

Property, plant and equipment	7	8,586,946	4,800,738
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TOTAL NON-CURRENT ASSETS		8,586,946	4,800,738
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TOTAL ASSETS		9,670,079	7,654,177
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CURRENT LIABILITIES

Accounts payable	8	37,455	271,199
Borrowings	9	3,522,097	2,263,237
Provisions	10	-	488,630
Other	11	461,427	71,995

TOTAL CURRENT LIABILITIES		4,020,979	3,095,061
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NON-CURRENT LIABILITIES

Borrowings	9	-	3,044,300
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TOTAL NON-CURRENT LAIBILITIES	-	3,044,300	
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TOTAL LIABILITIES		4,020,979	6,139,361
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NET ASSETS		5,649,100	1,514,816
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EQUITY

Share capital	12	2	2
Reserves	13	5,004,252	185,162
Retained profits		644,846	1,329,652

TOTAL EQUITY		5,649,100	1,514,816
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The accompanying notes form an integral part of these financial statements.

NORTH & WESTERN COACHES PTY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2000

	Note	2000 \$ Inflows (Outflows)	1999 \$ Inflows (Outflows)
Cash flows from operating activities:			
Passenger Revenue:			
- Fares, charters and tourist services		4,765,969	5,385,110
- Reimbursement for:			
- free travel by school students	2 (iii)	3,350,015	3,179,137
- concessional travel by pensioners	2 (iii)	659,760	839,585
Total passenger revenue		8,775,744	9,403,832
Income tax paid		(179,899)	2,266
Advertising income		49,183	92,999
Other income		53,392	90,480
Interest received		41,967	63,682
Payments to suppliers & employees		(9,127,416)	(8,046,748)
Interest and other finance costs		(590,605)	(343,702)
Net cash provided by/(used in) operating activities	(i)	(977,634)	1,262,809
Cash flows from investing activities:			
Payments for property, plant and equipment		(157,038)	-
Proceeds from sale of investments		-	252
Proceeds from sale of property, plant and equipment		853,000	56,471
Net cash used in investing activities		695,962	56,723
Cash flows from financing activities:			
Payment of loans from associates		1,702,440	-
Proceeds from borrowings		3,522,096	2,450
Repayment of borrowings		(1,253,300)	(202,798)
Repayment of lease liabilities		(3,973,433)	(882,772)
Net cash used in financing activities		(2,197)	(1,083,120)
Net (decrease)/increase in cash held		(283,869)	236,412
Cash at the beginning of the financial year		607,731	371,319
Cash at the end of the financial year	(ii)	323,862	607,731

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

NORTH & WESTERN COACHES PTY LIMITED
NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2000

	Note	2000 \$	1999 \$
(i) Reconciliation of operating result after income tax to net cash provided by operating activities:			
Operating loss after income tax		(2,217,363)	1,885,215)
Adjustments to reconcile net operating result to net cash provided by operating activities:			
Depreciation and amortisation		984,393	995,805
Net loss/(profit) on sale of non-current assets		885,087	(21,581)
Unamortised lease residual expenses		-	1,873,684
Changes in assets and liabilities:			
(Increase)/Decrease in inventory		(10,248)	(90,481)
(Increase)/Decrease in other assets		(16,977)	(213,368)
(Increase)/Decrease in receivables		(269,583)	117,752
Increase/(Decrease) in trade creditors		(233,744)	(5,501)
Increase/(Decrease) in other liabilities		389,432	71,995
Increase/(Decrease) in provision for income tax		(177,883)	180,150
Increase/(Decrease) in provision for employee entitlements		(310,748)	239,569
Net cash provided by/(used in) operating activities		(977,634)	1,262,809
(ii) Reconciliation of cash			
For the purpose of the statement of cash flows, cash includes cash in the bank. Cash at the end of the financial year, as shown in the statement of cash flow, is reconciled to the related items in the balance sheet as follows:			
Cash at bank and on hand		323,862	3,100
Short term deposits		-	685,436
Bank overdraft		-	(80,805)
		323,862	607,731

NORTH & WESTERN COACHES PTY LIMITED

NOTES TO AND FORMING PART OF

THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared as a general purpose financial report which complies with the requirements of the Public Finance and Audit Act 1983, the Public Finance and Audit (General) Regulation 1995, Corporations Law, Australian Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and applicable Treasurer's Directions and Treasury Circulars.

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

The financial statements have been prepared on a going concern basis which assumes that the company is expected to be able to pay its debts as and when they fall due and continue in operation without any intention or necessity to liquidate or otherwise wind up its operations.

(b) Change in Accounting Policy

Property, plant and equipment

The company has changed its depreciation policy to a straight line basis except for buses which are depreciated in line with the pattern of expiry of their service potential as stated in Note 1(g)(iii). The change was made to better align depreciation charges with anticipated pattern of benefits derived from the assets. The impact of this change for the current financial year was an increase in depreciation charge of \$46,225.

(c) Cash

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

(d) Receivables

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

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

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

(e) Prepayments

Prepayments represent amounts paid in advance for services that have been expended in the current period and where the benefit will be realised in a subsequent period.

(f) Inventories

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

(g) Property, Plant and Equipment

The following policies apply to property, plant and equipment.

(i) Basis of Valuation

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

In applying the current cost basis of valuation, all property, plant and equipment are valued at written down replacement cost. Written down replacement cost is based on the ratio of remaining useful life to total useful life to the entity, except for buses where the ratio of remaining service potential to total service potential has been applied.

NORTH & WESTERN COACHES PTY LIMITED

NOTES TO AND FORMING PART OF

THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Basis of Valuation (cont'd)

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

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

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

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

(ii) Leased Assets

A distinction is made between finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

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

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

- where at the inception of the lease there is a reasonable assurance that the company will obtain ownership of the asset. In such circumstances amortisation is calculated on the estimated useful life.
- for buses, consistent with the company's basis of valuation, amortisation is calculated using a ratio of remaining service potential to total service potential.

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

(iii) Depreciation

All property and plant and equipment are depreciated over their estimated useful lives commencing from the time an asset is held ready for use. Depreciation is calculated on a straight line basis except for buses which are depreciated in line with the pattern of expiry of their service potential.

Major depreciation periods are: **2000**

Plant and equipment	3 to 20 yrs
Buses	20 yrs

(iv) Capitalisation Policy

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

(h) Accounts Payable

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

NORTH & WESTERN COACHES PTY LIMITED
NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

(i) Employee Entitlements

Annual Leave and Long Service Leave

On acquisition by the State Transit Authority of New South Wales employees of the company became employees of State Transit. The purchase consideration contained provision for employee entitlements comprising annual leave and long service leave at the date of acquisition and State Transit assumed responsibility for those entitlements as at that date.

The company has no defined retirement benefit funds for employees.

(j) Reserves

The asset revaluation reserve comprises revaluation increments recognised upon revaluation of the company's non current assets. Upon disposal or retirement, any related revaluation increment/(decrement) remaining in the reserve in respect of the asset at the time of disposal is transferred to accumulated funds.

(k) Insurance

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

(l) Income Tax

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

Up to the date of acquisition by State Transit, the company was subjected to the Income Tax Assessment Act. From 13 December 1999, the company ultimately became subject to the Tax Equivalent Regime (TER) under which it is required to pay a taxation equivalent to the NSW Government.

(m) Borrowings

(i) Inter-Entity Loans

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

(ii) Borrowing Costs

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

- interest on bank overdrafts and short-term and long-term borrowings
- amortisation of discounts or premiums relating to borrowings
- finance lease charges
- certain exchange differences arising from foreign currency borrowings

(n) Comparatives

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

NORTH & WESTERN COACHES PTY LIMITED
NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

	Note	2000 \$	1999 \$
2. OPERATING REVENUE AND EXPENDITURE			
(i) Operating revenue			
Passenger revenue:			
- Fares, charters and tourist services		4,716,905	5,195,363
- Reimbursement for:			
- free travel by school students	2(iii)	2,937,278	3,179,137
- concessional travel by pensioners	2(iii)	936,350	839,585
Total passenger revenue		8,590,533	9,214,085
Interest		44,379	63,682
Advertising		99,183	92,999
Proceeds from sale of assets		853,000	56,471
Management fees		25,914	57,629
Other		27,477	32,851
Total operating revenue		9,640,486	9,517,717
(ii) Expenditure			
Wages and salaries		4,915,377	4,723,330
Provision for employee entitlements:			
- Annual leave		81,745	128,511
- Long service leave		76,236	130,700
Superannuation		125,665	202,002
Workers' Compensation		159,659	111,381
Payroll tax		284,052	299,655
Fuel and fleet maintenance		1,652,729	1,328,116
General operating expenses		1,360,671	1,053,273
Depreciation		333,051	268,729
Amortisation of leased assets		651,342	727,076
Finance charges related to leases		586,925	342,072
Unamortised lease residuals expenses		-	1,873,684
Fixed assets sold or written off		1,629,794	34,890
Interest		603	1,629
Total Expenditure		11,857,849	11,225,048

(iii) New South Wales Government reimbursements

Free & concessional travel

Free and concessional travel is provided to a range of community groups. The extent to which these groups are entitled to free and concessional travel is determined by Government policy. Reimbursement is provided for free school travel on the basis of a percentage of the number of passes on issue in the current year. In the case of pensioners, concessional travel is offered to pensioners at half the adult fare until 5 February 2000. From 6 February 2000, pensioners paid for an all-day concession ticket (\$1, \$2 or \$3) and the Government pays the balance of the full fare for all travel consumed. Other free and concessional travel is reimbursed on the basis of the Government paying the balance between the full fare applicable for each journey and the fare paid by the traveller.

NORTH & WESTERN COACHES PTY LIMITED
NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

2. OPERATING REVENUE AND EXPENDITURE (CONT'D)

(iv) Audit Fee

The company's audit fees payable to the NSW Audit Office for the audit of annual financial statements have been provided for by State Transit Authority of New South Wales

Note	2000 \$	1999 \$
------	------------	------------

3. INCOME TAX

(i) Income Tax Expenses

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

- Prima facie tax on operating loss	(798,251)	(614,639)
- Tax effect of permanent differences (net)	(138)	668,188
- Prior year adjustment	-	124,335
- Transfer to FITB	798,389	-
Income tax attributable to operating loss	-	177,884

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

The future income tax benefit of the company arising from tax losses and timing differences have not been recognised as an asset because realisation of the benefit is not regarded as virtually certain.

	1,829,776	-
--	-----------	---

(iii) Future Income Tax Benefits (FITB)

Future Income Tax Benefits of \$1,385,047 comprising tax losses of \$4,073,669 was not recognised in the financial statements. The benefits will only be realised if:

- (a) the company derives sufficient future assessable income to enable the benefits to be realised;
- (b) the company continues to comply with the conditions for deductibility imposed by tax legislation; and
- (c) there is no adverse change in tax legislation affecting the company in realising the benefits.

4. RECEIVABLES

Trade debtors	990	73,360
Non-trade amount owing by related parties:		
- Associated entities	-	1,702,440
Sundry debtors	65,362	-
Pensioner revenue receivable	276,591	-
	342,943	1,775,800

5. INVENTORIES

Fuel, parts, spares and tyres – at cost	185,983	175,735
---	---------	---------

6. OTHER ASSETS

Current

Prepayments	230,345	213,368
-------------	---------	---------

NORTH & WESTERN COACHES PTY LIMITED
NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

	2000 \$	1999 \$
7. PROPERTY, PLANT AND EQUIPMENT		
Buses – at valuation	18,943,825	-
Less accumulated depreciation	11,189,175	-
	7,754,650	-
Buses – at cost	-	1,575,343
Less accumulated depreciation	-	1,202,828
	-	372,515
Buses & equipment under lease – at cost	-	6,300,420
Less accumulated amortisation	-	2,290,166
	-	4,010,254
Motor vehicles – at valuation	12,103	-
Less accumulated depreciation	1,724	-
	10,379	-
Motor vehicles - at cost	-	85,378
Less accumulated depreciation	-	55,139
	-	30,239
Total motor vehicles	10,379	30,239
Furniture & Office Equipment - at cost	55,808	207,369
Less accumulated depreciation	5,873	168,682
	49,935	38,687
Garage equipment - at valuation	343,480	-
Less accumulated depreciation	10,422	-
	333,058	-
Garage equipment - at cost	-	745,026
Less accumulated depreciation	-	453,997
	-	291,029
Total garage equipment	333,058	291,029
Miscellaneous equipment – at valuation	481,543	-
Less accumulated depreciation	42,619	-
	438,924	-
Miscellaneous equipment - at cost	-	119,542
Less accumulated depreciation	-	61,528
	-	58,014
Total miscellaneous equipment	438,924	58,014
Total property, plant and equipment	8,586,946	4,800,738

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

NORTH & WESTERN COACHES PTY LIMITED
NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

Class of assets	Date of valuation	Registered Valuers
Buses	15 March 1999	Rodney Hyman Assets Services Pty Ltd
Plant & Equipment	7 December 1999	Rodney Hyman Assets Services Pty Ltd

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

	2000	1999
	\$	\$

8. ACCOUNTS PAYABLE

Trade creditors	-	151,479
Accruals	37,455	119,720
	37,455	271,199

9. BORROWINGS

Current

Secured:

- Bank overdraft	-	80,805
- Amount owing on capitalised leases	-	929,132

Unsecured:

- Non-trade amount owing to related parties:		
- Parent entity	3,522,097	-
- Associated entities	-	1,253,300
	3,522,097	2,263,237

Non-current

Secured:

Amount owing on capitalised leases	-	3,044,300
---	---	------------------

10. PROVISIONS

Current

Employee entitlements:

- Leave-	-	310,747
Provision for income tax	-	177,883

	-	488,630
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11. OTHER LIABILITIES

Current

Deposits received in advance	48,690	71,995
School Student Transport Scheme revenue accrued	412,737	-
	461,427	71,995

NORTH & WESTERN COACHES PTY LIMITED
NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

	2000 \$	1999 \$
12. ISSUED CAPITAL		
Paid up capital		
2 Ordinary shares	2	2
13. RESERVES		
(i) Capital profits reserve:		
Opening balance	185,162	178,571
Movement during the year	-	6,591
Closing balance	185,162	185,162
(ii) Asset revaluation reserve:		
Opening balance	-	-
Revaluation of buses	6,351,647	-
Realised increment on property, plant and equipment sold during the year transferred to retained profits	(1,532,557)	-
Closing balance	4,819,090	-
	5,004,252	185,162

14. RELATED PARTY DISCLOSURES

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

The company entered into the following transactions during the year with related parties in the wholly-owned group:

- loans advanced by State Transit Authority on a short-term basis
- loans repaid to State Transit Authority
- all employee entitlements were transferred from the company to State Transit Authority at book value.

(b) Accounts due and receivable from the wholly-owned group:

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

(c) Ultimate controlling entity

The ultimate controlling entity of the company is the State Transit Authority of New South Wales. The State Transit Authority of NSW acquired the company on 13 December 1999.

NORTH & WESTERN COACHES PTY LIMITED
NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

	2000 \$	1999 \$
15. FINANCE LEASE COMMITMENTS		
Payable:		
Not later than 1 year	-	1,196,948
Later than 1 year but not later than 5 years	-	2,754,531
Later than 5 years	-	788,161
	-	4,739,640
Less - future finance charges	-	766,208
Total lease liability	-	3,973,432
Current liability	-	929,132
Non-current liability	-	3,044,300
	-	3,973,432

16. FINANCIAL INSTRUMENTS

(i) Interest rate risk

The company's financial assets and liabilities as at 30 June 2000 are not exposed to interest rate risk as they are not interest bearing.

(ii) Net fair values

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

	Total carrying amount as per balance sheet		Aggregate net fair value	
	2000	1999	2000	1999
	\$	\$	\$	\$
Financial Assets				
Cash	323,862	688,536	323,862	688,536
Receivables – Trade	342,943	73,360	342,943	73,360
Non-trade amount owing to related parties:				
- Associated entities	-	1,702,440	-	1,702,440
Total Financial Assets	666,805	2,464,336	666,805	2,464,336
Financial Liabilities				
Trade creditors and accruals	498,882	343,194	498,882	343,194
Finance lease liabilities	-	929,132	-	929,132
Bank overdraft	-	80,805	-	80,805
Non-trade amount owing to related parties:				
- Parent entity	3,522,097	-	3,522,097	-
- Associated entities	-	1,253,300	-	1,253,300
Total Financial Liabilities	4,020,979	2,606,431	4,020,979	2,606,431

NORTH & WESTERN COACHES PTY LIMITED
NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

16. FINANCIAL INSTRUMENTS (CONT'D)

(iii) Credit Risk Exposures

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

17. COMPARATIVE

Comparative figures were unaudited.

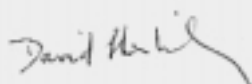
NORTH & WESTERN COACHES PTY LIMITED
DIRECTORS' DECLARATION

The Board of Directors of North & Western Coaches Pty Limited has prepared the financial statements as a general purpose financial report which complies with the requirements of the Public Finance and Audit Act (1983), the Public Finance and Audit (General) Regulation 1995, Corporations Law, Australian Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and applicable Treasurer's Directions and Treasury Circulars.

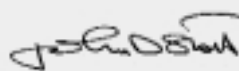
In the opinion of the Directors of the company:

- (a) the accompanying profit and loss statement is drawn up so as to give a true and fair view of the result of the company for the period ended 30 June 2000.
- (b) the accompanying balance sheet is drawn up so as to give a true and fair view of the state of affairs of the company as at 30 June 2000.
- (c) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

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



DAVID JAMES HERLIHY
DIRECTOR



JOHN DOUGLAS STOTT PSM
DIRECTOR

Dated at Sydney this 5th day of October 2000.



BOX 12 GPO
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT NORTH & WESTERN COACHES PTY LIMITED

To Members of the New South Wales Parliament and Members of North & Western Coaches Pty Limited

Scope

I have audited the accounts of North & Western Coaches Pty Limited for the financial year ended 30 June 2000. The company's directors are responsible for the financial report consisting of the accompanying profit and loss statement, balance sheet, statement of cash flows and accompanying notes, and the directors' declaration, and the information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament and members of North & Western Coaches Pty Limited based on my audit as required by sections 34 and 41C(1) of the *Public Finance and Audit Act 1983* (the Act) and the Corporations Law.

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

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

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

Qualification

The financial report for the year ended 30 June 1999 has not been audited. Accordingly I am not in a position to and do not express an opinion on the comparatives for 1999.

Qualified Audit Opinion

In my opinion, except for the effects on the comparatives for 1999 of such adjustments, if any, as might have been determined to be necessary had the limitation on the scope of my work as discussed in the qualification paragraph not existed, the financial report of North & Western Coaches Pty Limited complies with section 41B of the Act, and is in accordance with:

- (a) the Corporations Law, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2000 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.

R J Smith
Auditor-General

SYDNEY
5 October 2000

APPENDICES

STATUTORY INFORMATION

1	Summary of Land	108
2	Capital Works Expenditure	108
3	Segment Information	108
4	Consolidated Income and Expenditure Statement	109
5	Comparison of 1998/99 and 1999/2000 Financial Results	110

ORGANISATIONAL ITEMS

6	Structure	114
7	Board of Directors	115
8	Legislation	117

COMMERCIAL ITEMS

9	Government and Social Program Payments	118
10	Changes to Fares	118
11	Taxes and Other Payments to Government	120
12	Funds Granted to Non-Government Community Organisations	120
13	Investment Management Performance	120
14	Account Payment Performance	121
15	Risk Management and Insurance	121
16	Response to Matters Raised by Auditor General	121
17	Overseas Trips	121
18	Freedom of Information	122
19	Consultants' Fees	123
20	Committees (Internal and External)	123
21	Recycling Activities	125
22	Year 2000 Compliance	125
23	GST Compliance	126
24	Mobile Phones	126

OPERATIONAL ITEMS

25	Service Changes in Response to Community Consultation	127
26	Customer Response	128
27	Guarantee of Service	128
28	Disability Plans	129

HUMAN RESOURCE ITEMS

29	Human Resource Statistics	130
30	Equal Employment Opportunity	130
31	Action Plan for Women Initiatives	131
32	Ethnic Affairs Priorities Statement and Agreements	131
33	EEO Target Groups	132
34	Occupational Health, Safety and Rehabilitation	132
35	Code of Conduct and Protected Disclosures Reporting System	133
36	Privacy management	133
37	CES/SES Bands	133
38	Senior Executives' Qualifications	134
39	SES Performance Review and Remuneration	134

OTHER

40	List of Publications	136
41	Annual Report publication details	136
42	Contact details	136

INDEX

137

STATUTORY INFORMATION

1. Summary of Land

In accordance with Section 41B(1)(d) of the Public Finance and Audit Act, 1983, stated below is a summary of the Authority's land holding as at 30 June 2000 classified according to actual use of the land.

Land use Classification	Market Value \$m
Bus depots	52.778
Shipyard	4.000
Minor operational and infrastructure assets	8.815
Commercial properties	1.561
Total	67.154

Disposal of property

The following information is provided under clause 15 of the Annual Reports (Statutory Bodies) Regulation 1995:

Two properties were sold during the year with total proceeds of \$2,920,000. The proceeds from the sale were used to fund capital investments.

2. Capital Works Expenditure

Major Works	Completion Date	2000 (\$m)
Bus replacement program - 125 Volvo buses	June 2000	14.280
Bus replacement program - 150 Mercedes buses	February 2001	41.515
Automatic Fare Collection system replacement – Ferries	August 2000	1.312
Video surveillance cameras on buses	June 2000	2.981
Leichhardt land purchase	January 2000	1.704
Ferries replacement (four)	January 2001	6.523

3. Segment Information

For the year ended 30 June 2000

	Sydney Buses		Sydney Ferries		Newcastle Services		Business Support		State Transit Authority	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000	2000 \$000	1999 \$000	2000 \$000	1999 \$000	2000 \$000	1999 \$000
Total Income	331,146	302,966	62,186	57,940	26,687	26,057	2,137	4,716	422,156	391,679
Total Expenditure	315,692	303,159	70,387	65,673	30,772	31,397	7,826	6,115	424,677	406,344
Segment result (before abnormal items)	15,454	(193)	(8,201)	(7,733)	(4,085)	(5,340)	(5,689)	(1,399)	(2,521)	(14,665)
Abnormal Items	5	0	0	0	0	0	3,215	5,880	3,220	5,880
Segment result (after abnormal items)	15,459	(193)	(8,201)	(7,733)	(4,085)	(5,340)	(2,474)	4,481	699	(8,785)
Segment Assets	329,077	257,695	63,248	57,941	21,838	20,978	19,959	34,833	434,122	371,447

4. Consolidated Income & Expenditure Statement
For the year ended 30 June 2000

	1998/99 Actual \$ 000	1999/00 Budget \$ 000	1999/00 Actual \$ 000	Variation \$ 000	%	2000/01 Budget \$ 000
INCOME :						
Passenger revenue	208,924	227,995	231,212	3,217	1.4%	251,543
Travel concessions	122,803	125,421	129,409	3,988	3.2%	137,451
Community service obligations	45,033	50,223	50,223	0	0.0%	56,003
Rent and advertising	9,038	7,714	8,940	1,226	15.9%	9,916
Interest	850	23	763	740	3217.4%	26
Finance lease contingent rental	0	0	0	0	0.0%	0
Proceed from sale of assets	4,091	3,150	535	(2,615)	(83.0)%	10,421
Other revenue	940	1,030	1,074	44	4.3%	4,602
TOTAL INCOME	391,679	415,556	422,156	6,600	1.6%	469,962
EXPENDITURE :						
Payroll and related costs	246,761	272,755	244,545	28,210	10.3%	293,939
Other operating	116,789	126,455	139,739	(13,284)	(10.5)%	126,256
Cost of fixed assets sold	3,116	5,045	468	4,577	90.7%	10,421
Depreciation and amortisation	32,228	34,933	31,572	3,361	9.6%	39,164
Interest and loans charges	4,903	7,071	5,740	1,331	18.8%	11,907
Operating leases	2,547	2,327	2,613	(286)	(12.3)%	2,575
TOTAL EXPENDITURE	406,344	448,586	424,677	23,909	5.3%	484,262
OPERATING RESULT (BEFORE ABNORMAL ITEMS)	(14,665)	(33,030)	(2,521)	30,509		(14,300)
LESS ABNORMAL ITEMS	5,880	3,220	3,220	0		0
NET OPERATING RESULT	(8,785)	(29,810)	699	30,509		(14,300)

The favourable variance for Payroll and related costs was mainly due to a revision of the economic assumptions used by the actuary to calculate the superannuation liability. As a result of the assessment a significant downward adjustment was made.

STATUTORY INFORMATION

5. Comparison of 1998/99 and 1999/00 Financial Results

SYDNEY BUS SERVICES

	1998/99			1999/00		
	Actual \$ 000	Per Km \$	Per Passenger Journey \$	Actual \$ 000	Per Km \$	Per Passenger Journey \$
INCOME :						
Passenger revenue	169,076	2.38	0.91	187,234	2.51	0.97
Travel concessions	99,385	1.40	0.54	105,904	1.42	0.55
Community service obligations	25,217	0.36	0.14	29,545	0.40	0.15
Rent and advertising	6,941	0.10	0.04	7,786	0.10	0.04
Finance lease contingent rental	0	0.00	0.00	0	0.00	0.00
Proceed from sale of assets	2,147	0.03	0.01	473	0.01	0.00
Other revenue	200	0.00	0.00	204	0.00	0.00
TOTAL INCOME	302,966	4.27	1.63	331,146	4.44	1.72
EXPENDITURE :						
Payroll and related costs	180,705	2.55	0.97	179,213	2.41	0.93
Other operating	94,961	1.34	0.51	110,551	1.48	0.57
Cost of fixed assets sold	2,253	0.03	0.01	403	0.01	0.00
Depreciation and amortisation	21,102	0.30	0.11	21,384	0.29	0.11
Interest and loans charges	3,817	0.05	0.02	4,123	0.06	0.02
Operating leases	321	0.00	0.00	18	0.00	0.00
TOTAL EXPENDITURE	303,159	4.27	1.63	315,692	4.24	1.64
OPERATING RESULT (BEFORE ABNORMAL ITEMS)	(193)	(0.00)	0.00	15,454	0.21	0.08
ABNORMAL ITEMS	0			5	0.00	0.00
NET OPERATING RESULT	(193)	(0.00)	0.00	15,459	0.21	0.08
KILOMETRES TRAVELLED ('000)	70,979			74,502		
PASSENGER JOURNEYS ('000)	185,762			191,855		

NOTE:

As stated in Note 17 of the Annual Financial Statement, State Transit purchased a number of controlled entities during the year. The financial results of these entities have been included in the above table in accordance with the principles of consolidation as stated in Note 1 (b) of the Annual Financial Statements.

SYDNEY FERRY SERVICES

	1998/99			1999/00		
	Actual \$ 000	Per Km \$	Per Passenger Journey \$	Actual \$ 000	Per Km \$	Per Passenger Journey \$
INCOME:						
Passenger revenue	33,318	25.67	2.55	37,381	28.43	2.82
Travel concessions	8,070	6.22	0.62	7,900	6.01	0.60
Community service obligations	16,278	12.54	1.24	16,650	12.66	1.26
Rent and advertising	153	0.12	0.01	209	0.16	0.02
Finance lease contingent rental	0	0.00	0.00	0	0.00	0.00
Proceed from sale of assets	76	0.06	0.01	0	0.00	0.00
Other revenue	45	0.03	0.00	46	0.03	0.00
TOTAL INCOME	57,940	44.64	4.43	62,186	47.29	4.69
EXPENDITURE:						
Payroll and related costs	30,675	23.63	2.35	31,156	23.69	2.35
Other operating	25,439	19.60	1.94	29,998	22.81	2.26
Cost of fixed assets sold	69	0.05	0.01	0	0.00	0.00
Depreciation and amortisation	7,815	6.02	0.60	7,041	5.35	0.53
Interest and loans charges	794	0.61	0.06	1,255	0.95	0.09
Operating leases	881	0.68	0.07	937	0.71	0.07
TOTAL EXPENDITURE	65,673	50.60	5.02	70,387	53.53	5.31
OPERATING RESULT (BEFORE ABNORMAL ITEMS)	(7,733)	(5.96)	(0.59)	(8,201)	(6.24)	(0.62)
ABNORMAL ITEMS	0			0		
NET OPERATING RESULT	(7,733)			(8,201)		
EST KILOMETRES ('000)	1,298			1,315		
PASSENGER JOURNEYS ('000)	13,080			13,258		

NEWCASTLE SERVICES

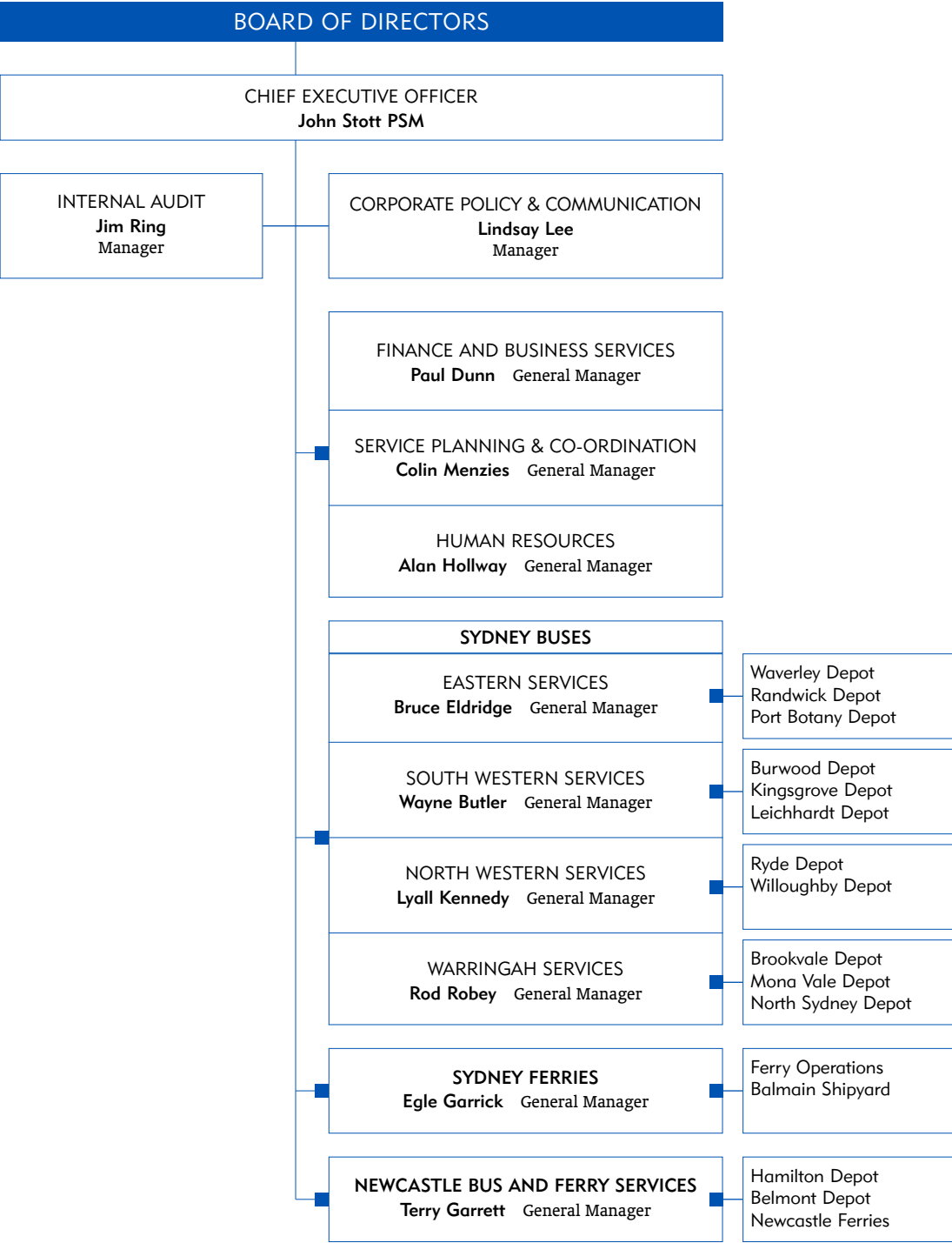
	1998/99			1999/00		
	Actual \$ 000	Per Km \$	Per Passenger Journey \$	Actual \$ 000	Per Km \$	Per Passenger Journey \$
INCOME :						
Passenger revenue	6,530	0.67	0.50	6,571	0.68	0.52
Travel concessions	15,348	1.58	1.18	15,605	1.62	1.23
Community service obligations	3,538	0.37	0.27	4,028	0.42	0.32
Rent and advertising	437	0.05	0.03	433	0.05	0.03
Finance lease contingent rental	0	0.00	0.00	0	0.00	0.00
Proceed from sale of assets	159	0.02	0.01	0	0.00	0.00
Other revenue	45	0.00	0.00	50	0.01	0.00
TOTAL INCOME	26,057	2.69	2.00	26,687	2.78	2.10
EXPENDITURE :						
Payroll and related costs	20,204	2.09	1.55	19,088	1.99	1.50
Other operating	8,429	0.87	0.65	9,086	0.95	0.71
Cost of fixed assets sold	166	0.02	0.01	0	0.00	0.00
Depreciation and amortisation	2,183	0.23	0.17	2,148	0.22	0.17
Interest and loans charges	263	0.03	0.02	298	0.03	0.02
Operating leases	152	0.02	0.01	152	0.02	0.01
TOTAL EXPENDITURE	31,397	3.26	2.42	30,772	3.21	2.42
OPERATING RESULT (BEFORE ABNORMAL ITEMS)	(5,340)	(0.55)	(0.41)	(4,085)	(0.42)	(0.32)
ABNORMAL ITEMS	0	0	0	0	0	0
NET OPERATING RESULT	(5,340)	(0.55)	(0.41)	(4,085)	(0.42)	(0.32)
EST KILOMETRES ('000)	9,685			9,614		
PASSENGER JOURNEYS ('000)	12,997			12,712		

BUSINESS SUPPORT

	1998/99 Actual \$ 000	1999/00 Actual \$ 000	Variance	
			\$ 000	%
INCOME:				
Passenger Revenue	0	26	26	
Rents	1,507	512	(995)	(66.0)%
Interest	850	763	(120)	(14.1)%
Proceed from sale of assets	1709	62	(1647)	(96.4)%
Other revenue	650	774	124	19.1%
TOTAL INCOME	4,716	2,137	(2,638)	(55.9)%
EXPENDITURE:				
Payroll and related costs	15,177	15,088	89	0.6%
Other operating	(12,040)	(9,896)	(2,144)	(17.8)%
Cost of fixed assets sold	628	65	563	89.7%
Depreciation and amortisation	1,128	999	129	11.4%
Interest and loans charges	29	64	(35)	120.7%
Operating leases	1,193	1,506	(313)	(26.2)%
TOTAL EXPENDITURE	6,115	7,826	(1,711)	(28.0)%
OPERATING RESULT (BEFORE ABNORMAL ITEMS)	(1,399)	(5,689)	(4,323)	309.0%
ABNORMAL ITEMS	5,880	3,215	(2,665)	-
NET OPERATING RESULT	4,481	(2,474)	(6,955)	(155.2)%

ORGANISATIONAL ITEMS

6 Structure



State Transit's management structure was adjusted in 1999/2000 to streamline management of service delivery functions. A new flatter management structure was introduced with the management of Sydney operations divided into four operational groups, North Western, South Western, Eastern Suburbs and Warringah, each headed by a General Manager directly responsible for all services in that area.

7. Board of Directors

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

CORPORATE GOVERNANCE

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

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

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

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

The Committee met on 5 occasions during the year under review.

Committee Members:

1999 (a) Mr A D Bowra - Board Member (Chairman)
(b) Mr G J Ashton - Board Member
(c) Mr J D Stott - Chief Executive

2000 (a) Mr G J Ashton - Board Member (Chairman)
(b) Mr D J Herlihy - Board Chairman
(c) Mr J D Stott - Chief Executive

Standing Invitation:

A standing invitation to attend each meeting of the Audit Committee is extended to:

- (a) General Manager Finance and Business Services
- (b) Manager Internal Audit
- (c) Corporate Counsel, who acts as Secretary to the Audit Committee

ORGANISATIONAL ITEMS

BOARD MEMBERS

David Herlihy - Chairman

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

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

John Stott - Chief Executive

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

Geoff Ashton

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

Anthony Bowra

Mr Bowra spent 33 years with IBM Australia Ltd in executive management positions in Australia, Japan and the United States and was a Board member for 13 years. He has wide experience on public and private sector Boards and is a Foundation Fellow of the Australian Institute of Company Directors. Mr Bowra's term expired in December 1999.

Mark Lennon

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

Len Regan

Mr Regan is Managing Director of Transit Planners Pty Limited. He is a member of the Australian Institute of Traffic Planning and Management, the Royal Australian Planning Institute and the Chartered Institute of Transport. During the 1980's, he worked for the Urban Transit and State Transit Authorities and from 1989-1991, was General Manager of State Transit's Newcastle Division. Mr Regan's term expired in December 1999.

Gabrielle Trainor

Ms Trainor is a partner in John Connolly & Partners, a corporate and government affairs firm. She is a lawyer and former newspaper journalist who specialised in industrial and legal affairs and politics. Ms Trainor has wide experience on public and private sector Boards. Ms Trainor resigned from the Board in 1999.

Julie Walton

Ms Walton is a lawyer and urban planner and has wide experience in public policy and government. Ms Walton is a trustee of the Australian Museum.

Susan Gray

Ms Gray is an Associate Director of the Asset and Infrastructure Group for Macquarie Bank Limited. She is a lawyer and economist. Ms Gray has experience in public policy development across a range of areas, having acted as an advisor to the industry, trade and industrial relations portfolio ministers at the Federal Government level. Ms Gray was responsible for the establishment of Macquarie Bank's Project and Structured Finance business in Indonesia. Ms Gray now specialises in the transport and telecommunications sectors.

ATTENDANCE AT BOARD MEETINGS

The Board met on 11 occasions during 1999/2000 and attendance was as follows:

Name	Meetings Attended
D J Herlihy	11
J D Stott	11
G J Ashton	11
A D Bowra	6
M R R Lennon	10
L J Regan	6
G M Trainor	2
J Walton	10
S Gray	5

8. Legislation

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

Transport Administration Act

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

Regulations

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

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

There were no amendments to these regulations which affected the State Transit Authority during the year under review. These regulations will be automatically repealed by operation of the Subordinate Legislation Act 1989, on 1 September 2000.

Orders

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

During the year under review, the Transport Administration (State Transit Authority - Fares) Order 1991 was amended on two (2) occasions, as follows:

- Gazette No. 86 of 30.7.99
- Gazette No. 3 of 14.1.00

Passenger Transport Act 1990

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

COMMERCIAL ITEMS

9. Government and Social Program Payments

Total government funding for 1999/00 at \$179.6m was \$11.8m higher than 1998/99.

This increase was mainly due to:

- additional funding of \$2.3m arising from State Transit's acquisition of North Western Coaches Pty Ltd and Riverside Bus and Coach Services Pty Ltd, and
- increases in both patronage and the Metropolitan Standard Bus Fare Scale which form the basis of the calculation for both Concession and Pricing CSO reimbursements.

Government funding consists of the following:

Concessional and Free Travel

Concession reimbursements are payments from Government which make up the balance of fares where a concession has been allowed as a result of Government's social policies. For example, in the case of pensioners, the traveller pays \$1 and the Government pays the balance of the full fare.

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

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

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

In 1999/00 the reimbursement under this program amounted to \$129.4m compared to \$122.8m in 1998/99.

Service Level Community Service Obligation

The social program payment for non commercial services is a payment made by Government to reimburse State Transit for operating a number of services that are not commercially justifiable by normal industry benchmarks. As part of this payment, State Transit's Parramatta River service and the Stockton ferry in Newcastle are deficit funded to a level of \$7.2m. Bus services in the Sydney area do not receive any funding for non

commercial services. Funding for non commercial services amounted to \$18.3m in 1999/00 compared to \$14.3m in 1998/99.

Pricing Community Service Obligation

The social program payment for non commercial fares is a payment made by Government in recognition of the fact that State Transit's fares (which are regulated by the Independent Pricing and Regulatory Tribunal) are held below commercial fare levels charged by most private sector operators. Funding for this area amounted to \$31.9m in 1999/00 compared to \$30.8m in 1998/99.

10. Changes to Fares

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

A change in State Transit's fare scale, in accordance with the determination of the Independent Pricing & Regulatory Tribunal made on 28 July 1999, was made by order published in Government Gazette No 86 of 30 July 1999 effective 1 August 1999.

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

Ticket – Single ride bus and ferry tickets

IPART Determination

The existing 3-9 section band will be restructured into two separate bands. A new 3-5 section ticket will be created, reducing the equivalent fare from \$2.50 to \$2.30. The new 6-9 section ticket will be priced at \$2.90, which is an increase of 40 cents. These changes will be introduced in January 2000. The fares for the 1-2 section and the 10-15 section tickets may increase by 10c. The fare 22-27 section ticket will be reduced to \$4.00, the same Single ride bus and price as the 16-21 section ticket, which will effectively create a new 16+ section ticket. Single Ride ferry fares may increase by 50 cents for Inner Harbour zones and 60 cents for the Manly Ferry, Manly JetCat and Parramatta services.

Implementation

The two new section bands were introduced on 2nd January 2000. All other changes to Single Ride bus & ferry fares were within the Tribunal's guidelines.

Ticket – TravelTens and FerryTens**IPART Determination**

The Red (3-9 sections) ticket will be restructured into two fare bands. The price of the new 3-5 Section TravelTen ticket is set at \$16.00. The new 6-9 section TravelTen ticket will be priced at \$20.00. These changes will be introduced in January 2000. The fares for the 1-2 and 10-15 section TravelTens may increase by 70 cents and 60 cents respectively. The fare 22-27 section ticket will be reduced to \$34.00, the same price as the 16-21 section ticket, which will effectively create a new 16+ section TravelTen ticket.

The price of all FerryTens and the JetCatTen may increase by \$4.00.

Implementation

The two new section bands were introduced on 2nd January 2000. All other changes to TravelTen and FerryTen tickets were within the Tribunal's guidelines.

Ticket – TravelPasses**IPART Determination**

All Bus/Ferry TravelPasses may increase by \$3. With the exception of the Red TravelPass which may increase by \$3.00, all Rail/Bus/Ferry TravelPasses may increase by \$4.00.

Implementation

The price of all Bus/Ferry and the Red Bus/Rail/Ferry TravelPass increased by \$3.00. All other TravelPasses increased by \$4.00.

Ticket – BusTripper**IPART Determination**

The maximum price of the BusTripper ticket may increase to \$8.30.

Implementation

The price of the BusTripper ticket increased to \$8.30.

Ticket – Bus/Ferry DayPass**IPART Determination**

The maximum price of the Bus/Ferry DayPass ticket will remain at \$12.00

Implementation

The price of the Bus/Ferry DayPass ticket remained unchanged at \$12.00

Ticket – Time-based tickets – Newcastle**IPART Determination**

The 1 hour and 4 hour time fares may increase by 20 cents and the daily fare by 40 cents. The TimeTen fare may increase by \$1.00. The Stockton ferry Single Ride fare may increase by 20 cents.

Implementation

All changes to bus and ferry fares in Newcastle were within the Tribunal's guidelines.

Ticket – School Term Pass**IPART Determination**

The price of the School Term Pass may increase by \$2.00 to \$33.00

Determination

The price of the School Term Pass increased to \$33.00

COMMERCIAL ITEMS

11. Taxes and Other Payments to Government

State Transit, as a Government Trading Enterprise, is subject to a full range of state and federal taxes and other government charges which apply to private sector businesses. Some of these charges are levied under the New South Wales Government's Tax Equivalent Regime. The following taxes and charges were applied during 1999/2000:

(a) New South Wales State Taxes and Charges

	\$m
Payroll Tax	15.135
Sales Tax*	7.506
Land Tax	1.331
State Tax on distillate**	2.976
Registration charges and stamp duty for the bus fleet and commercial vehicles	2.392
Financial Institutions Duty	0.284
Total	29.624

(b) Federal Taxes and Charges

	\$m
Excise duty on distillate	16.761
Fringe Benefits Tax	0.262
Bank Debit Tax	0.032
Total	17.055

* Normally payable to the Federal Government but under the Tax Equivalent Policy is paid to the State Government

** As a consequence of a High Court decision in 1996, the State Tax on Distillate (prior to 1996 called the Franchise Fee) is paid to the Federal Government, which subsequently reimburses the NSW State Government

12. Funds Granted to Non-Government Community Organisations

The following payments were made by State Transit to non-government community organisations:

Organisation	Payment
Retired Tram and Bus Workers Association	\$0.002m

13. Investment Management Performance

State Transit invests its surplus funds in the 'Hour Glass' Investment - Cash Facility with NSW Treasury Corporation. This is consistent with the investment powers attributable to State Transit by Part 1 of Schedule 4 of the Public Authorities (Financial Arrangements) Act 1987.

According to provision 12(1) of the Annual Reports (Statutory Bodies) Regulation 1995, State Transit is required to measure its investment performance against an appropriate NSW Treasury Corporation investment facility. The NSW Treasury Corporation's Hour Glass Investment- Cash Facility is a suitable facility for this purpose and the compounded rate of return achieved was 5.52%.

14. Account Payment Performance

The following information is provided in accordance with the requirements of the Annual Reports (Statutory Bodies) Regulation 1995, clause 15.

84% of invoices in 1999/00 have been paid within the trading terms. There were no penalty interest payments made under clause 18(5) of the Public Finance and Audit (General) Regulations, 1995 for the year ended 30 June 2000

The following statistics are provided for each quarter in 1999/00:

Paid on time	Qtr 1		Qtr 2		Qtr 3		Qtr 4		Total	
	\$'M	%	\$'M	%	\$'M	%	\$'M	%	\$'M	%
Invoice Value	94.9	89	158.5	83	252.3	83	121.6	82	627.3	84
Number of Accounts		84		85		85		85		84

15. Risk Management and Insurance

State Transit manages its risks through risk management strategies incorporated into its policies, procedures and work instructions and through its Integrated Insurance Program.

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

The Integrated Insurance Program includes a rigorous system of assessment and management for claims made against State Transit. The claim management function is performed by a professional claim management organisation that provides unbiased assessment and payment of legitimate claims whilst protecting State Transit's interest against overstated or unfounded claims. The claim management system also provides an information data base for use by line management to identify emerging safety issues that may be dealt with by implementation or risk minimisation initiatives.

During the year, State Transit reviewed, updated and documented the Emergency Response Plans for its Bus and Ferry Operations. These plans provide the framework for an effective and co-ordinated response to incidents which may impact on operations. The aim is to reduce the risk of loss of life, injury, asset loss and operational disruption. State Transit tested its emergency response preparedness by conducting major simulations for both its Bus and Ferry Operations. These simulations demonstrated that in the event of a real life crisis, appropriate actions will be taken in an effective and timely manner.

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

There were no significant issues in the 1999/2000 Outgoing Audit Report that required the Authority's attention.

17. Overseas Trips

During the year, Mr John Stott, Chief Executive, undertook the following overseas trips on behalf of State Transit.

Date: 2 November 1999 to 6 November 1999
Destination: Singapore
Purpose: To attend the International Union of Public Transport (UITP) Congress.

Date: 21 February 2000 to 27 February 2000
Destination: India
Purpose: To attend the International Union of Public Transport (UITP) Congress.

COMMERCIAL ITEMS

18. Freedom of Information

During the financial year 1999/2000, State Transit received eighteen (18) applications for information under the Freedom of Information Act 1989, compared with ten (10) in 1998/1999.

Section A - FOI Requests

	Personal	Other	Total
New (including transferred in)	7	10	17
Brought forward (incomplete requests from previous year)	0	1	1
Total to process	7	11	18
Complete	6	10	16
Transferred out	0	0	0
Withdrawn	0	0	0
Total processed	6	10	16
Unfinished (carried forward)	1	1	2

Section B - Result of FOI Requests

	Personal	Other	Total
Granted in full	4	8	12
Granted in part	1	1	2
Refused	1	1	2
Deferred	0	0	0
Completed	6	10	16

Section C - Basis for Disallowing Access

	Personal	Other
s25(1)(a)- exempt	0	0
s28(1)(b) – documents not held	1	1
Total	1	1

Section D - Ministerial Certificates

Nil

Section E - Formal Consultations

Nil

Section F - Amendment of Personal Records

Nil

Section G - Notation of Personal Records

Nil

Section H - Costs

Assessed Costs	Fees Received
\$1440.00	\$465.00

Section I - Type of Discount allowed on Fee Charged

	Personal	Other
Financial Hardship - Pensioner/child	3	0
Financial Hardship - non profit organisation	0	0
Total	3	0

Section J - Days to process

	Personal	Other
Elapsed Time 0 - 21 days	6	10

Section K - Hours to Process

	Personal	Other
Processing hours 0 - 10	6	10

Section L - Reviews and Appeals (Review)

1

19. Consultants' Fees**(a) Where fees exceeded \$ 30,000**

Name	Fee \$m
Arthur Anderson - Scoping review for GST Implementation and Pricing Strategy	0.130
Booz, Allen and Hamilton - Strategic review of STA Finances and Ferries Development Study	0.073

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

Name	Fee \$m
Fees paid to 1 consulting agency	0.027

20. Committees (Internal and External)**INTERNAL COMMITTEES****Audit Committee**

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

Tender Review Committee

The Tender Review Committee considers tenders in respect of projects which will result in a contract with a value of \$100,000 or more. The endorsement of the Tender Review Committee is required at two stages of the tendering process. Firstly, prior to the advertising of a tender and secondly, prior to acceptance of a tender. The primary role of the Tender Review Committee is to ensure that State Transit tendering guidelines are complied with and that probity is maintained throughout the tendering process. The Tender Review Committee met on 15 occasions during the year under review and approved the advertising of 8 tenders during this period.

Environment Committee

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

COMMERCIAL ITEMS

Information Technology Committee

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

Capital Works Committee

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

Occupational Health and Safety Committee

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

EXTERNAL COMMITTEES

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

21. Recycling and Environmental Activities

In 1999/2000, State Transit continued to contribute to the protection of the environment in a number of significant areas.

The majority of State Transit Depots are EPA licensed for the collection, transport and disposal of Group A liquid wastes. This is supported by a waste reduction program which is committed to collecting and recycling significant quantities of waste products including metal, aluminium, oil, batteries, steel drums and paper.

During the year, 150 new compressed natural gas (CNG) powered buses were delivered. A total of 300 CNG powered buses are to be delivered by July, 2002.

To support State Transit's Environmental Management System, an extensive review of environmental procedures were made covering areas of:

- underground storage
- noise monitor
- stormwater monitoring
- asbestos management
- environmental records
- licensing and investigations.

A number of capital works projects supporting State Transit's commitment and responsibility to the environment are in progress or nearing completion including;

- Manly Wharf fuel tanks
- Burwood Bus Wash discharge
- Kingsgrove first flush system upgrade
- Penstock Valve tenders for Brookvale & Port Botany Depots.

State Transit supports the NSW Government's commitment to reducing the quantity of waste going to landfill disposal. In 1999/2000, State Transit made a significant continuing contribution to waste reduction by collecting metal, aluminium, oil, batteries, steel drums and paper for recycling.

In addition to this:

- water is collected and re-used in bus washing bays with only 10% use of fresh water as a final rinse. At Newcastle's Hamilton depot, ground water is treated then used for the final rinse in the bus wash.
- rainwater is collected for use on the gardens.
- bus tyres are retreaded up to 3 times before the casings are converted into recycled rubber products.

22. Year 2000 Compliance

State Transit satisfactorily undertook the transition to the Year 2000 with no major issues encountered on all the key dates including the end of financial year 1999/2000. The Office of Information Technology confirmed State Transit's compliance with the Government's methodology on the Year 2000 project. This was independently certified by an approved consulting firm under the Office of Information Technology Year 2000 panel contract.

The upgrade of State Transit's IT systems during 1999/2000 was mainly driven by cost efficiencies. However, some upgrades were also driven by compliance with Y2K. The total capital expenditure on system upgrades in 1999/2000 was \$2.6M. Miscellaneous Y2K expense was \$127,000.

COMMERCIAL ITEMS

23. GST Compliance

State Transit has complied with the GST guidelines issued by the NSW State Treasury for Public Sector Agencies (TPP99-3). The Authority has gained registration for GST purposes and holds the ABN of 51 750 635 629.

All systems were reviewed and adapted to enable compliance. All the changes were implemented and operable by the 1 July 2000.

Compliance with the policy is monitored by the NSW Treasury and is audited by the Audit Office.

24. Mobile Phones

Procedures for issuing telephones is outlined in State Transit's Telephone and Mobile Telephones Procedures. Issuing of mobile phones is approved by the Chief Executive, General Managers and Business Managers as and when a business need is demonstrated. In 1999/2000 there were 159 mobile phones in usage (138 in 1998/99).

OPERATIONAL ITEMS

25. Service Changes in Response to Community Consultation

New Services

- State Transit acquired two bus companies in 1999/2000; North and Western Buslines and the Parramatta-Ryde Bus Service. The acquisition expanded State Transit's market in the North West area of Sydney. This has opened the way for a long-overdue integration of services in the Parramatta-Ryde-Epping area by amalgamating three former service contract areas. It is now possible for State Transit to structure an effective network of trunk and feeder services and improve service frequencies.
- A new cross regional service, Route 353 was introduced to connect the Eastern beachside suburbs with each other and Sydney Airport. The new Route 520 from Circular Quay to Parramatta along Victoria Road is the first State Transit service connecting the two major CBDs of Sydney and Parramatta and allowing direct connections between intermediate centres including Ryde and Gladesville.
- Following the purchase of the North & Western and Riverside bus companies, State Transit took the next step to improve services in these areas by giving more direct links to the City, Ryde, Chatswood, Parramatta, Burwood and Macquarie.
- The new Route 335 was introduced linking the residential areas of Mascot and Eastlakes with the new station at Mascot following the opening of the Airport Rail Line.
- In response to requests from local residents and community groups, Route 449 was introduced linking Pyrmont, Ultimo, Glebe with the shopping and service facilities at Broadway following the popularity of the new developments there by Grace Bros. The new service replaced Route 468 between Ultimo and Leichhardt.
- Sydney Ferries Parramatta River ferry services made their first stops at the new Cabarita and Kissing Point wharves in January 2000.

Improvements to current services

- The very popular cross regional Route 370 from Coogee to Leichhardt introduced in 1998/99, directly connecting the inner west with the eastern beach suburbs, has proven its success with extra services being introduced this year to meet increased demand.
- Expanded services were introduced on Route 288 City to Epping, Route 294 City to Macquarie Park, Route 293 to Marsfield and Route 295 Epping to Macquarie University.
- Morning and afternoon peak hour ferry services to Rose Bay, Double Bay and Darling Point were substantially increased with a new express service from Rose Bay to Circular Quay to cut travel times by half. The services were introduced in response to rapidly growing passenger demand.

Replacement of services

- The Route 332 service all night from Kings Cross to the City was withdrawn and replaced by a variation of the Nightride service from Kings Cross Station.
- Route X03 from Sans Souci to Circular Quay and Route 040 an industrial service from Redfern to Zetland were withdrawn due to lack of patronage. Alternative services were available in both cases.
- Route 463 a limited peak hour service was withdrawn due to lack of patronage. A large number of alternative routes were available for passengers.

Improved services for 2000/2001

- Under the Better Buses plan for the North West area, State Transit's approach has been to understand the community's travel needs and come up with an innovative and effective network that works best for the majority of people. At the end of the report year, the Better Buses community consultation program was underway to help design the new bus routes and the new network was expected to be announced in late 2000.

OPERATIONAL ITEMS

26. Customer response

	1998/99	1999/2000
Number of Complaints		
- written	2,984	1,535
- phone/verbal	9,425	13,217
Number of Commendations		
- written	343	352
- phone/verbal	184	403

Main features of complaints were:

- service complaints, including unscheduled cancellations, late running and accommodation
- staff complaints, including poor driving, not stopping when signalled and rudeness
- fares and ticketing
- other general complaints, such as environmental pollution, passenger behaviour and difficulty boarding/alighting.

27. Guarantee of Service

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

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

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

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

28. Disability Plans

State Transit has a Disability Strategic Plan under Section 9 of the Disability Services Act 1993 to ensure accessible public transport. It is also committed to implementing the requirements of the Draft Disability Standards for Accessible Public Transport under the Commonwealth Disability Discrimination Act. Progress in this area for 1999/2000 includes:

- Purchase of fully accessible SuperCat ferries;
- Purchase of 150 new wheelchair accessible buses;
- Increase in the number of low floor buses in the fleet to 400 (21% of the fleet) of which 300 are fitted with a ramp for wheelchair access (15%);
- Letting of a contract for the supply of 150 new ramp-equipped low floor CNG powered Mercedes buses for delivery over the next three years bringing the total to 300. These buses are fitted with improved features for the disabled, including bright grab handles, larger clearer destination signs, brighter interiors and more priority seating;
- Wheelchair accessible services have been timetabled on more than 35 routes across Sydney;
- Circular Quay wharves were refurbished with improved disability access.
- Provision of disability awareness training to Bus Operators and other front-line staff.

HUMAN RESOURCE ITEMS

29. Human Resource Statistics

Comparison of permanent staff by classification (full time equivalent) over the four year period from June 1996 to June 2000 is outlined in the table below:

Category	June 1996	June 1997	June 1998	June 1999	June 2000
Operations (Wages)	3156	3361	3380	3496	3745
Maintenance & Support (Wages)	380	385	381	369	373
Salaried Officers	551	542	530	548	559
SES & CES	14	16	14	14	13
Total	4101	4304	4305	4427	4690

30. Equal Employment Opportunity

Actual Number of Women in the Workforce by Income - as at June 2000

Salary Band* \$	Total Staff**	Number of Women	Percentage of Women %
<26,276	248	83	33.5
26,276 - 34,512	3095	304	9.8
34,513 - 38,582	374	45	12.0
38,583 - 48,823	164	31	18.9
48,824 - 63,137	299	58	19.4
63,138 - 78,921	151	8	5.3
> 78,921 (non SES)	2	0	0
>78,921 (SES/CES)	13	1	7.7
Total	4875	530	10.9

Actual Number of Women in Workforce (1995/96 - 1999/2000)

Year	Total Staff**	Number of Women	Percentage of Women (%)
1995/96	4147	411	9.9
1996/97	4356	441	10.1
1997/98	4355	450	10.3
1998/99	4427	460	10.4
1999/2000	4875	530	10.9

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

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

31. Action Plan for Women's Initiatives

The principles of equity, access, rights, and participation underpin the action plan to recognise that in some areas of social life, women have different experiences and needs from men. The package of initiatives aimed to increase and maintain representation of women in the State Transit's workforce includes:

- Of all staff recruited women made up 16%. This increased representation of women from 10% to 11% a real achievement in the male dominated transport industry.
- Part time work - 239 positions an increase of 71 or 42.26%. Women now hold 14.23% of part time positions. Female employees now hold 11.1% of all bus operator positions. Due to recruitment advertising.
- Job -sharing.
- Working from home - currently 2 participants.
- Childcare advisor service.
- Spokeswomen program - 7 representatives located at operational levels of buses and ferries.
- Safety and Security of women - attendance at a personal safety course for front line staff.
- Operation Bus Stop in which Police and State Transit staff board buses in a targeted program to enhance safety and security for passengers and staff.
- Video surveillance cameras (CCTVs) have been installed in all buses.
- All ferry wharves will have CCTVs and Help Points and monitored by professional security under contract.
- Enhanced bus communication system to assist bus operators confronted with unsafe situations.
- Refresher training for all bus operators on radio communication and emergency call systems.
- Accessibility of fleet by increasing the number of low floor wheelchair accessible vehicles and vessels for all users including women travelling with prams, young children and the elderly.
- Design of bus stop style guide with guidelines on shelter design and location to assist the councils to provide bus stops that are safe, appropriate located and accessible by prams.
- Trial of bus stop specific timetable information and destination guides at bus stops along Victoria Road with the aim of providing information about bus services to reassure passengers, plan trips and reduce waiting time at bus stops.
- New format colour bus and ferry timetables, map formats, location guides and trial of real time passenger information displays at bus stops in northern beaches. The aim is to improve information available to reassure passengers, assist in planning of trips and reduced waiting time at bus stops.

32. Ethnic Affairs Priorities Statement and Agreements

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

- ongoing emphasis placed in equity and diversity during the induction of all new staff
- the principles of equity and diversity continue to be recognised in all corporate and business planning processes
- retreat spaces continue to operate in 14 of the 15 work locations.

The plans for 2000/2001 include the following initiatives:

- (a) A review will be conducted of the operation of the retreat spaces.
- (b) Advertising in the ethnic press will be reviewed and enhanced where appropriate.
- (c) Workshops and refresher training will be held for contact officers.
- (d) Matters pertaining to ethnic affairs will be incorporated in the employees climate survey proposed for 2001.

HUMAN RESOURCE ITEMS

33. EEO Target Groups

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

	June 1998 (No.)	June 1998 (% Staff)	June 1999 (No.)	June 1999 (% Staff)	June 2000 (No.)	June 2000 (% Staff)
Women	450	10.3	460	10.4	530	10.9
Aboriginal People*	19	1.0	24	1.2	27	1.2
People from Non-English Speaking Background*	769	42.3	794	39.3	906	36
People with a Physical Disability*	115	6.3	112	5.5	131	6

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

34. Occupational Health, Safety and Rehabilitation

During 1999/2000 significant improvements were achieved in relation to providing a safe work place for State Transit staff.

Of note:

- The total number of incidents reduced by 5%, from 1856 to 1764.
- The number of lost time incidents reduced by 11%, from 546 to 485.
- Total days lost reduced by 13.5%, from 5930 to 5128.

These improvements were achieved during the period of a significant increase in staffing levels, where the number of full time employees increased by almost 6%.

Other achievements during 1999/2000 included:

- the OHS&R System was reviewed and amended documentation together with supporting training, was issued;
- a strategy to reduce days lost due to work related injuries and illnesses by 30 September 2000 was endorsed by the Board;
- programs designed to reduce injuries associated with bus seats and destination rollers were implemented;
- the personal safety training program continued and over 3000 bus and ferry operations staff have now been trained;
- all buses have now been equipped with closed circuit TV's;
- operation bus stop has been extended;
- tenders were invited for the provision of a new Employee Counselling program;
- free vaccination against influenza were again provided to staff;
- a "Safety Alert" notification system was introduced to provide staff with a rapid response advice on potential and known risks and hazards and how they should be managed;
- The bus operating procedures contained in the Bus Operations Handbook were reviewed, updated and re-issued to all bus operations staff. The procedures incorporate enhanced safe operating information and have been issued to all staff in the Employee Folder.

35. Code of Conduct and Protected Disclosures Reporting System

As part of ensuring State Transit's ongoing commitment to ethical conduct and fair dealing, the Code of Conduct was reviewed and enhanced.

The revised code was agreed to by Unions representing the majority of employees.

It was incorporated into the Employee Handbook which was issued to all existing staff. The Handbook will be issued to all new recruits as part of the induction program.

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

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

It is anticipated that refresher training of nominated disclosure officers will be undertaken during 2001.

36. Privacy Management

In accordance with the Privacy and Personal Information Protection Act 1998, State Transit developed a Privacy Management Plan which will be implemented in the second half of 2000.

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

State Transit will inform 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.

Personal information will not be handed to agencies or individuals outside of State Transit unless authorisation has been received from the individual to whom the information relates or a senior manager of State Transit.

37. CES/SES Bands

Band 1997*	June 1997	Band 1998	June 1998	Band 1999	June 1999	Band 2000	June 2000
3 Upper	1	Level 6	1	Level 6	1	Level 6	1
3 Lower	1	Level 5	0	Level 5	0	Level 5	0
2 Upper	2	Level 4	3	Level 4	3	Level 4	2
2 Lower	0	Level 3	1	Level 3	1	Level 3	3
1 Upper	8	Level 2	6	Level 2	6	Level 2	6
1 Lower	4	Level 1	3	Level 1	3	Level 1	1
Total	16	Total	14	Total	14	Total	13

* During 1997 a different structure applied to CES and SES bands.

HUMAN RESOURCE ITEMS

38. Senior Executives' Qualifications

Name	Position	Qualification
John Stott	Chief Executive	B. Sc. (Technology)
Wayne Butler	General Manager, South Western Services	Mec.C, C.TM
Paul Dunn	General Manager, Finance and Business Services	B. Comm, MBA, ACA
Bruce Eldridge	General Manager, Eastern Services	C.TM, Dip.TM, M. TM
Terry Garrett	General Manager, Newcastle Services	C.TM
Egle Garrick	General Manager, Sydney Ferries	B.A, Dip.Lib, M.ScS, C.TM
Alan Hollway	General Manager, Human Resources	B.A, Grad.Dip, MBA
Lyall Kennedy	General Manager, North Western Services	B.Ec, M.TEc, C.TM
Colin Menzies	General Manager, Service Planning & Co-ordination	B.E, MBA, CTM
Rod Robey	General Manager, Warringah Services	M. TM, MNIA

39. SES Performance Review

John Stott, Chief Executive, SES Level 6
Period in position 1 July 1999 – 30 June 2000

Responsibilities

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

Achievements

Mr Stott maintained and improved State Transit's services in 1999/2000, despite major constraints on funding and in the face of significant cost increases. Full year revenues were above budget by 2.6% and costs were held 0.2% below budget, bringing the end of year financial outcome in to plan, notwithstanding strong pressures on costs from Olympic commitments.

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

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

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

Key achievements for 1999/2000 include:

- Acquisition and integration of North & Western and Riverside bus contract areas into State Transit's North West area of operations.
- Commenced new and improved services, including cross regional routes from Parramatta to Sydney, and Eastern Suburbs beaches to Sydney Airport.
- Introduced over 150 low floor fully wheelchair accessible buses, CNG.
- Construction commenced of new highspeed ferries, the SuperCats, and the refurbishment of the Manly ferries.
- Extensive improvements to safety and security on board buses and ferries for both passengers and employees. Installation completed of closed circuit television cameras on all 1,906 buses, and a personal safety training program continued across the organisation.
- Progressed the development of the New South Wales integrated ticketing strategy.
- Rigorous and comprehensive planning and preparation for Millennium celebrations and Olympic transport task.

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

SES Remuneration

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

(i) Chief Executive	-	John Stott
Total remuneration package	-	\$183,680
Performance payment 1999/2000	-	No payment made in report year
(ii) General Manager, Finance and Business Services	-	Paul Dunn
Total remuneration package	-	\$158,610
Performance payment 1999/2000	-	\$9,000

Criteria for payment:

- Effective and efficient management of the financial performance, capital works program, property assets, informational technology systems and risk management and insurance programs of State Transit.
- Original contribution to and effective management of State Transit's participation in the Integrated Ticketing project.
- Excellence in management of acquisition of North and Western Buslines.
- Managed incident free transition of Information Technology systems to Year 2000.

OTHER

40. List of Publications

In 1999/2000 State Transit produced and distributed:

- 1998/99 Annual Report
- 2000/2001 Corporate Plan
- Bus and Ferry Timetables (various)
- Various brochures and flyers, including for a number of tourist products, new and special tickets, service changes, safety material and guides to Sydney Harbour, Newcastle and ferries
- Transit Time (24 editions)

41. Annual report publication details

The State Transit Annual Report was designed and produced by Infographic Design, Sydney. 1,500 Annual Reports were printed at an average cost of \$22.88 each.

42. Contact details

Hours of service

8.30am to 5.00pm, Monday to Friday

Sydney Bus & Ferry and Newcastle Bus & Ferry information

131 500, 6.00am to 10.00pm daily.

Corporate office

Level 29, Northpoint, 100 Miller Streets, North Sydney NSW 2000

Telephone: (02) 9245 5777

Bus depots

Belmont (02) 4945 0333

Brookvale (02) 9941 5816

Burwood (02) 9582 4444

Hamilton (02) 4961 8900

Kingsgrove (02) 9582 3015

Leichhardt (02) 9582 5915

Mona Vale (02) 9997 1258

North Sydney (02) 9245 5260

Port Botany (02) 9582 7614

Randwick (02) 9298 6714

Ryde (02) 9941 6814

Waverley (02) 9298 6623

Willoughby (02) 9941 9214

Newcastle Ferry services

(02) 4929 2106

Sydney Ferry services

(02) 9207 3166

Balmain Shipyard

(02) 9246 9661

INDEX

- Accessibility 13, 23, 129
- Account payment performance 121
- Action Plan for Women Initiatives 23, 131
- Annual Report publication details 136
- Audit committee 115, 123
- Balance sheet 29
- Board of directors 115-116
- Bus and ferry network 4
- Capital works committee 124
- Capital works expenditure 108
- CES/SES bands 133
- Changes in fares 118
- Code of conduct 133
- Consolidated income and expenditure statement 109
- Consultants' fees 123
- Contact details 136
- Customer service skills 22
- Customer service strategy 14, 22
- Customer response 128
- Disability plans 129
- Employees 22-24
- Environment committee 123
- Equal employment opportunity 130
- EEO target groups 132
- Ethnic affairs priorities statement and agreements 131
- External committees 123
- Financial results 110-113
- Financial review 16-17
- Fleet enhancement 13-14
- Freedom of information 122
- Funds granted to non-Government community organisations 120
- Government and social program payments 118
- GST Compliance 126
- Guarantee of service 128
- Improved efficiency 17-18
- Income and expenditure statement 28
- Independent audit report 53
- Information technology committee 124
- Internal committees 123
- Investment management performance 120
- Key performance indicators 10-11
- Legislation 117
- Mobile Phones 126
- New and improved services 12-13
- Notes to and forming part of the financial statements 33
- Notes to the statement of cash flows 31
- Occupational health safety and rehabilitation 132
- Olympics 25-26
- Organisational structure 114
- Overseas trips 121
- Passenger Information 14
- Performance highlights 5
- Privacy Management 133
- Protected disclosures reporting system 133
- Publications 136
- Quality systems 17
- Recycling activities 125
- Review of 1999/2000 8-9
- Risk management and insurance 19, 121
- Safety 20-21
- Senior executives' qualifications 134
- Service changes in response to community consultation 127
- SES performance review and remuneration 134
- Statement by members of the board 52
- Statement of cash flows 30
- Statement of responsibility 52
- Summary of land 108
- Taxes and other payments to Government 120
- Technology 18
- Tender review committee 123
- Traineeships 24
- Year 2000 Compliance 18, 125



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