



Department of Transport

Annual Report 2010-11



Transport



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Overview ▶

Letter to Ministers from Director General

The Hon Gladys Berejiklian MP
Minister for Transport
Parliament House
Macquarie Street
Sydney NSW 2000

The Hon Duncan Gay MLC
Minister for Roads and Ports
Parliament House
Macquarie Street
Sydney NSW 2000

Dear Ministers

I am pleased to submit the Annual Report for the Department of Transport for the year ended 30 June 2011 for tabling in Parliament.

This Annual Report has been prepared in accordance with the *Annual Reports (Departments) Act 1985*.

The Department of Transport succeeds the former Ministry of Transport, Transport NSW and the Department of Transport and Infrastructure.

Yours sincerely



Les Wielinga
Director General
Department of Transport



Director General overview

The Department of Transport is tasked with delivering an effective transport system that maximises benefits for the community and the economy – and we have taken significant steps towards achieving this goal over the last year.

We are establishing a new integrated transport authority, driven by a focus on creating a better transport system for the people of NSW.

We will get better transport outcomes by coordinating the planning, policy development and purchase of transport services in Transport for NSW.

Our operating agencies will focus on the delivery of safe, efficient and reliable services.

The changes in transport allow us to think outside our previous boundaries and to look, with a broader view, at what transport can do for NSW. The new arrangements will play a key role in securing the economic productivity, environmental sustainability and quality of life for the people of our State.

The focus for all of us is the customer, be it a public transport user, a motorist, pedestrian, farmer or manufacturer. Our new organisation will ensure the needs, preferences and opinions of our customers are paramount in our decision-making, planning and actions.

We are one team, with every person across the transport portfolio playing an important role in shaping the results that we deliver. We have a common goal to deliver better services and a truly integrated transport system.

Transport for NSW will establish working relationships to deliver what the people of NSW need. Our aim is to make public transport the preferred option, not just for commuters but for every customer.

I look forward to working together with staff across the Transport portfolio to meet our challenges and deliver results for the communities of NSW.

Les Wielinga

Director General



About us

The Department of Transport is the principal department in the transport cluster. The Department has primary responsibility for transport policy, planning and coordination functions, and the oversight of infrastructure delivery and asset management. The Department has the lead role in delivering an effective transport system across NSW that provides maximum benefits for the community and economy of NSW.

The Department plans for both public and private transport, including road, rail, buses, taxis, ferries, light rail, cycling, walking, community transport services, regional air services and freight movement. The Department exists to enhance and maintain the NSW transport system and provide transport related services.

This is done by bringing together the central divisions and the operating transport entities into one transport agency, to deliver services under contract. This includes the delivery of transport services, policy, planning, coordination, community information, network maintenance and development, infrastructure and assets – all with a focus on integrating planning and ensuring delivery of safe and reliable transport services, both passenger and freight.

The Department manages a multi-billion dollar transport budget. It allocates funding for the provision of publicly funded bus, rail, roads, ferry and community transport services and related infrastructure as well as concession schemes such as the School Student Transport Scheme, the Private Vehicle Conveyance Scheme and the Taxi Transport Subsidy Scheme.

The Department, in partnership with the transport agencies, is also one of the largest asset managers in Australia, managing assets with a written down value of around \$100 billion, one of the largest asset bases in Australia.

The Department is committed to improving transport services, developing and sustaining productive industry partnerships, providing open and effective communication with stakeholders and achieving the best possible transport system.

In April 2011, the NSW Government announced that a new integrated transport authority will be established to ensure planning and policy across all modes of transport, including roads and ports, are fully integrated.

The core business of the Department of Transport is:

- ▶ Funding for road, rail, buses, taxis, ferries, cycling, community transport services and freight movement.
- ▶ Moving people around safely, moving freight efficiently, providing transport infrastructure, licensing public transport drivers and accrediting operators.
- ▶ Developing regulations, policies and legislation to ensure that the community is safe, assets and public money are protected, the impact on the environment is minimised and public transport is delivered to a high standard, meeting community needs.

Vision

A transport system that maximises benefits for the community and the economy.

Values

Our values are the qualities that reflect what the Department of Transport stands for as an agency. They underpin everything we do, the way we interact with each other, the community and our partners in business. They are the way we work to deliver customer-focused services and integrated transport solutions.

Integrity

We are committed to working honestly, ethically, transparently and fairly.

We will ensure that we consistently work with integrity and honesty, and understand that everything we do is in the interests of the NSW public. We will hold ourselves accountable to our code of conduct and ethics.

Accountability

We seek to achieve the best possible use of our resources, and take responsibility for our decisions and actions.

We will be held to account for the way we conduct ourselves and our business. We will ensure that honesty and accountability are at the core of our actions and decisions, and all aspects of our work.

Responsiveness

We are responsive to, and proactively seek to address the needs of the NSW community. We are dedicated to improvement and delivering customer focused services.

Our responsiveness to the needs of the community will be a critical part of delivering our results. We will maintain commitment to our customers across the agency – in the way we work each day, deliver projects and measure our progress. We aim to improve the transport experience in NSW by continually monitoring and improving our performance.

Teamwork

We work together in dynamic, integrated teams and partnerships to deliver high quality transport results for NSW.

We are committed to establishing and working in true partnerships. This will be demonstrated through collaboration, consultation and cooperation across communities, government, business and internally. Commitment to teamwork will help us realise a greater level of transport integration in NSW.

Safety

We are committed to the safety, wellbeing and security of the NSW community and our employees.

Safety is a critical focus for our agency, for the NSW public and for our colleagues. Truly valuing safety means developing policies and upholding practices that reduce the risk to individuals and minimise the impact when incidents occur.

How transport has changed

The Minister for Transport and the Minister for Roads and Ports jointly announced the establishment of the integrated transport authority, in April 2011.

Their vision is for an authority which will ensure planning and policy across all modes of transport are fully integrated.

Following the April announcement, the organisational structure and the functions of the new integrated transport authority were defined, along with the role of the operating agencies – RailCorp, State Transit Authority and the new Roads and Maritime Services.

Decision making for planning and policy are now centralised in Transport for NSW. The new organisation is responsible for planning, program administration, policy, regulation, procuring transport services, infrastructure and freight, and, above all, improving the customer experience.

The operating agencies have been freed up to focus on service delivery – providing safe, reliable, clean and efficient transport services.

The focus for Transport for NSW is clearly set out: the customer. The customer needs to be at the centre of every action.

That is why two of the six divisions in Transport for NSW have been dedicated to the customer – the Customer Experience Division and the Freight and Regional Development Division.

Customer Experience is responsible for ensuring the needs, preferences and opinions of our customers are paramount in our decision-making, planning and actions. Development of consistent standards and the use of information obtained from customers will drive improvements in services and planning.

Freight and Regional Development is responsible for integrating freight strategies and programs to meet the current and future needs of the NSW economy and particularly regional economies.

The other divisions in the new organisation are:

- Planning and Programs: providing consolidated planning and overall investment advice for all modes.
- Transport Projects: accountable for delivering transport infrastructure projects that meet time, cost and quality objectives.
- Policy and Regulation: driving the development and implementation of customer focused legislative, regulatory and policy solutions.
- Transport Services: ensuring services across the whole transport portfolio meet the current and future needs of customers.

Transport for NSW is responsible for planning for both public and private transport, including road, rail, buses, taxis, ferries, light rail, cycling, walking, community transport services, regional air services and freight movement.

It has responsibility for managing the multi-billion dollar transport budget and allocates funding for the provision of publicly funded bus, rail, roads, ferry and community transport services and related infrastructure, as well as concession schemes such as the School Student Transport Scheme, the Private Vehicle Conveyance Scheme and the Taxi Transport Subsidy Scheme.

As part of the changes, the following organisations are being incorporated into Transport for NSW:

- Transport Construction Authority
- Country Rail Infrastructure Authority
- Public Transport Ticketing Corporation.

Another significant change is the formation of the NSW Roads and Maritime Services, bringing together the former Roads and Traffic Authority and NSW Maritime.



This new organisation enables a greater focus on the basics: building and maintaining roads, managing the operation of our road networks and harbours, and customer service functions in the provision of licensing and registration. With similar operational and customer-facing roles, the combination of the two agencies creates an opportunity to improve the provision of services to customers.

The establishment of Transport for NSW follows the work carried out earlier in the 2010-11 financial year to improve transport planning and delivery in NSW.

The Transport Administration Amendment Act came into effect on 1 July 2010. This legislation formalised the coordination of a number of existing transport agencies under one organisation, called Transport NSW.

The lead transport agency was tasked with improving the planning, coordination and delivery of transport services and infrastructure for the NSW community.

On 3 April 2011, as an interim measure and in preparation for the establishment of Transport for NSW, the organisation's name was changed (by the *Public Sector Employment and Management (Departments) order 2011*) to the Department of Transport.



In one year

30 million

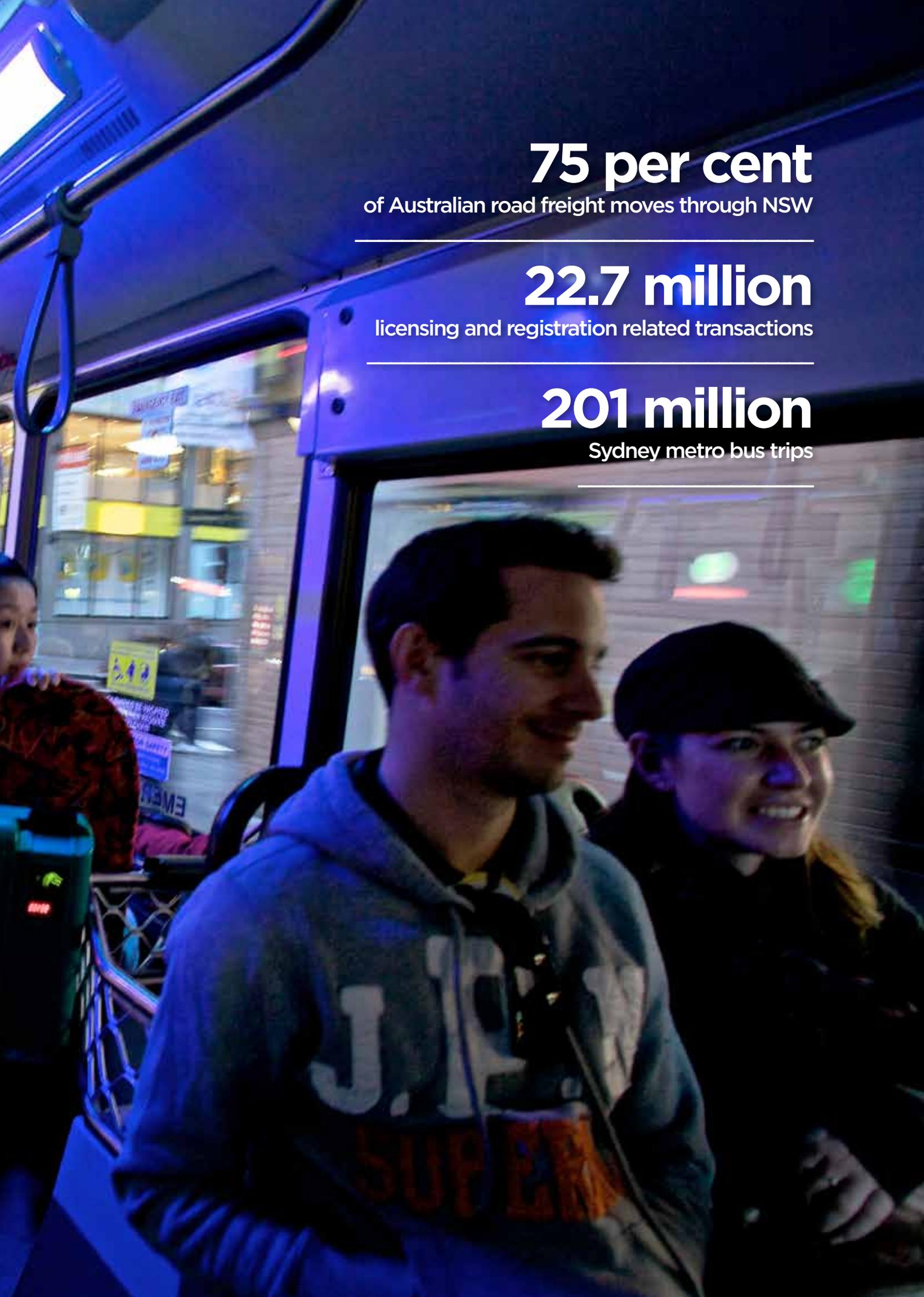
public transport information requests delivered

300 million

passenger journeys by rail

14 million

ferry passengers



75 per cent

of Australian road freight moves through NSW

22.7 million

licensing and registration related transactions

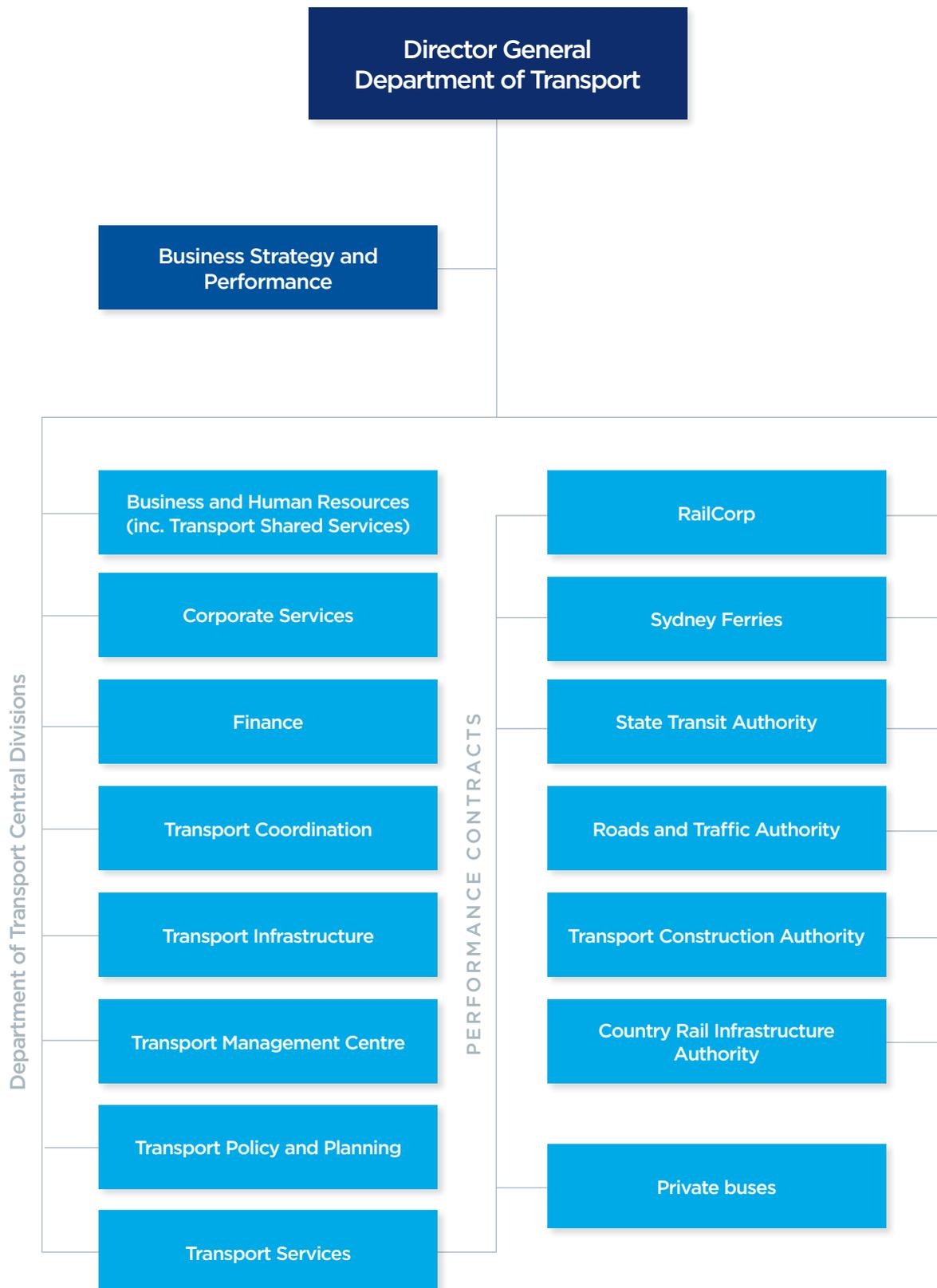
201 million

Sydney metro bus trips

Department of Transport at a glance

The operations of the Department of Transport and its operating entities include:

- Providing more than 300 million passenger journeys by rail each year on 1,690 carriages which provide services to 307 stations on the CityRail network.
- Managing a road network that includes 18,028 kilometres of state-roads, including 4,323 kilometres of National Road Network, for which the Australian Government provides a funding contribution, and 147 kilometres of privately funded toll roads.
- Managing 2970 kilometres of regional and local roads in the unincorporated area of NSW.
- Providing registration and licensing services, through the Roads and Traffic Authority, to around 4.89 million licence holders who used the 5.59 million vehicles registered in NSW. The organisation also managed about 22.7 million licensing and registration related transactions over the year.
- Regulating the NSW bus, taxi and hire car industries, including providing accreditation to operators and authorising drivers, and providing concession schemes.
- Providing more than 200 million bus passenger trips annually in the Sydney metropolitan region (excluding the School Student Transport Scheme). This includes all State Transit Authority bus services and services provided by private bus operators, and includes patronage on the Liverpool to Parramatta Transitway.
- Maintaining and managing the 1,595 kilometres of mainline railway track, 1,141 bridges and 70 kilometres of tunnels in the RailCorp asset network.
- Providing CountryLink rail services to more than 365 destinations in NSW, Queensland, the ACT and Victoria. CountryLink also provides coach services in regional areas to complement rail services.
- Operating Sydney Ferry services on 28 vessels carrying more than 14 million passengers, travelling to 40 destinations over 20 hours per day, seven days per week.
- Continuing to build and help fund missing links in the NSW cycle networks in 2010-11, adding 106 on road kilometres and 68 off-road kilometres of new cycleway respectively through the RTA.
- Providing travel information to the community, including more than 30 million contacts to transport information services each year through telephone calls, emails and website visits.



Management and structure

Director General Department of Transport

- Provide overarching leadership in the development, coordination and implementation of the NSW Government's transport plans and their associated policies, reforms, projects and services.
- Lead, advise and direct all public sector transport agencies on the strategic direction of their agency, the direction of reform, investment and the resolution of commercial customer service and performance issues.
- Oversee the delivery of transport systems and services to the benefit of the people of NSW.
- Ensure efficient freight movement and the overall safety and security of the NSW transport system.
- Guide the prioritisation, procurement and delivery of integrated solutions for infrastructure across NSW to cater for population and economic challenges and to build a sustainable future.
- Promote and advance the involvement of the private sector in the delivery of transport services in NSW.
- Provide expert and independent advice to the Premier and Portfolio Ministers on strategies and policies to further the objectives of the government for delivery of transport services

Deputy Director General Transport Policy and Planning

- Strategic planning of transport improvements
- Transport policy, advice and reform
- Input to national transport reform agenda
- Research analysis and forecasting
- Level crossing strategy

Deputy Director General Transport Infrastructure

- Manage the capital program
- Develop nominated major transport projects
- Provide asset management oversight

Chief Financial Officer

- Provide strategic finance services across the portfolio
- Ensure priority programs and projects are resourced, funded and supported
- Delivering ongoing day to day finance and services so that the central divisions can deliver their business objectives

Deputy Director General Transport Services

- Implement public transport service reforms
- Establish service plans for rail, bus and ferry services
- Purchase rail, bus and ferry services and manage associated contracts
- Development of transport networks and service improvements
- Benchmark performance of public transport services
- Coordinate service delivery plans across transport modes
- Administer transport subsidy schemes
- Drive continuous improvement and strategic management of the Country Regional Network
- Implement effective community transport initiatives
- Administer public vehicle operator accreditation, driver authorities and taxi licences
- Manage compliance and enforcement activities for public passenger vehicles
- Sponsor priority measures and initiatives for public passenger vehicles

Deputy Director General Transport Coordination

- Improve transport coordination
- Coordinate across transport modes, monitor performance, and identify and resolve issues
- Improve the management of unplanned incidents and their impacts across transport modes
- Manage major events and emergency transport planning and implementation
- Identify key strategic projects for improved customer experiences and cost savings
- Improve the performance of transport interchanges
- Manage the electronic ticketing system program for greater Sydney
- Manage public transport fares and ticketing policy including MyZone

Director Business Strategy and Performance

- Set the Department of Transport corporate planning strategy and measuring our performance against our results
- Strategic and business planning
- Establish and monitor performance reporting frameworks
- Support the Executive

Executive Director Business and Human Resources

- Managing the change management unit, including the organisational change program to establish Transport for NSW
- Strategic Human Resources Management for the Department of Transport
- HR planning for Transport for NSW
- Industrial Relations
- Establishment of OHS and safety functions for the Department of Transport and Transport for NSW.
- Oversight of Transport Shared Services

Executive Director Corporate Services

- Stakeholder and community engagement
- Improve the customer transport experience, including an enhanced 131500 network
- Contribute to improving customer satisfaction using stakeholder consultation, customer research and marketing campaigns
- Develop 'best practice' audit and risk processes that focus on improving performance of the portfolio
- Enhance legal services to the portfolio
- Internal communication to the portfolio
- External communications
- Ministerial/Parliamentary support and ministerial correspondence
- Communication to the public on key transport matters

Executive Director Transport Management Centre

- Manage the road network to minimise delays and optimise performance
- Provide appropriate traffic and transport information to enhance road network efficiency
- Provide transport coordination services for the daily commuter transport task in Sydney
- Emergency traffic planning and management
- Establish and maintain partnerships with external/internal stakeholders
- Improve the efficiency of traffic operations functions, particularly in the management of major incidents

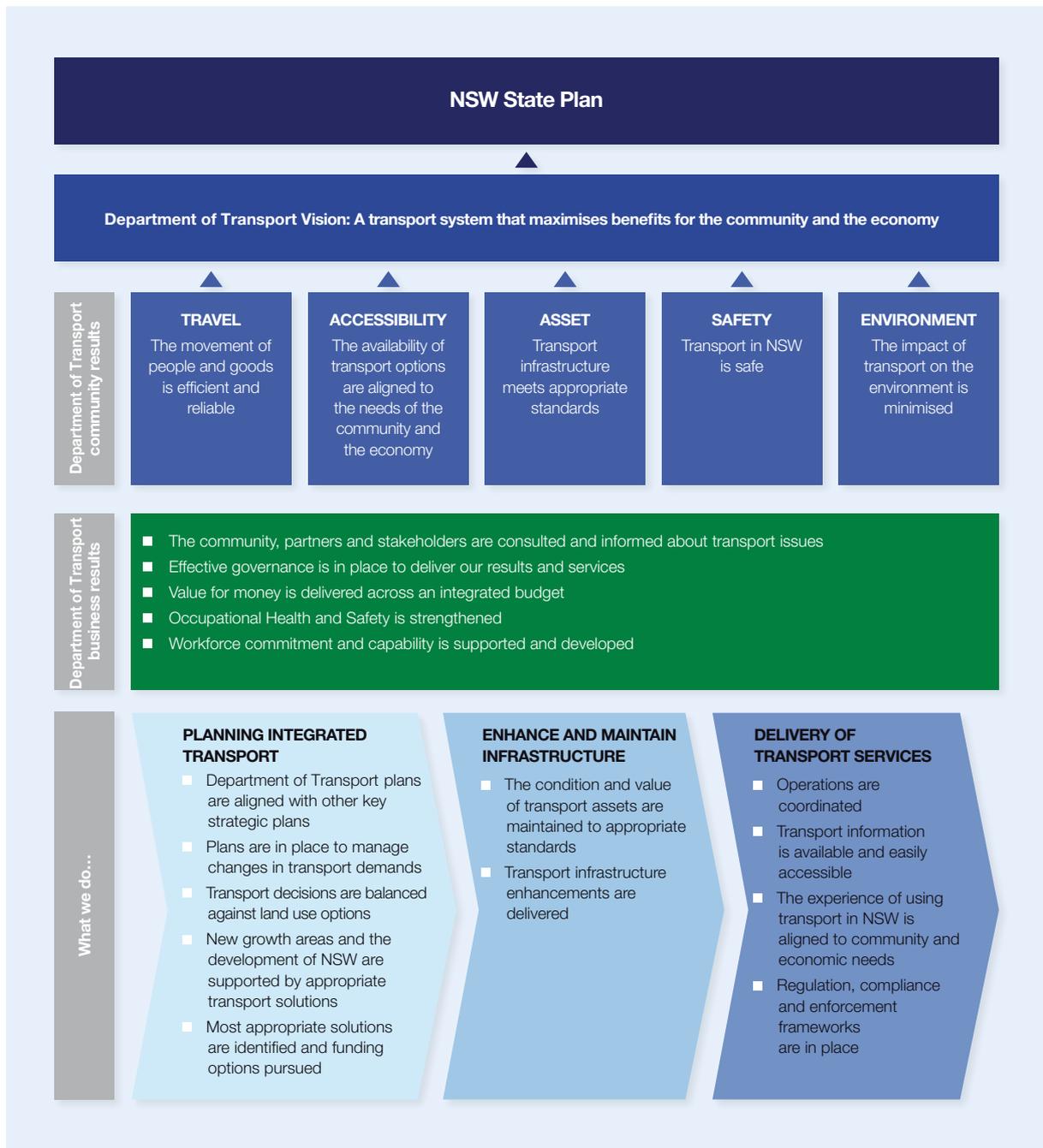
Deputy Director General Transport Shared Services

- Establish a governance and management framework to facilitate timely, flexible and responsive customer service to each operating entity and central policy divisions
- Provide standardised, cost effective, transaction processing and value-adding processes as defined and measured by benchmarks set on a whole of Government basis
- Establish a service management framework to measure, prioritise and drive service delivery improvement
- Set and deliver shared service performance and efficiency targets considering whole of Government requirements
- Identify and drive internal service delivery improvement through internal performance measurement and periodic customer satisfaction reviews with each operating entity and central policy division
- Develop the internal capability to drive a commercial and quality-oriented culture

Corporate Framework

The Corporate Framework gives a complete view of our business. It expresses the alignment between government priorities and the Department of Transport's vision and results.

The Corporate Framework drives our business by providing a basis for integrated planning and performance processes that align strategic plans, the Corporate Plan, business plans and individuals. We will drive our business, make funding decisions and measure our success based on our performance against these results.



Corporate Plan

On 1 July 2010, legislation came into effect to formally establish the Department of Transport and empower the department to be accountable for the delivery of efficient transport services and infrastructure for the NSW community.

To guide our actions towards this goal, the Department of Transport Corporate Plan 2010-14, *Moving Together* was developed. It details our vision, values, the results we are accountable for delivering and our operational and strategic priorities.

It outlines the way we work to deliver customer-focused services and integrated transport solutions.

Moving Together sets out how the Department of Transport aims to achieve its vision of a transport system that maximises benefits for the community and the economy.

Metropolitan Transport Plan

The Metropolitan Transport Plan was released by the former Government in 2010 and outlined a vision for public transport in greater Sydney.

Recently, the newly elected government announced it would develop a Transport Masterplan.

The Transport Masterplan will be delivered by the new integrated authority, Transport for NSW. Transport planners will work together on how to provide transport services for current community needs and into the future. There will be a strong focus on the needs of the customer.

Transport for NSW will consult with industry, stakeholders and the community as it develops the Transport Masterplan.

NSW State Plan

The NSW State Plan is the NSW Government's long-term plan to deliver the best possible outcomes to the people of NSW. The NSW State Plan sets clear priorities and targets for government action, reflecting the vision of communities across NSW for the future of our State. The NSW State Plan 2010 is a view towards 2016 and is reviewed in consultation with the community every three years to reflect relevant priorities.

The NSW State Plan was launched in 2006 and reviewed in 2009-10 through a series of consultations with community, business and stakeholder groups across the State.

The State Plan review highlighted a new approach to integrated transport, land use planning and delivery. In addition, the NSW State Plan 2010 established a number of new priorities and targets to improve public transport access to regional centres, increase use of cycling, maintain road infrastructure and increase freight movement by rail.

Transport was consistently identified as the highest priority for NSW communities. Public transport improvements were identified in many locations, including the need for regional transport plans, targets beyond the Sydney CBD, better access to public transport, and improved integration of transport modes.

The NSW State Plan sets 44 clear priorities for government action. The NSW State Plan integrates the planning of our cities and transport systems to improve quality of life, boost the economy and help us face the challenges of the future.

The Minister for Transport, the Minister for Roads and Ports and the Director General, Department of Transport, lead the delivery of transport priorities and drive performance throughout the portfolio.

In April 2011, the government commenced the development of a new State Plan, to reflect the Government's commitments to rebuild the economy, return quality services, renovate infrastructure, restore accountability and protect our local environment and communities.

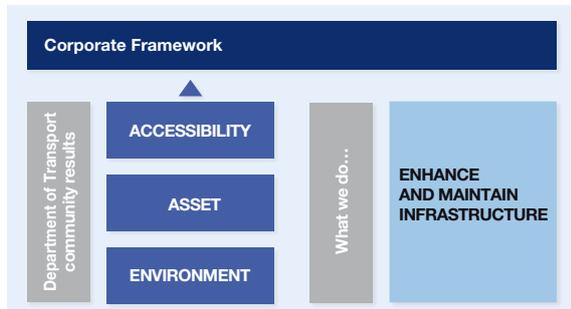
	Performance indicator	Target (2016)
Travel	Improve the public transport system	
	■ Increase the share of commute trips made by public transport:	
	■ To and from Sydney CBD during peak hours	80%
	■ To and from Parramatta CBD during peak hours	50%
	■ To and from Newcastle CBD during peak hours	20%
	■ To and from Wollongong CBD during peak hours	15%
	■ To and from Liverpool CBD during peak hours	20%
	■ To and from Penrith CBD during peak hours	25%
	■ Proportion of total journeys to work by public transport in the Sydney metropolitan region	28%
	Provide reliable public transport	
■ CityRail trains run on time across the network	92%	
■ Sydney Buses run on time across the network	95%	
■ Sydney Ferries run on time	99.5%	
Asset	Improve the road network	
	■ Improve the efficiency of the road network during peak times as measured by travel speed and volumes on Sydney's road corridors	
	■ 98% of incidents on principal transport routes cleared, on average, within 40 minutes of being reported	40 min
	■ Proportion of container freight movement by rail out of Port Botany	40%
Accessibility	Increase walking and cycling	
	■ Mode share of bicycle trips made in the Greater Sydney Region, at a local and district level	5%
Asset	Increase the number of jobs closer to home	
	■ Increase the percentage of the population living within 30 minutes by public transport of a city or a major centre in metropolitan Sydney*	
Asset	Maintain road infrastructure	
	■ Percentage of urban and rural State roads meeting the national standards on quality (smoothness)	93%
Asset	Maintain and invest in infrastructure	
	■ Maintain our average annual capital expenditure growth of 4.6% nominal from 2005-06 to 2015-16*	
Safety	Improve road safety	
	■ Fatalities per 100,000 population	4.9
Environment	Tackling climate change	
	■ Contribute to the cut in greenhouse gas emissions by 2050*	
Environment	Develop a clean energy future	
	■ Contribute to the renewable energy consumption targets for 2020*	

The new State Plan, NSW 2021, contributes to the transport reform process through setting long-term goals and measurable targets, and outlining immediate actions that will help us achieve these goals. A key element in delivering the NSW 2021 transport goals is the establishment of a new integrated transport authority, Transport for NSW. Transport for NSW will drive a renewed focus on customers to deliver the highest possible standards in service to transport users across the network.

A blurred photograph of a busy transit station. In the foreground, several people are walking, their figures out of focus. In the middle ground, a line of turnstiles is visible, with a person passing through one. The ceiling is a complex structure of dark metal beams and a large, multi-paned skylight that allows natural light to illuminate the space. The overall atmosphere is one of constant motion and activity.

Review of operations ▶

Improving Infrastructure



Commuter carparks and transport interchange

The commuter car park program is a major commitment to encouraging public transport use. The program currently comprises 38 commuter car parks ranging from small, at-grade car parks to large at-grade and multi-storey car parks in addition to nine transport interchange upgrades.

The Department of Transport continued the delivery of car spaces at rail stations across Sydney, the Blue Mountains, the Central Coast and Illawarra through the provision of more than \$130 million for commuter carparks and interchanges.

Seventeen commuter car parks were opened in the financial year at Berowra, Waterfall, Emu Plains, Macarthur (Menagle Road), Macarthur (Tailsby Road West), Wyong, Quakers Hill, Glenfield (multistorey), St Marys, Seven Hills, Wollongong, Revesby, Katoomba, Ourimbah, Morisset, Warwick Farm and Woy Woy, providing over 3,650 extra car spaces for commuters.

Construction has progressed on a further two car parks which are due for completion by the end of 2011, at Macarthur (Tailsby Road East) and Schofields.

To further encourage the use of public transport and to ease customer transfer across modes, work continued on providing seamless transport interchange across the network. Working closely with the Transport Construction Authority, RailCorp and the other agencies, a new transport interchange was opened at Hurstville and work started on transport interchange upgrades at six further stations.

The Transport Interchange Coordination group continued to coordinate mode interchange planning, development, delivery, operation and maintenance; a public transport interchange database is being established for over 200 locations. Continued liaison and input into the development and design of interchanges as part of major transport infrastructure projects, such as the South West Rail Link and light rail extension projects, ensured a future program of upgrades.

Level crossings

The Department continued to chair and provide secretariat support for the Level Crossing Strategy Council which coordinates the level crossing safety efforts of road and rail agencies and the NSW Police Force.

The Department worked with road and rail agencies in implementing the government's annual Level Crossing Improvement Program. During 2010-11, \$7.328 million was spent under this program with work progressed at 39 level crossings, including:

- Substantial completion of major upgrades at six level crossings – Herbert St, Sawtell; Blumer Avenue, Griffith; Canal Street, Leeton; Landsdowne Road, Kundle Kundle; Sheep Wash Road, Calwalla; and Avondale Road, Dapto.
- Concept designs prepared for nine projects.
- 14 projects proceeded to detailed design stage.
- minor construction works completed at 10 sites.

Inner West Busway

The \$175 million Inner West Busway was officially opened on 30 January 2011, two months ahead of schedule. The 3.5 kilometre busway benefits 200,000 bus commuters a week. The Busway is a dedicated peak hour bus lane along Victoria Road through Drummoyne and Rozelle, which services 75,000 vehicles a weekday. The project included a new 450 metre long and 16.6 metre wide bridge over Iron Cove; improved cyclist and pedestrian facilities through Drummoyne and Rozelle; the new 'Zipper' lane management system to increase peak road capacity; and \$3.4 million of pedestrian, playground and other infrastructure improvements. The Inner West Busway will benefit 6000 bus services a week, including the 1,325 extra Metrobus services introduced along Victoria Road.

Rail station upgrades

A \$7.5 million easy access upgrade of Martin Place Railway Station was completed in time for Anzac Day 2011. The upgrade of the station – used for 5.5 million journeys each year – included the installation of two lifts, new accessible toilets, and tactile indicators for the vision-impaired.

South West Rail Link

The first new track was laid on 16 May 2011 as part of the \$2.1 billion South West Link project. The 11 kilometre twin-track line will connect Glenfield to Leppington via Edmondson Park and form part of the connection between the existing East Hills rail line and the new South West line.

The South West Rail Link includes:

- a new 11.4 kilometre rail line from Glenfield to Leppington
- two new stations located at Edmondson Park and Leppington, including commuter car parking
- a train stabling facility at Rossmore
- an upgrade of the existing Glenfield Station and bus/rail interchange, including new commuter car parking
- construction of Glenfield North and Glenfield South rail flyovers.

Inner West Light Rail Extension

Planning approval was granted on 16 February 2011 for construction of the Inner West Light Rail Extension. The first stage in extending light rail in Sydney is a 5.6 kilometre extension through the Inner West. It will run from the current light rail terminus at Lilyfield, along the disused freight rail corridor, to Dulwich Hill. Nine new stops will be built at Leichhardt North, Hawthorne, Marion, Taverners Hill, Lewisham West, Waratah Mills, Arlington, Dulwich Grove and Dulwich Hill Interchange. The approval follows extensive public consultation, including community information sessions, meetings with residents, local council, community groups and a formal public exhibition period. The NSW Government and Metro Transport Sydney (MTS), the operator of the existing Light Rail, have signed an agreement in-principle for MTS to develop the design for construction of the Inner West Light Rail Extension. Work on the development of tender documentation is currently underway. The project team has been consulting with key stakeholders including the Inner West Liaison Group in the development of this documentation.

Wynyard Walk

Wynyard Walk will provide a world-class, fully-accessible pedestrian link between Wynyard Station and the developing CBD western corridor and Barangaroo. The walkway will allow pedestrians to get from Wynyard transport hub to the Barangaroo waterfront in approximately six minutes, avoiding steep inclines and all road crossings. The project will increase the entry/exit capacity of Wynyard Station to meet current and future demands for the CBD's western corridor and waterfront. This includes catering for the proposed Barangaroo development, which is expected to accommodate up to 23,000 office workers and attract up to 33,000 visitors per day, when complete. The project is being delivered by Transport for NSW, after planning approval in early 2010, in close consultation with the Department of Transport, Barangaroo Delivery Authority (project funding partner), RailCorp and other government agencies.

Future directions for infrastructure

- ▶ Develop a prioritised five year forward program of interchange upgrades and improvements
- ▶ Consolidation of the Transport Construction Authority and the Transport Infrastructure Division of the Department of Transport in the new integrated transport authority, to provide an expanded and integrated project development and delivery capability for transport infrastructure.



HURSTVILLE TRANSPORT INTERCHANGE

case study

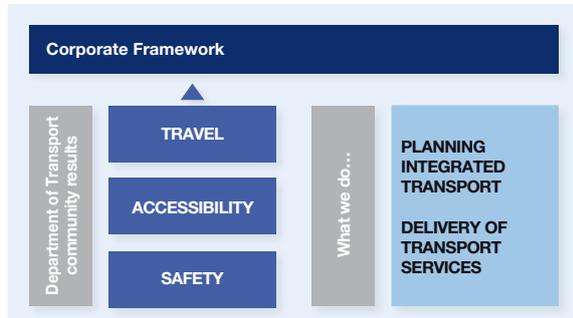
The \$17.2 million Hurstville interchange project was opened on 11 April 2011. Located between Forest Road and Barratt Street, the new weatherproof and vandal-resistant interchange, links trains to Hurstville Central Shopping Centre via a wheelchair-accessible walkway.

Fifteen out of 26 bus routes access the new interchange along with pick up and drop off of all school bus services, ensuring student safety. The reduction of buses stopping on busy Forest Road means reduced congestion for commuters and motorists. New traffic signals and pedestrian crossings were installed to allow passengers to change between modes safely.

In the week following the opening, transport staff were present to guide passengers to their bus stops and handout access guides including information on bus departure times. Customer information is strategically placed at the interchange using way-finding poles and includes bus routes, suburb information and a local area map.

The Department of Transport worked closely with Hurstville City Council to deliver the project.

Improving public transport services



Overview

The Department of Transport continued to lead the development of initiatives to improve public transport services during 2010-11, with key activities including:

- Implementing Integrated Network Plans for bus services in the Hunter and Central Coast areas. In the Hunter, an extra 33 buses now deliver an additional 1,000 services per week, and on the Central Coast, 41 new buses deliver an additional 1,500 services.
- Completing Integrated Network Plans for all 25 bus regions in Metropolitan and Outer-Metropolitan areas, covering Sydney, the Blue Mountains, Illawarra, Central Coast and Hunter.
- Expanding Sydney's Metrobus network to 13 routes. Services now reach Parramatta, Bankstown and Liverpool in the west, Castle Hill and Baulkham Hills in the north-west, Hornsby in the north, Bondi Junction and Randwick in the east and Hurstville and Sutherland to the south of Sydney's CBD.
- Introducing bus shuttle services into 10 centres in January/March 2010.
- Coordinating rail, bus and ferry services for the October 2010 timetable.
- Commencing a program to review the CityRail timetable and implement faster services, while maintaining safety and reliability across the network.
- Leading the implementation of the Fixing Sydney Ferries program to restore, improve and expand services, upgrade wharves and replace the fleet.
- Commencing the Franchising Sydney Ferries process with the call for Registrations of Interest, which resulted in 28 parties responding.
- Developing options to meet the government's commitment to restore Sydney Ferries service frequencies to the lower North Shore.

Rail

The new service contract for the delivery of services by RailCorp took effect on 1 July 2010. The aim of the new contract is to deliver greater transparency and accountability in the delivery of rail services and ensure improved customer service outcomes for passengers.

Governance over the contract is provided by the Network Development Partnership (NDP), a joint Department of Transport/RailCorp governance committee chaired by the Director General and including key executives of both organisations. An NDP Charter has been implemented governing the running of the meetings, which by agreement are held bi-monthly.

Under the terms of the contract, RailCorp submit a monthly Rail Services Contract Report for tabling at the NDP meetings.

The Rail Services Contract between the Department and RailCorp provided for a revision of key performance indicators (KPIs) and service standards to take effect during 2011-12. Staff from the respective organisations worked collaboratively on this project. An initial list of more than 80 candidate KPIs was reduced to 28 using the following guidelines:

- It had to add value for both the Department and RailCorp
- The suite of indicators needed a strong customer focus.

A number of new indicators have been developed to drive a greater focus on the customer and improvements to services.

Annual surveys will continue to be undertaken to monitor customer satisfaction with CityRail services.

Rail safety

National Rail Safety Regulator and National Rail Safety Investigator

A National Rail Safety Regulator and a National Rail Safety Investigator are scheduled to commence operation from January 2013.

NSW has been participating in development of the National Regulator through its representation on the project's Board and Advisory Group. NSW successfully negotiated that the national scheme will allow for the national regulatory function in NSW to be provided by the NSW Independent Transport Safety Regulator under a service level agreement. NSW also successfully negotiated for further development of the project's Expert Panel proposals for drug and alcohol testing and fatigue management under the new national law.

NSW continues to participate in the establishment of the National Rail Safety Investigator through representation on the project's working group. The service delivery model will allow for a Services Agreement between the Office of Transport Safety Investigations (OTSI) and the Australian Transport Safety Bureau (ATSB).

For both reforms, the priority for the government is to ensure that current resources and safety standards in NSW are maintained.

Rail contracts performance

The contract between the Department of Transport and RailCorp required that an agreed level of performance be achieved for a set of key performance indicators (KPIs).

Service Stream: Operation Services

CityRail train services operating during the morning and afternoon peak periods achieved their targets. Trains on time was 94.6 per cent (target: greater than 92 per cent), train services cancelled was 0.4 per cent (target: less than 0.5 per cent) and station stops skipped was 0.4 per cent (target: less than 0.5 per cent).

During the year CountryLink's on time running was 72.6 per cent against a target of greater than 78 per cent. RailCorp attribute this below target performance to primarily the frequency with which the track maintainer, the Australian Rail Track Corporation (ARTC), imposes speed restrictions on sections of track on the Brisbane and Melbourne corridors. Speed restrictions generally reflect some deterioration in track condition and mean that train drivers are unable to operate to the timetable. RailCorp has advised that it is meeting regularly with the ARTC to address matters of track condition and to establish mitigating actions to reduce the impact on CountryLink on time running.

The final KPI is the length of time that customers queue to purchase tickets. This is measured every two months by an observational survey and these have found that at the busiest stations less than 2 per cent of customers queue more than five minutes.

Service Stream: Passenger Services

The KPIs in this service stream cover aspects of service such as comfort on trains (including seat availability), provision of information to customers, cleanliness of trains and stations, safety of customers, complaints handling and provision of facilities to assist with access to the rail network.

All contract performance targets were met, with the exception of customer satisfaction with on-train announcements regarding service delays and cleanliness of station toilets. This was measured by an independent telephone survey and was one percentage point below target. It could be concluded that this difference is within the margin of error of the survey result. Cleanliness of toilets is based on a qualitative assessment undertaken every two months. In three of the six surveys the cleanliness target was not met. RailCorp has advised the Department of the strategies being implemented to address this issue (as outlined in its Customer Charter), including refurbishment of facilities at several stations.

Service Stream: Asset Management Services

The overall condition of track within the Metropolitan Rail Area was better than target. RailCorp's delivery of major projects was at the required level. The third KPI related to the reliability of freight trains that operate in the Metropolitan Rail Area. These trains are granted access by RailCorp and their progress to destination is managed by RailCorp. The indicator is the 'number of freight incidents' – an incident where the freight train is not able to operate as required. Such incidents will often have flow-on effects to passenger services. The average number of monthly freight incidents was 57.75 against a target of less than or equal to 55. While the extent to which the target was exceeded may be relatively small, the monthly target was last met in January 2011. RailCorp has advised that this is primarily due to locomotive failures experienced by a major freight operator and that improved locomotive maintenance practices have been agreed with third-party operators to address this issue going forward.

Service Stream: Management Services

There are eight KPIs in this service stream and they cover the cost of operating the rail services and the management of RailCorp's staff. RailCorp met the financial KPIs and the target for employees regarding the number of overtime hours worked. The targets were not met for lost time injuries, sick leave, and the number of job vacancies, employee turnover and the proportion of the workforce that is female. Nevertheless, compared with 2009-10 there has been improved performance for some of these measures, indicating that progress is being made towards achieving targets. RailCorp has advised the Department of the suite of strategies being implemented to deliver long-term sustainable change in performance against these measures.

Service Stream: Growth Services

The KPIs in this service stream are growth in CityRail passenger journeys and CityRail mode share. The targets were not met by relatively small margins (growth in journeys: 3 per cent against a target of 3.2 per cent; mode share: 15 per cent against a target of 15.2 per cent). Nevertheless, it is reasonable to conclude that outside factors, such as competing modes of transport or fares, are a major influence on the results.

During 2010-11 the positive outcomes from RailCorp are:

- Operational performance of CityRail trains remains well above target.
- Customer satisfaction has mostly been maintained.
- On board comfort is being improved by the addition of new rolling stock.
- Operational cost targets were met.
- The ongoing delivery of the capital works program is to schedule.

The issues of concern are:

- The continued impact of ARTC track condition on the ability of trains to meet performance targets.
- Most human resource targets set out in the Management Services Stream were not met. RailCorp has implemented a number of initiatives to address the HR related issues, including:
 - Improved reporting and reporting systems
 - Training programs in performance management and leadership
 - Improving culture through staff engagement and culture surveys
 - Targeted initiatives to retain critical skills and knowledge of retiring employees
 - Health promotion activities.
- Despite the total number of infrastructure reliability incidents (24 hours) trending down by 6 per cent in 2010-11, there has been a significant increase in the number of infrastructure 'failures' impacting on peak train services. Contributing significantly to this is an upward trend in the number of speed restrictions in the Metropolitan Rail Area. This upward trend commenced in late 2007. RailCorp has carried out a thorough review and has implemented a number of infrastructure improvement initiatives in each of critical asset classes.
- The increase in the number of freight incidents in the Metropolitan Rail Area. There is a government target to increase the amount of freight moved by rail and so the reliability of freight trains entering the Metropolitan Rail Area needs to be managed.

Bus

The Department of Transport continued to invest in improvements to bus services during the 2010-11 reporting period.

During this financial year the government spent \$1.2 billion on bus services throughout metropolitan, outer metropolitan and rural and regional New South Wales.

This funding enabled the provision of bus services throughout the State, including the rollout of Metrobus services; the subsidised carriage of school students under the School Student Transport Scheme, and provision of concession travel to pensioners, the unemployed, war widowers and other beneficiaries.

Through the Metropolitan and Outer Metropolitan bus contracts currently in place, the Department of Transport managed the purchase of new buses and improvements to the bus fleet, including:

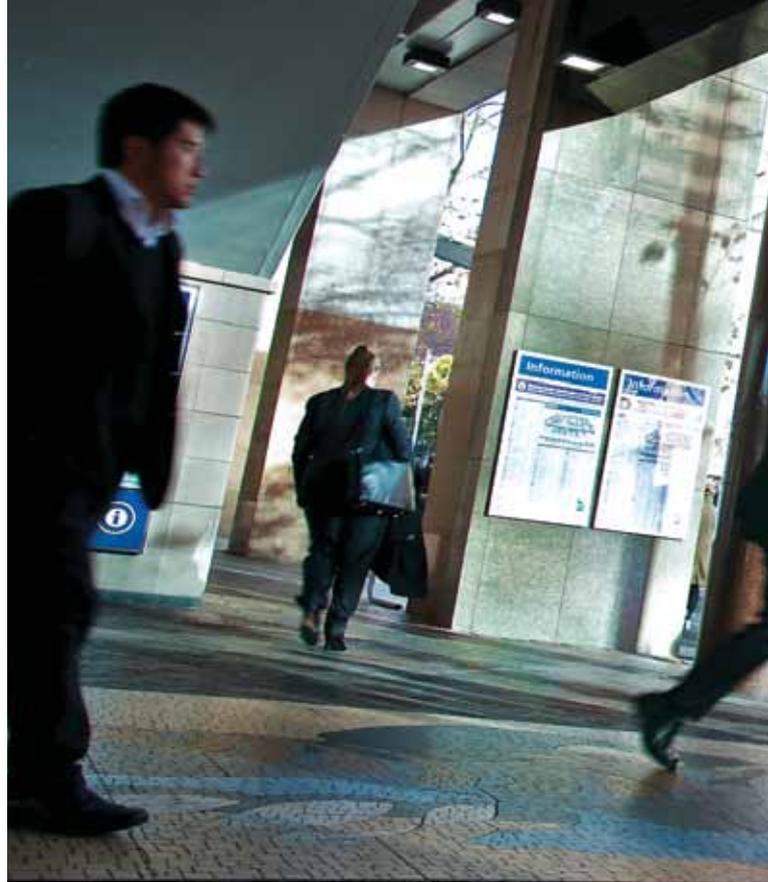
- 253 new growth buses worth \$114.9 million
- 114 articulated buses worth \$86.9 million
- 198 new buses to replace older buses in the fleet, including 93 for State Transit and 105 for private bus operators, worth \$97.6 million.
- Upgrading CCTV and duress alarms on existing buses worth \$6.1 million.

These improvements were funded through lease payments to operators, with the initial payments to operators taking place during 2010-11.

The NSW Government's Sydney Metrobus network expanded to 13 routes during 2010-11. Services now reach Parramatta, Bankstown and Liverpool in the west, Castle Hill and Baulkham Hills in the north-west, Hornsby in the north, Bondi Junction and Randwick in the east and Hurstville and Sutherland to the south of Sydney's CBD. The expansion of the Metrobus network has provided an additional 8,000 services per week, providing space for 640,000 more passengers.

The free shuttle bus network has been expanded to 12 routes across NSW during 2010-11. The high frequency 555 Sydney CBD service between Circular Quay and Central began operation in early December 2008. At 30 June 2011, over three million passengers have taken advantage of the service.

The Gong Shuttle in Wollongong started on 18 March 2009, with more than 4.7 million passengers using the service to travel between the city's key destinations, averaging 7,204 passengers per day.



New free, air-conditioned shuttle bus services started operation in Campbelltown, Liverpool and Gosford from 31 January 2011. In total the three new buses provide 400 extra 'loop services' per week.

An additional six free shuttle bus services began in Bankstown, Blacktown, Cabramatta, Kogarah, Newcastle and Penrith. The Parramatta shuttle bus service is funded by the State Government, taking over from council, and is extended to operate on Sundays.

The distinctive green shuttle buses link key community destinations such as hospitals, workplaces, transport hubs and shopping centres. Each modern bus is air-conditioned and low floor, providing easy-to-use public transport for parents with prams, the elderly and people with disabilities. Commuters can board these high frequency buses, which run in a loop, from any bus stop marked with the green shuttle logo.

On 29 April 2011, Minister for Transport Gladys Berejiklian established the School Bus Safety Community Advisory Committee, comprising road safety experts, transport operators, parents and school representatives to examine school bus safety in rural and regional NSW in response to the government's commitment to school bus safety.



The committee's terms of reference includes assessing the status of school bus safety in rural and regional NSW, consideration of the full range of school bus safety measures with reference to national and international experience, and recommending the most effective ways to make school bus travel as safe as possible. The Committee's Independent Chair is Ms Carolyn Walsh, a Commissioner of the Australian Transport Safety Bureau.

The Department initiated a tender for the procurement of a new technology city bus for public trial as part of its commitment to green technology in February 2010. The hybrid bus went into service in mid 2011 under the operation of the State Transit Authority. The hybrid bus trial is being evaluated on in-service operation, driver experience, emissions and noise outputs and financial operating costs.

The hybrid bus trial has the support of the Office of Environment and Heritage as part of the government's commitment to exploring ways of reducing its carbon footprint and improving air quality, and as an important contribution to the development of a clean energy future for NSW.

The Passenger Transport (Drug and Alcohol Testing) Regulation 2010 started on 1 September 2010. The regulation provides for the procedures for testing safety employees for alcohol and drugs and the requirement for bus and ferry operators to report positive tests.

Bus contracts performance

Integrated networks, patronage growth and new buses

Compared with 2009-10, total patronage across all metropolitan bus services, modestly increased in 2010-11 by four million passenger trips or 2 per cent to 201.5 million.

Average patronage increases, across metropolitan and outer metropolitan contracts by type of contract, were:

- Total patronage in Metropolitan Bus Service Contracts (STA) was 153.7 million, an increase of 0.09 per cent compared to the 2009-10 period.
- Total patronage in Metropolitan Bus Service Contracts (Private) was 45 million, an increase of 9.28 per cent from the 2009-10 period.
- Total patronage in Outer Metropolitan Bus Service Contract (STA) was 5.1 million, a decrease of 2.66 per cent from the 2009-10 period.
- Total patronage in Outer Metropolitan Bus Service Contracts (Private) was 10.4 million, an increase of 6.71 per cent compared to the 2009-10 period.

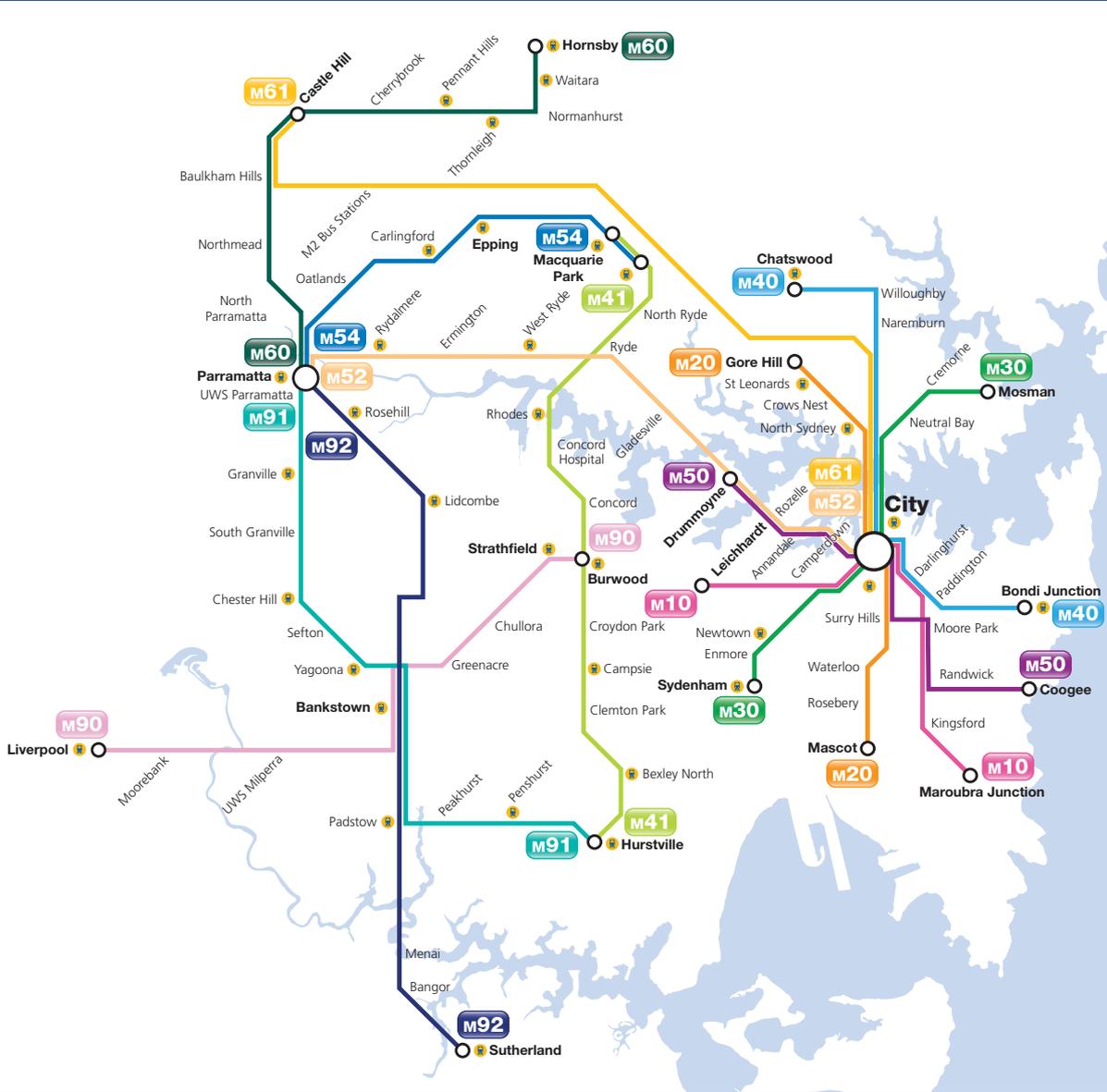
Note: these figures exclude School Student Transport Scheme (SSTS) patronage.



metrobus



Metrobus network



13 routes – 8,000 services – seven days a week – across Sydney

Metrobus Routes to 30 June 2011

Metrobus M10 (Leichhardt to Maroubra Junction): Over 5.2 million passengers since October 2008

Metrobus M20 (Gore Hill to Mascot): Over 2.6 million passengers since October 2009

Metrobus M30 (Mosman to Sydenham): Over 2.2 million passengers since it started operation in March 2010

Metrobus M40 (Chatswood to Bondi Junction): Over 1.2 million passengers since it started operation on 18 July 2010

Metrobus M41 (Hurstville to Macquarie Centre): Over 562,000 passengers since it started operation on 19 December 2010

Metrobus M50 (Drummoyne to Coogee): Over 778,000 passengers since it started operation on 31 October 2010

Metrobus M52 (Parramatta to CBD): Over 2.3 million passengers since it started operation in August 2010

Metrobus M54 (Parramatta to Macquarie Park): Over 681,000 passengers since it started operation in October 2010

Metrobus M90 (Liverpool to Burwood): Over 654,000 passengers since it started operation in December 2010

Metrobus M61 (Castle Hill to CBD): Over 518,000 passengers since it started operation in December 2010

Metrobus M91 (Hurstville to Chester Hill): Over 475,000 passengers since it started operation in February 2011

Metrobus M92 (Parramatta to Sutherland): Over 184,000 passengers since it started operation in March 2011

Metrobus M60 (Parramatta to Hornsby): Over 292,000 passengers since it started operation in March 2011



Ferry

In May 2011, the NSW Government announced the reform of Sydney Ferries to deliver commuters improved and expanded services by franchising existing services. The reform supports the recommendation of the 2007 Walker Inquiry, which advocates ongoing State Government ownership of Sydney Ferries while allowing non-government operators to lease, maintain and operate the fleet.

The government will retain control over the fare structure and routes through a new service contract. A project team has been established in the Department of Transport to manage operational, fleet and probability areas.

The NSW State Premier and Minister for Transport announced the 'Registration of Interest' phase of the franchising process on 11 May 2011. Registrations of Interest closed 29 May 2011, with a total of 28 responses received from a diverse range of both local and international respondents.

The Registrations of Interests were used to gauge the level and nature of industry interest to assist with project planning and the commencement of the Expressions of Interest stage, announced in July 2011.

The government has committed to having a new private operator of Sydney Ferries in place by the end of 2012.

Ferry contract performance

Sydney Ferries performance across a range of measures showed improvement across the 2010-11 financial year.

On-time running

98.5 per cent compared to 98.1 per cent in the previous year.

Service Reliability

99.9 per cent compared to 99.9 per cent in the previous year.

Fleet Availability.

85.9 per cent compared to 86 per cent in the previous year.

Vessel reliability

96.5 per cent compared to 96.4 per cent in the previous year.

Complaints per 100,000 passengers

4.7 compared to 4.4 in the previous year.

Sydney Ferries reported a record passenger day on 2 January 2011 of 94,018 passengers. The total patronage recorded in the month of January was also a record (1.712 million) and the total patronage for the 2010-11 Financial Year of 14.502 million was the highest number recorded in recent years by Sydney Ferries.

Taxi

In late 2009, the NSW Government introduced major changes to taxi licensing in Sydney to:

- Ensure the supply of taxis responds closely to growth in passenger demand
- Balance need for a more affordable means of entry into the taxi market with the need to avoid unreasonable impacts on existing licence holders
- Reduce barriers to entry and encourage competition
- Place downward pressure on fares over time
- Simplify existing taxi licence structures.

In Sydney, the issue of ordinary transferable and short-term non-transferable licences have now been replaced by 12 month non-transferable licences that can be renewed annually nine times (that is a total of 10 years of operation) on payment of the annual licence fee, which can be paid by monthly instalments.

The new supply-based model for taxi licence release in Sydney requires the Director General to determine the number of annual taxi licences, excluding wheelchair accessible taxis (WAT licences), to be released each year. WAT licenses continue to be available on application at \$1000 per annum in Sydney and other metropolitan areas, while arrangements for country areas are unchanged. In 2010-11, 42 WAT licences were issued.

In 2010-11, 643 taxi licences were put to tender. These included 100 interim licences, 364 new 'fleet growth' licences and 179 licences to replace existing licences due to expire in 2010-11 and 2011-12. A total of 2,830 applications were received for the 643 licences.

Of the fleet growth licences, 228 were allocated to experienced taxi drivers to give them an opportunity to become self-employed. Of the total licences, 381 have a condition that requires the taxi concerned must have completed any change of drivers prior to 2am following a night shift and 2pm following a day shift to assist with availability of taxis at the normal changeover periods of 3am and 3pm.

The Passenger Transport Regulation 2007 requires that taxi operators must ensure their taxis are fitted with an approved security camera system. New taxi security system specifications for taxis started on 1 July 2010. The Department of Transport engaged AMTAC Professional Services Pty Ltd to determine if taxi camera models met the Department's specifications. This led to AMTAC issuing a Certificate of Compliance for the Askari Model G1.

The NSW Government implemented the National English Standards for taxi drivers on 1 July 2010. The Director General approved the introduction of updated driver training components that comply with National Taxi Driver Training Standards to commence in 2011-12. The Department will introduce the Taxi Driver Remedial Driver Training Course for drivers with poor customer service levels.

Following concerns that some wheelchair accessible taxis operating in NSW did not meet the accommodation standards required by the Commonwealth Disability Standards for Accessible Public Transport (DSAPT), the Department of Transport introduced a Wheelchair Accessible Taxi (WAT) Measurement Protocol in November 2008.

The Protocol defined the dimensions of the allocated space in a wheelchair taxi where a wheelchair passenger is accommodated and provided guidance on how this space should be measured.

A draft review of DSAPT, released in January 2008, noted there was a deficiency in the definition of a wheelchair-allocated space and recommended that it should be defined as a rectangular prism with no intrusions. In addition, the Commonwealth determined that the height of an allocated space in a WAT should increase after 1 January 2013 from 1410 to 1500 mm.

The Department of Transport believed it was in the interests of wheelchair taxi passengers to implement the proposed changes to the Commonwealth standards and the new height requirements as soon as practicable.

In October 2010 the Department met with all wheelchair taxi stakeholders, including disability groups, and proposed an amendment to the WAT Measurement Protocol to incorporate the new Commonwealth standards, and in addition, bring forward the implementation date for the new height requirements.

From October 2011, all new WATs entering service for the first time, must have an allocated wheelchair space without any intrusions and meet the Commonwealth's new increased height requirements. This proposal was adopted by the Department of Transport in early 2011.



Taxi contracts performance

The incentive payment to drivers of wheelchair accessible taxis for carrying passengers in wheelchairs was continued. During the 2010-11, \$3.6 million was paid to taxi drivers under the WAT Driver Incentive Scheme.

A review of taxi networks performance standards is being undertaken and consultation will be undertaken with the taxi industry in 2011-12.

The Department of Transport started a program of audits of the taxi performance data supplied by taxi networks. Halcrow Pacific was engaged to undertake an audit of the Central Coast and Newcastle taxi performance data for both standard taxis and WATs.

On 1 July 2010, the Department started the publication of the individual taxi network performance data for standard and wheelchair taxis for authorised taxi networks in Sydney, Newcastle, Wollongong and the Central Coast.

Roads

The Road Network Strategy branch (RNS) was established in August 2010 following the assignment of staff from the former Strategic Network Planning Branch (SNP) of the Roads and Traffic Authority (RTA) to the Department of Transport.

RNS maintains a close relationship with RTA corporate groups and regions. It fosters a culture of integrated strategic planning with the RTA and the Department of Transport. The overall objective of RNS is road network enhancements that support existing and proposed land uses in line with Australian and NSW Government strategic plans.

In line with the objectives of transport, asset, safety and environmental results, RNS seeks to:

- Lead the strategic direction of the RTA with regard to network, corridor and land use planning.
- Provide integrated solutions that support road safety, traffic management and maintenance on the road system.
- Ensure that long-term strategic planning for the road network meets the needs of government and the community for economic development, population growth and recreation within the context of the land use transport system.
- Support more sustainable forms of transport on the road network, including public transport and active transport.
- Plan for future freight movements and changing access demands.
- Ensure that road safety is a key focus in planning, management and maintenance.
- Plan the road network with regard to environmental and urban design outcomes.

A number of RNS publications were published during the financial year:

- Metropolitan Road Freight Hierarchy on the State Road Network Practice Note
- Picton Road and Albury to Cowra Corridor Strategies
- Network Performance Measures and Network Planning Targets
- South Eastern NSW Road Freight Supply Chain Study.

Other major activity was the drafting of strategic road modal plans for both Sydney and the balance of NSW outside of the Sydney metropolitan area.

Traffic Management

The Transport Management Centre (TMC) uses advanced monitoring, communication and traffic flow systems to monitor and manage the NSW road network 24 hours a day, seven days a week. It works to make journey times more consistent, respond to and clear traffic incidents as fast as possible and help road users choose the best routes and modes of travel with quality up-to-date information.

Incident management is controlled through the Transport Operations Room (TOR), using sophisticated traffic management systems and the field response capacity of the Traffic Command Unit (Traffic Commanders) and Traffic Emergency Patrols. In 2010-11, the TOR responded to more than 200,000 calls to the 131700 Incident Reporting Hotline.

The 39.98 minutes average incident clearance time, of 98 per cent of unplanned incidents on Principal Transport Routes (PTR), remains below the target of 40 minutes. This result was achieved even though more PTRs were included in the target, measuring the TMC's performance across more of the road network.



Freight

National Transport Reforms

Over the year the Department contributed to key national transport reforms being progressed under the Australian Transport Council for the Council of Australian Governments. These reforms seek to improve productivity and safety through establishment of nationally consistent regulatory frameworks for the transport sector.

National Heavy Vehicle Regulator

In early 2011, a draft national heavy vehicle law which will underpin the National Heavy Vehicle Regulator was released publicly for review and comment. The Department developed and advised government in relation to a comprehensive response to the draft law and Regulatory Impact Statement which was submitted in May 2011. The Department also provided advice to government on the proposals recommended by the Independent Expert Panel established by Transport Ministers to resolve those outstanding policy issues relating to fatigue management, certain defence mechanisms and enforcement provisions.

NSW continues to participate in the reform through its representation on the project's Board and High Level Reference Group. It is anticipated from January 2013 all vehicles over 4.5 tonnes will be covered by the National Regulator, whose head office will be located in Brisbane.

Rail Freight

In 2010, the former NSW Government established a Ministerial Taskforce to examine a business case for the re-opening of the Blayney-Cowra-Demondrille Rail Lines, including the Koorawatha to Greenethorpe Line. The Department of Transport engaged Booz & Co to develop a business case. Booz & Co completed its draft final report, which has been distributed to Taskforce members for their consideration. It is anticipated that the Taskforce will make its final recommendations to the government in late 2011.

The Commonwealth has allocated \$840 million for upgrades to the main north line between Strathfield and Broadmeadow to improve access and reliability for rail freight services. The Department has been working closely with the Commonwealth to develop a Memorandum of Understanding to identify the intended outcomes for freight services as a result of these upgrades.

Air transport

Department of Transport regulates intrastate regional air routes by regulating competition on low-volume routes and licensing these routes on a one licence per route basis. Around 2.09 million passengers flew on the regional intrastate air service network in NSW, representing an increase of 2.8 percent on 2009-10 patronage. Services between Sydney and Cobar were reinstated during the year.

Transport And Logistics Transport Advisory Group

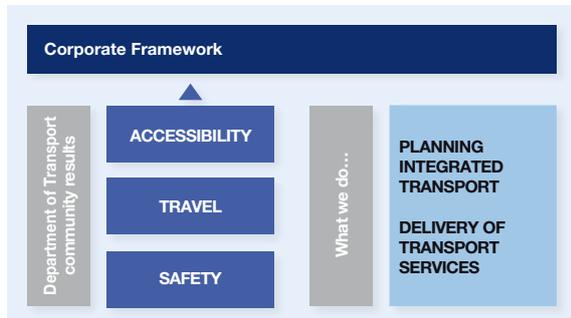
The Department continued to support the work of the Transport and Logistics Transport Advisory Group in promoting a career in transport and logistics. In particular through the:

- Illawarra Transport and Logistics Skills Pilot Project which offers high school students in the Illawarra the opportunity to undertake Certificate II and III courses with practical experience and work placements.
- Rollout of the Transport and Logistics Workforce Gauge survey which provides an opportunity to transport and logistics firms to benchmark their human resources practices and processes and to provide data about current and potential workforce issues.

Future directions for public transport services

- ▶ Franchising of Sydney Ferries
- ▶ 261 new buses worth \$118.8 million including 95 buses for State Transit and 166 for private operators
- ▶ \$45 million for new bus depots to accommodate the expanding fleet
- ▶ Construction of the North West and South West Rail Links

Improving local and community transport



Community transport meets the needs of transport disadvantaged groups in the community. These groups include isolated families, the frail, aged, younger people with disabilities, and their carers. Where conventional public transport systems are not generally viable or appropriate, community transport provides transport-disadvantaged people with access to recreation, shopping, medical care, social services and social contact.

The Department of Transport administers three community transport programs: Home and Community Care Community Transport Sub-program, NSW Community Transport Program and the Regional Transport Coordination Program.

In 2010-11, the Department provided more than \$51.4 million through the Home and Community Care Transport sub-program and the Community Transport Program to assist transport-disadvantaged people in NSW, including many in rural and regional locations.

In 2010-11 the Regional Transport Coordination Program had 11 coordinators working across regional NSW and two Metropolitan Coordinators based in Sydney.

The Regional Coordinators work closely with local transport providers, community groups and government agencies to develop practical transport options with a focus on utilising existing local resources in a more efficient and flexible way to address issues affecting the community.

The coordinators also play a key role in regional areas as part of the Department's emergency response – such as instances of flooding or fire.

In 2010-11 there were 66 projects approved. Since the commencement of the program in 2004, 580 projects have been funded.

Projects include funding taxi voucher schemes, providing bus services into isolated communities, establishing car pooling schemes, conducting driver licence and bus driver licence programs, and programs to assist young people to attend sporting and social outings, use public transport, or to access youth and community support services.

Some examples of successful projects from 2010-11 include:

- The Northern Rivers Car Pool is a highly successful project that has developed a car pool model through engagement with employers. This method of operation links compatible drivers and passengers. Currently, 550 people have registered to use the scheme. It is a good example of partnership arrangements with many stakeholders and the securing of benefits such as premium parking for car pool members through the local council.
- Transport Pathways to Good Dental Health is a project where various modes of transport are brokered from providers to help people living in the social housing areas in Wagga to get to a dental clinic run by the Charles Sturt University. This can provide support for up to 21 persons per week for a maximum of four clinical sessions. The project links opportunities for dental treatments with supervised dental students conducting clinical practice.
- Finding Jobs, Changing Lives is a project to help link long-term unemployed people with maxi taxis brokered by employment groups to enable groups of people, in particular shift workers, to access employment opportunities in Somersby and Warnervale on the Central Coast. Three long-term unemployed people now have jobs with the assistance of this scheme.

Country Passenger Transport Infrastructure Grants Scheme

The Country Passenger Transport Infrastructure Grants Scheme provided over \$1.5 million for 41 projects to public transport infrastructure projects across NSW. Many country areas are upgrading their local bus stops to ensure they meet the Transport Standards for Accessible Public Transport.

Some local government areas needed bus shelters or seating, while other areas required lighting, improved signage or security as a higher priority.

Some examples of projects funded last year are:

- Bega Valley Shire Council received \$140,000 for their bus shelter and extension program providing shelters in Pambula, Kalaru, Tathra Merimbula and Bega
- Moree Plains Shire Council received over \$121,000 for bus shelters, signage and timetable information
- Narrandera received \$2,500 to upgrade its signage and information board at the Bus Rail interchange
- Richmond Valley Council, Casino received over \$80,000 to develop the Canterbury Street, Taxi Rank Casino providing improved facilities for both passengers and drivers
- Gloucester Shire Council received \$15,000 for security lighting at the town bus stops.



HASSLE FREE NIGHTS

case study

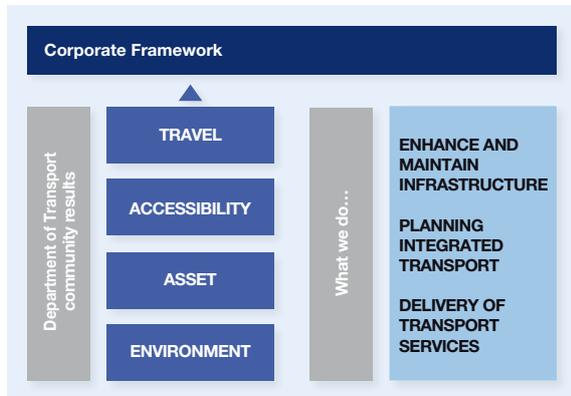
The Hassle Free Nights initiatives were maintained throughout 2010-11. This included the continuation of additional late night bus services and secure taxi ranks. These and other measures are aimed at reducing alcohol related crime and anti-social drunken behaviour in popular entertainment precincts.

Over 1.22 million passengers caught a taxi at one of the 47 secure taxi ranks across NSW during the last twelve months. Security taxi ranks have security guards present on Friday and Saturday nights. The guards are there to provide a safe environment for passengers and taxi drivers.

Night Ride bus services replace trains between midnight and 4.30am on most Sydney suburban lines. All Night Ride buses have radio contact with taxi operators and a taxi can be requested to meet customers at their destination.



Improving transport planning



North West Rail Link

The North West Rail Link is a major priority rail project for the NSW Government. A specialised project team was established within the Department of Transport to coordinate and expedite work on the project. The North West Rail Link will deliver new stations and regular rail services as an addition to the CityRail network from Epping to Rouse Hill in North West Sydney – linking the region with over 300 other CityRail stations.

A Community Information Centre opened on 29 June 2011, located midway along the alignment and conveniently opposite Castle Towers. It is the community's first point of contact for the duration of the project.

Planning referrals

The Department of Planning provides advice and comment on the planning instruments and other land use plans, planning guidelines and development applications submitted to the Department of Transport by the Department of Planning and Infrastructure and local councils. A total of 341 planning referrals were received and processed during 2010-11.

Corridor assessment

The Department of Transport has undertaken analysis on a network of 46 strategic transport corridors that reflect the primary transport links between Sydney's key centres. The corridors are a combination of existing major transport routes, as well as transport links that will be of greater importance in the future.

Analysis of the role and function of corridors is necessary to ensure a connected city with efficient travel options to meet existing and future needs. The corridor analysis will guide decisions on capacity enhancements to ensure a compact and accessible city.

Sydney City Centre Access Plan

The Department of Transport started development of a Sydney City Centre Access Plan in 2010, undertaking significant stakeholder consultation with transport experts, key operating agencies, the City of Sydney and the Department of Planning and Infrastructure during 2010-11.

The plan was aimed at identifying a suite of multi-modal measures for the most efficient movement of people and goods to, from and within the city centre over the next 25 years to respond to the increasing growth of the city centre and key corridors.

Aviation capacity study

The Department of Transport has been engaged in the Joint Study of Aviation Capacity for the Sydney Region since February 2010. The Department is represented by the Director General and the work is due for completion in late 2011.

The work involves strategic planning and analysis of the land transport requirements for the rapidly growing aviation industry, including the Hunter, Illawarra and ACT. In particular, the work has explored the capacity of Kingsford Smith Airport, and the land transport connections that serve the precinct, to accommodate the growing demand for air travel in the short and medium term.

NSW Freight Strategy

Work commenced in the financial year 2011 on the development of a 25 year NSW Freight Strategy.

The Freight Strategy will be integrated into the overall transport master plan that will include a strategic policy framework to guide decision-making in NSW.

In addition, the Department of Transport worked on the development of the NSW response to the National Ports Strategy, and represented NSW on the Commonwealth's Maldon-Dombarton Feasibility Study.

Strategic land use and transport planning

The Department of Transport started work on a range of strategic land use and transport planning documents including the NSW Bus Strategy, draft Illawarra Regional Transport Strategy and the draft Hunter Regional Transport Strategy.

Work was undertaken to develop sound evidence bases to guide each strategy, and supported by extensive stakeholder consultation with key agencies, local government, transport providers and interest groups. Work on these strategies is ongoing.

Central Coast Regional Transport Strategy

A draft Central Coast Regional Transport Strategy was released for public consultation in October 2010. The strategy recognises the population and employment growth anticipated for the future, and includes plans to deliver:

- New Integrated Central Coast Bus Networks, new buses and new Strategic Bus Corridors
- Commuter Car Park upgrades at Wyong, Woy Woy and Gosford
- A major Tuggerah Railway Station upgrade
- The \$300 million upgrades to Central Coast roads from 2007 to 2011.

Several major initiatives outlined in the draft strategy have already been delivered in the Central Coast.

Council of Australian Governments (COAG)

The NSW Government has worked closely with the COAG Reform Council to review the consistency of Sydney's planning system with the national criteria.

The criteria require that capital cities have plans that are integrated, publicly available, provide for nationally significant infrastructure, address nationally significant policy issues, strengthen networks between capital cities, clearly identify priorities for implementation, encourage world-class urban design and provide effective implementation mechanisms.

Infrastructure Australia

The Department of Transport made a transport submission to Infrastructure Australia in August 2010. The submission included the Northern Sydney Freight Corridor, the Container Freight Improvement Strategy, the North West Rail Link and the M5 East Expansion. These four projects were identified as 'priority' projects for which funds were sought for detailed planning and delivery.

The Infrastructure Australia submission addressed intensifying roadblocks to the implementation of urban development objectives in metropolitan Sydney, which in turn are affecting the achievement of national goals for more productive, efficient and sustainable cities.

Newcastle Transport Studies

In November 2010, the NSW Government released two transport studies that will contribute to the revitalisation of the Newcastle CBD.

Both studies have been commissioned by the NSW Government and prepared by transport experts AECOM.

The first report called the 'Preliminary Assessment of Newcastle Truncation - Wickham Station', examined the feasibility of terminating the rail line at Wickham taking into account costs of constructing a new station and stabling facilities, land acquisition and remediation of the rail corridor to Newcastle station. It estimates the cost of the termination of the rail line at Wickham to be between \$375 and \$505 million.

The second report is called the 'Newcastle Transport Management and Accessibility Plan', and examines options to improve transport in and out of the Newcastle CBD. This report looks at bus services, land use planning, parking availability, cycleways, pedestrian access and Workplace Travel Plans that encourage businesses to be part of the transport solutions for Newcastle.

These studies are an important next step in determining the long-term future of the shape of the Newcastle CBD and will inform work being undertaken by the NSW Government to improve connectivity in the city centre.

City of Sydney Memorandum of Understanding

In 2010, the Department of Transport entered into a new Memorandum of Understanding with the City of Sydney, aimed at creating an integrated and connected city centre that supports economic growth, and capitalises on its many assets as a global city.

The department worked closely with the City of Sydney to progress many of the initiatives in the Memorandum of Understanding, including improvement of bus and traffic flows, new traffic signals and crucial improvements at Wynyard. The NSW Government will continue to work with the City of Sydney to improve connectivity and transport in the city centre whilst supporting economic growth and the vibrant nature of the city centre.

Compliance and regulation

The Department of Transport continues to work with the bus and taxi industries, unions and NSW Police to develop strategies to address safety and security issues. Joint taxi, bus and hire car compliance programs with the NSW Police Force, the Taxi Council and the RTA are conducted at various locations across NSW. In particular, weekly operations are conducted at Kings Cross and the Department has a daily presence at the Airport Precinct.

The Department completed 20,419 on-road inspections in 2010-11 for bus, taxi and private hire vehicles. There are now 38 Bus Operator Accreditation Scheme Auditors, who undertook 372 independent audits, focusing on safety and maintenance standards.

Compliance officers conducted intensive crackdowns on taxi touting during the Christmas/New Year holiday season. The 24-hour taxi hotline, 1800 648 478, operated during the Christmas and New Year period and throughout the year.

The Department carries out audits of all metropolitan and outer metropolitan bus contracts with a particular focus on reconciling patronage and revenue data. In 2010-11, the audit program continues, focusing on collection and reliability of data and capital activity.

The Department of Transport Corporate Plan includes an objective to minimise transport's impact on the environment and during the year work started to establish an environmental policy framework for the Department.

Future directions for transport planning

- ▶ A new 25-year Sydney transport master plan to be developed providing an overarching transport strategy for NSW
- ▶ A NSW Freight Strategy to be developed that will guide infrastructure planning and support the State's economic growth and development over the next 25 years
- ▶ Development of a Sydney Strategic Light Rail Plan which will guide expansions of the light rail network



NORTH WEST RAIL LINK INFORMATION CENTRE

case study

On 29 June 2011, The Minister for Transport opened the North West Rail Link Community Information Centre.

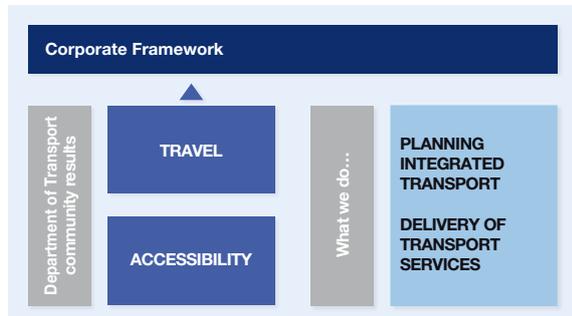
The centre is the focal point for locals to find out more about the North West Rail Link, and have their say.

The centre is conveniently located on Old Northern Road, Castle Hill, along the proposed alignment of the new line. Staff members from the project team are on hand six days a week to answer the community's questions.

The 23-kilometre North West Rail Link between Epping and Rouse Hill will include stations at Cherrybrook, Castle Hill, The Hills Centre, Norwest, Kellyville and Rouse Hill.

A website has been launched for the North West Rail Link. For more information on the project visit www.northwestrail.com.au.

Improving customer service



Transport Info 131500 received a request for trip planning information almost every second of every day last year

The Department of Transport is focused on providing high-quality services to our customers and the NSW community to make doing business with us easy and transport throughout NSW efficient.

Transport Info 131500

Transport Info 131500 services continue to provide public transport customers with the most up-to-date transport information. Customers can plan a trip, check timetables, view routes, check for service interruptions and access ticket information. Over 30 million requests for information were made during 2010-11. This represents an increase of 25 per cent in public transport information requests over last year. The Transport Info 131500 website alone had over 27 million visitors in 2010-11 and produced over 13 million trip plan results and maps for customers.

Along with the Transport Info 131500 website, Interactive Voice Recognition service and 131500 call centre, customers also accessed Transport Info 131500 information from the new Twitter accounts @131500trains, @131500buses and @131500ferries launched in September 2010. Since its launch there have been over 4,200 followers sign up for the twitter news feed. Customers made over 5,150 downloads and 309,000 trip plans in the first six months from the new Transport Info Android and iPhone transport applications released in February 2011. The transport 'apps', along with the mobile version of 131500 – ideal for use on mobile phones and other web accessible mobile devices – allow customers to access transport information 'on the go.'

Transport Info 131500 responded to over 123,000 complaints, compliments and other items of feedback. Interaction with our customers through feedback provides invaluable information, which is used to continually improve and deliver quality and timely information.

As part of bus reform in NSW, the Department initiated the development of a central data repository for the secure, central store of shared route and timetable information for contracted transport service providers.

Facts and figures 2010-11

TRANSPORT INFO 131500 REQUESTS FOR PUBLIC TRANSPORT INFORMATION	
131500 website visits (sessions)	27,718,301
Mobile website sessions	195,804
App usage (iPhone and Android)	309,480
IVR calls resolved for public transport information	678,040
Calls to call centre	1,503,349
Total	30,404,974

TRANSPORT INFO 131500 FEEDBACK	
Feedback emails	33,119
Feedback calls to call centre	90,658
Total	123,777

TRANSPORT INFO 131500 REQUESTS FOR PUBLIC TRANSPORT INFORMATION	
131500 website visits (sessions)	18,957,629
IVR and calls to call centre	3,916,197
Total	22,873,826

At the end of 2010-11, the Operational Spatial Database has successfully obtained all route and timetable data for Metropolitan and Outer Metropolitan contracted bus operators in NSW.

This data is provided to the RTA for its Public Transport Information and Priority System (PTIPS) and the Public Transport Ticketing Corporation as part of the delivery phase of the Electronic Ticketing System (ETS). PTIPS uses satellite technology to identify buses in real time as they travel through the road network and communicates with the RTA traffic management system. These buses may be given priority at traffic signals to improve public transport reliability and on-time performance.

The PTIPS system has been operating on the State Transit Authority bus fleet since 2009, and in February 2011 was extended to the first private bus operator, Busways.

Other metropolitan and outer-metropolitan private bus operators will be PTIPS-enabled as part of the ticket console replacement program to be undertaken by the ETS in 2012.

A new SMS passenger information service was launched in February 2011 to provide bus passengers with up to the minute 'next bus' information.

The SMS operates on all State Transit Authority route services, and uses PTIPS to provide predicted bus arrival times at bus stops.

The SMS launch followed a successful three month trial on Sydney's Metrobus routes, the popular, high-frequency network which provides 8,000 bus services each week across Sydney.

During its first week of operation, the SMS service received over 11,000 requests. The service is currently receiving over 55,000 requests each week.

Across all modes of transport, on average, all Sydney residents combined made 16.2 million trips each weekday and 15.1 million trips each weekend day.

The distance travelled on an average weekday by all Sydney residents combined is a total of 133.6 million kilometres.

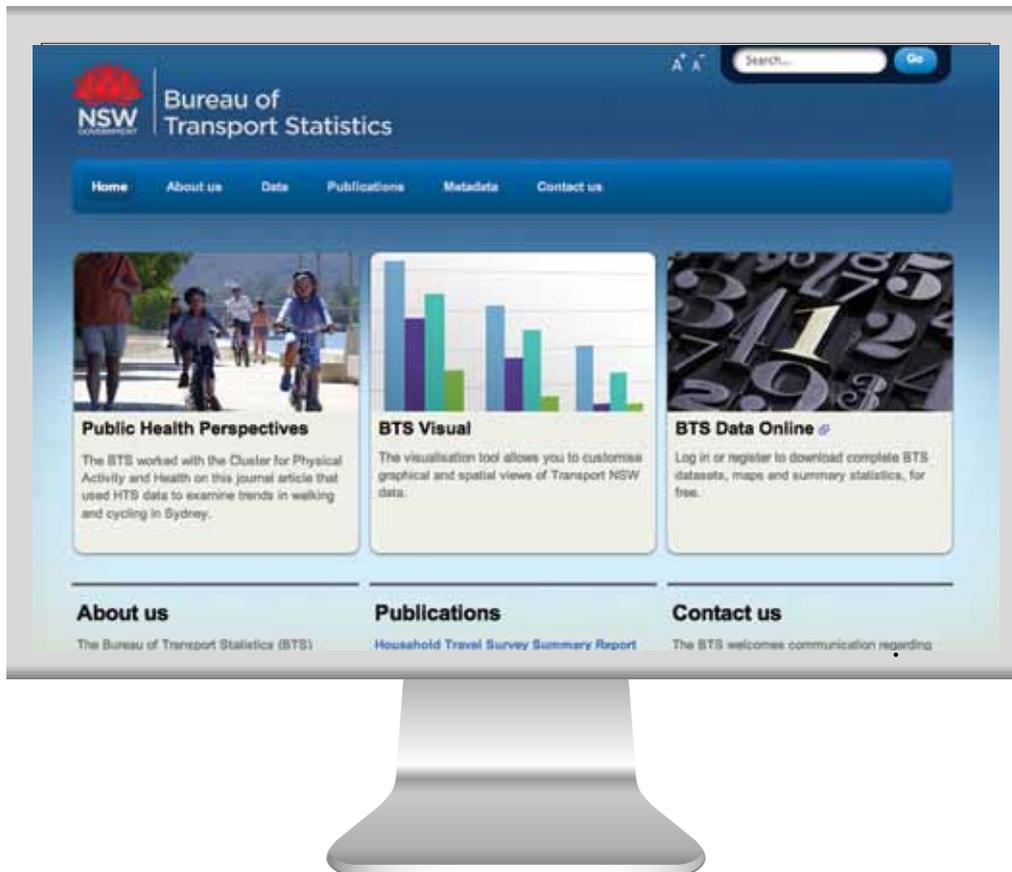
Bureau of Transport Statistics

In July 2010 the Transport Data Centre became the Bureau of Transport Statistics (BTS). The BTS has an expanded role, which includes the reporting of transport usage and performance statistics from across the NSW transport portfolio. This includes a clear leadership role in promoting open access to high quality, well-documented transport statistics to help inform the development of transport policies, plans, projects and services, and to enable greater opportunity for informed community participation in transport policy and planning issues.

The Household Travel Survey (HTS) is the largest and most comprehensive source of personal travel data for the Sydney Greater Metropolitan Area. This area includes the Sydney and Illawarra statistical divisions and the Newcastle statistical subdivision. It extends from Port Stephens in the north to Shoalhaven in the south and the Blue Mountains in the west.

This survey is a benchmark for best practice in travel surveys in Australia and around the world, as well as being the longest running continuous household travel survey in the country. The HTS was first conducted in 1997-98 and is released yearly. It is conducted by collecting personal travel data on a continuous basis.

The BTS published the 2009-10 HTS key indicators for Sydney in early July 2011. Highlights this year include a 0.7 per cent growth in trips by train, drops in the number of vehicle driver and vehicle passenger trips, and a continued decline in vehicle kilometres travelled per capita. The report can be accessed from the publications section of the BTS website www.bts.nsw.gov.au.



BUREAU OF TRANSPORT STATISTICS WEBSITE

case study

Launched in November 2010, the BTS website was developed to reflect an expanded role as the premier source of independent transport statistics. The initiative was dedicated to providing representative and up-to-date transport data in a more user-friendly format to support informed decision making in the development of NSW transport policy, planning, infrastructure and service delivery.

A key highlight of the new website is the data visualisation section, which will allow users to interactively graph selected travel data items. Users will be able to view cross-sectional or time series data in table, graph and geospatial formats.

Another of the many new features is a pictorial catalogue system with a search facility housing all BTS publications. All are available to view or download in PDF format, and include the frequently requested Household Travel Survey (HTS) Summary Report.

Transport Management Centre

Following the Moroney Report into the F3, the NSW Government approved the RTA Transport Management Centre being responsible to the Director General of the Department of Transport. This took effect on 31 August 2010.

The Transport Management Centre (TMC) monitors and manages the NSW road network 24 hours a day and monitors and coordinates Sydney's public transport services. It aims to ensure the state road network operates with maximum efficiency, including during peak commuter travel times, special events and unplanned incidents such as vehicle accidents.

The TMC uses advanced monitoring, communication and traffic flow systems. These systems aim to make journey times more consistent, respond to and clear traffic incidents as quickly as possible, and communicate changed road and transport conditions to customers so they may choose the best routes and modes of travel.

Balancing competing demands for access to the transport network from motorists, the freight industry, public transport and alternative transport options, along with the need for asset maintenance, continues to be a significant challenge for the TMC.

The demands from customers for real-time, accessible, appropriate and credible transport information continues to grow and the TMC is addressing this through a number of key projects, including supporting the continued rollout of travel time on major routes, improvements to the Live Traffic NSW website and greater engagement with the media.

Achievements during the year include:

- Transport Operations Room (TOR) responded to more than 200,000 calls to the 131700 Incident Reporting Hotline.
- The Planned Incident Unit issued more than 25,000 Road Occupancy Licences across the Sydney Region and supported key transport improvement projects such as the Inner West Busway along Victoria Road.
- Transport Information Officers and Transport Spokespeople have been successfully integrated into the TOR to effectively disseminate information to media and other stakeholders about disruptions and changed conditions across the whole of the transport network.

- Launch of the Live Traffic NSW website in September 2010 – 66 web cameras for live traffic viewing, an interactive map-based tool for viewing events and incidents, and trip-planning capability. At 30 June 2011, there were more than 2.8 million visits to the website.
- Launch of the revised F3 Incident Management Plan and delivery of a Commuter Care Package, including a fold-out map for motorists and an updated DVD and training video for the RTA website.
- At 30 June 2011, more than 8,800 customers had registered for a trial program to receive alert messages when there is a major incident or delays to normal travel time on the F3. The pilot service was launched in December 2010 for customers to receive alert messages by SMS, email or text-to-voice message to their mobile phone. From the launch of the service in December 2010 and the end of June 2011, alerts were sent for nine incidents.
- In November 2010, a new service was introduced on the F3 Freeway to provide road users with estimated travel times to upcoming exits, based on the current traffic flow. The service displays travel time estimates on Video Messaging Signs between Wahroonga and Ourimbah, which are updated every three minutes. It was the first time a travel time service had been used in NSW and feedback from regular commuters and other users of the F3 has been positive overall.
- Establishment of an emergency TMC site at the refurbished M4 Control Room at Auburn. The eTMC will house both RTA and TMC staff, and will provide a disaster recovery site for the TMC. Planning and implementation will continue in 2011-12 to support the operation of this site.

The TMC's Transport Coordination Branch is responsible for the seamless delivery of commuter transport operations across Sydney, ensuring commuters are provided with seamless alternative transport options during disruptions or emergencies, as well as identifying systemic transport issues and making recommendations for improvements.

Performance overview

131 700 Incident Reporting hotline call service

Less than 30 seconds = 73 per cent
Less than 60 seconds = 93 per cent

132 701 Traffic Information Line call service

Less than 30 seconds = 85 per cent
Less than 60 seconds = 95 per cent

Incident clearance time

The average incident clearance time of 98 per cent of unplanned incidents on Principal Transport Routes (PTRs) has consistently remained below the target of 40 minutes – the annual average clearance time was 39.98 minutes – despite an increase in PTRs from 17 to 25 routes this year.

Coordinating public transport for major events

The Department of Transport continued to provide essential management, coordination and oversight for the delivery of transport for major events. The Transport Management Centre (TMC) is a lead agency in the preparation of event plans for both major government and international special events including the City2Surf, New Years Eve celebrations and ITU World Triathlon Championships.

The TMC works closely with Events NSW, the Department of Premier and Cabinet, transport agencies, other government departments and event proponents, to manage events that are safe and successful, while minimising impacts on the non-event community.

This function includes planning and delivering public transport to and from specified events by negotiating transport levy and service level contracts, together with integrated event transport ticketing.

Major events statistics 2010-11

EVENT	DATE	TRAIN	BUS
NRL: State of Origin – Game 3	7 July 2010	21991	6662
FFA: A-League – Sydney FC vs. Everton	10 July 2010	10158	3276
AFL: Sydney Swans vs. Geelong	31 July 2010	12402	6660
AFL: Final – Sydney Swans vs. Carlton	5 September 2010	14827	8194
ARU: Bledisloe Cup – Wallabies vs. New Zealand	11 September 2010	27764	12038
NRL: Prelim Final – St George Illawarra vs. Wests Tigers	25 September 2010	25000	10444
NRL: Grand Final – St George Illawarra vs. Sydney Roosters	3 October 2010	41958	11650
Ben Hur Spectaculars	22-23 October 2010	26695	8075
V8 Supercars: Sydney Telstra 500	3-5 December 2010	38785	8606
U2 concerts – 360° World Tour	13-14 December 2010	65481	10852
ARU: Super 15 Rugby Union – Waratahs vs. Reds	26 February 2011	7286	6083
AFL: Round 2 – Sydney Swans vs. Essendon	3 April 2011	8500	5517
Sydney Royal Easter Show 2011	14-27 April 2011	370285	140270
NRL: State of Origin – Game 2	15 June 2011	35685	8071
ARU: Super 15 Rugby Union – Waratahs vs Brumbies	18 June 2011	5588	5267
AFL: Round 14 – Sydney Swans vs Collingwood	25 June 2011	12372	7871



CIRCULAR QUAY INFORMATION CENTRE

case study

The Department of Transport is continually looking at ways to improve customer satisfaction. This means getting the basics right and working towards the delivery of an integrated transport system.

In May 2011, the Department delivered the first integrated customer information centre at Circular Quay. The existing CityRail information office was transformed into a one-stop information shop for customers to access information about all transport modes to better plan their journey.

Circular Quay is a major transport interchange with more than 550,000 passenger journeys passing through the precinct each week. The new centre aims to make information about public transport easily available to the thousands of customers who pass through the interchange each day. The project was led by the Department, working closely with CityRail, the State Transit Authority and Sydney Ferries.

Improvements for customers included new free WiFi access and the provision of additional brochures, maps and wall displays in the centre and on the concourse. Circular Quay station staff contributed to the planning and implementation of the new centre. Staff consultation was undertaken and many ideas were incorporated into the centre's design. Staff were given training in the use of the Transport Info 131500 trip planner to support the provision of information for all modes.

The expanded and improved information centre illustrates the Department's determination to ensure the customer is the focal point of the planning and delivery of public transport services.

The new, integrated information centre is an example of the move towards a fully integrated public transport system where trains, buses, light rail and ferries will provide a consistent, high level and integrated transport service.

Wayfinding and customer information

A multi-staged pilot project at Circular Quay Interchange started in February 2011. In May 2011 the Department of Transport delivered the first integrated customer information centre at Circular Quay. Scoping of directional signage and displays improvements has started at Circular Quay as part of the next stage to improve the customer's experience at this important precinct.

Security and emergency management

Security and emergency management provides transport coordination under the *State Emergency and Rescue Management Act 1989* and the NSW Disaster Plan in conjunction with the NSW Police Force and RailCorp, the Department of Transport conducted security assessments of key transport facilities throughout the year.

The Department of Transport provided transport expertise in the emergency planning, response and recovery arrangements to many of the natural disasters in the financial year, including the NSW and Queensland floods and Cyclone Yasi, by providing logistical support and air transport.

Fares and ticketing

The MyZone fares system introduced in 2010 was the most significant reform to public transport ticketing in 10 years and significantly improved the customer experience. MyZone makes travelling on public transport easier and covers services provided by CityRail, Sydney Buses, Newcastle Buses, Sydney Ferries, Metro Light Rail and private bus operators. Ongoing management of the MyZone fares and ticketing program this financial year included the reduction of the cost of MyTrain and MyMulti monthly, quarterly and yearly tickets by nine percent, and including light rail services into the MyZone ticketing system.

The Public Transport Ticketing Corporation (PTTC) is responsible for managing the phased implementation of the electronic ticketing system (ETS) for public transport customers and operators across greater Sydney. The PTTC is within the Transport Coordination Division of the Department of Transport. Refer to the PTTC Annual Report for detailed information about the procurement, design, delivery and promotion of the ETS for greater Sydney.

Customer satisfaction surveys

The former Independent Transport Safety and Reliability Regulator had undertaken annual surveys of customer satisfaction with CityRail train services since 2004 and with Sydney metropolitan bus services since 2009. Responsibility for these surveys was transferred to the Department of Transport from 1 July 2010.

The purpose of these surveys is to measure changes over time in the quality of services from a customer perspective. The 2010 CityRail customer survey and the 2010 Sydney Metropolitan bus user survey are available on the Department of Transport website.

The key findings from the 2010 CityRail customer survey were:

- Compared with the 2009 survey there were significant increases in customer satisfaction with removal of litter from stations, punctuality of trains, frequency of trains, and delays and cancellations.
- There were also significant increases in customer satisfaction with personal safety.
- The aspect of service with the highest level of customer satisfaction was removal of litter from stations. Crowding in trains at peak commuter times was the aspect of service with the highest level of customer dissatisfaction.

The key findings across all bus users from the 2010 Sydney Metropolitan bus user survey were:

- Compared with the 2009 survey there were neither any significant increases in customer satisfaction nor any significant decreases in customer satisfaction with respect to the aspects of service monitored.
- The aspect of service with the highest level of customer satisfaction was clean seats. Crowding in buses at peak commuter times was the aspect of service with the highest level of customer dissatisfaction.

Light rail now included with these tickets



From 27 June, you can travel on light rail* with a MyMulti, Pensioner Excursion or a Family Sunday ticket

- Valid on the entire Metro Light Rail network from the CBD to Lilyfield
- Pre-purchase your ticket before you board (tickets are not sold on board the light rail)
- For more details, pick up a brochure or visit www.131500.com.au.

* Excludes Monorail services



INTRODUCTION AND IMPACT OF MY ZONE ON LIGHT RAIL

case study

On 27 June 2011, the Sydney Light Rail was integrated into the MyZone fares structure. This allows customers to use light rail services with their existing MyMulti, Pensioner Excursion and Family Sunday tickets.

Light rail operates on a 7.2 kilometre route between Central Station and Lilyfield. Customers can now use one ticket for travel on trains, buses, ferries and light rail across greater Sydney.

The initiative proved immediately successful in encouraging greater public transport use with trips on light rail increasing by over 20 per cent in the initial period of operations.

Pensioners and families also benefit, with light rail also included in pensioner excursion tickets and Family Sunday tickets.

Under this arrangement with Metro Transport Sydney, owners of the light rail system, the NSW Government provides a rebate to Metro Transport Sydney for each customer journey taken with a MyZone ticket.

Stakeholders and clients

During 2010-11, the Department of Transport was engaged actively with a number of key stakeholders in the community, industry, peak organisation, government (local, state and national), and transport operators.

Following the establishment of the Department of Transport on 1 July 2010 and the release of the Corporate Plan 2010-14, a strong emphasis was placed on effective stakeholder communication.

Corporate Plan objectives include:

- Strengthening working relationships and consultation with the community, our stakeholders and partners
- Working with local councils and communities to develop strategies to provide integrated connections at the regional and local level
- Informing and influencing other jurisdictions and transport bodies to develop connected transport planning solutions across borders
- Working with our stakeholders at a local, state and national level to identify the community's transport needs and lead integrated planning to deliver a system that meets these needs.

Industry forums

The Department of Transport Industry Forums were established in 2010-11 to engage with corporate stakeholders and business groups. These events provided a unique opportunity for stakeholders to hear first hand from transport leaders on the developments and performance of transport in NSW and strengthen working relationships.

The Industry Forums were held in August and December 2010, with each event focusing on a different part of our business.

The inaugural event on 25 August was attended by both the Minister for Transport and Minister for Roads.

NSW Director General Les Wielinga spoke about the formation of the Department of Transport and the delivery of the NSW Government's Metropolitan Transport Plan, as well as changes occurring across the transport portfolio. The RTA Chief Executive, Michael Bushby, also provided an insight into trends in the roads portfolio.

At the second event on 1 December 2010, Les Wielinga was joined by Transport Construction Authority Chief Executive Chris Lock and Rodd Staples, Deputy Director General Infrastructure, Department of Transport.

The briefing included a review of progress in delivering the Government's transport plan objectives as well as an overview of transport infrastructure initiatives in NSW, including the South West Rail Link, Rail Clearways and commuter car park and interchange programs.

Both events were well attended by a range of key stakeholders, including construction, logistics and freight companies, transport, planning and infrastructure consultancies, peak industry bodies and community interest groups.

Infrastructure project engagement

Inner West Light Rail Extension

In 2010-11, the community was actively engaged in the planning of the Inner West Light Rail extension in Sydney.

The 5.6km extension will run from the current light rail terminus at Lilyfield, along the disused freight rail corridor, to Dulwich Hill.

Nine new stops will be built at Leichhardt North, Hawthorne, Marion, Taverners Hill, Lewisham West, Waratah Mills, Arlington, Dulwich Grove and Dulwich Hill Interchange.

Planning approval was granted on 16 February 2011 for construction of the Inner West Light Rail Extension.

This approval followed extensive public consultation, including community information sessions, meetings with residents, local council, community groups and a formal public exhibition period.

Government authorities and agencies were consulted before and throughout the Environmental Assessment (EA) preparation and exhibition period, including:

- Department of Environment, Climate Change and Water (DECCW)
- Department of Planning (Major Projects Team, Heritage Branch)
- NSW Environment Trust
- Roads and Traffic Authority (RTA)
- RailCorp
- State Transit Authority (STA)
- Sydney Water Corporation
- Independent Transport Safety and Reliability Regulator (ITSRR)
- Marrickville Council
- Leichhardt Council
- Ashfield Council
- Canterbury Council.

A number of non-government stakeholders were consulted throughout the development of the project, including:

- Bike user groups
- EcoTransit
- GreenWay Steering Committee (included Friends of the GreenWay and the Inner West Environment Group)
- NSW Commuter Council
- Haberfield Association
- Marion Street Light Rail Committee
- Darug Aboriginal Cultural Heritage Assessment
- Metropolitan Local Aboriginal Land Council
- Metro Transport Sydney.

Government and non-government organisations were also consulted through the Inner West Liaison Group. This group met on six occasions in 2010-11.

Three community information sessions were held during the EA preparation on 26 August, 28 August and 4 September 2010.

The EA was placed on public exhibition from 13 October to 15 November 2010. Three community information sessions were held during the public exhibition period on 23 October, 25 October and 30 October 2010.

A number of methods were used to notify community members of the community information sessions during the EA preparation and EA exhibition period. These included targeted flyer drops to over 20,000 residents, newspaper advertising, email notification to subscribers and media releases.

Project newsletters were distributed to properties close to the rail corridor in June 2010, August/September 2010 and February/March 2011 to inform residents, stakeholders and other community members about the project.

A project 1800 information line, email and website were established to provide the opportunity for stakeholders to contact the Department of Transport to request information or raise concerns.

CBD investigations

The Department of Transport began work in 2010-11 to investigate the technical and operational issues of light rail in the CBD.

The Department of Transport's light rail team in October/November 2010 met with 18 non-government organisations with an interest in the business, transport, planning, retail and tourism aspects of Sydney's CBD. In addition, the Department of Transport held ongoing conversations with the City of Sydney and other government agencies, such as the RTA.

A number of issues were raised through this engagement with stakeholders, including how light rail would integrate with the city's transport and traffic networks as well as the public domain. These issues require further detailed analysis which is being considered as part of the development of the Sydney Light Rail Strategic Plan.

North West Rail Link

The Department of Transport project team conducted briefings with government agencies and key stakeholders including MPs, councils and non-government organisations. Industry consultation and market sounding was initiated and community consultation commenced with the opening of the Community Information Centre on 29 June 2011.

Future directions for customer service

- ▶ Implementation of the electronic ticketing system for public transport customers and operators across greater Sydney.
- ▶ Enhancements to the customer experience at Circular Quay interchange via improved signage, displays and information.
- ▶ Further development of integrated customer information centres.
- ▶ Ongoing consultation to improve the customer experience in the Moore Park precinct, including integrated ticketing, traffic and transport improvements and event communication.
- ▶ Transport Info 131500 will continue to expand and improve service offerings, including the progressive introduction of trip planning for all modes of transport covering all NSW.



380 Bondi Beach Stand E

AGL Transport

131500.com.au or call 131 500

Route	Frequency	Fare
Clovelly Beach
Maroubra Beach
...

380 Bondi Beach Stand E

...

Clovelly Beach

Maroubra Beach

\$8.60

Financial statements ▶

Financial Performance Summary

For the year ended 30 June 2011

During 2010-11 the Department of Transport funded transport services and infrastructure provided by government-owned and private sector entities to achieve equitable transport outcomes for the community of NSW. The Department also accredited and regulated bus, taxi and hire car service providers and evaluated and audited their performance.

In 2010-11 the Department was responsible for a State budget allocation for transport of almost \$8.6 billion.

2010-11 operating result

The Department's net cost of services in 2010-11 was \$8,546.8 million, \$3,764.7 million higher than the 2009-10 amount of \$4,782.1 million. Total expenses also increased in 2010-11 to \$8,715.4 million compared to \$4,856.0 million in 2009-10. These increases were primarily due to the budget allocation for the roads program being managed by the Department for the first time in 2010-11.

The operating surplus for 2010-11 amounted to \$55 million compared to a surplus of \$12.3 million in 2009-10. The operating surplus in 2010-11 was mainly due to funding provided for capital projects, including for the extension of the existing light rail network, and additional parking space levy funds received in 2010-11 that will be available for use in subsequent years.

Grants, subsidies and service contract payments were the Department's major expense items in 2010-11. In this regard the Department's expenditure included \$4,240.8 million for the roads program; \$85 million provided to Sydney Ferries and \$2,833.7 million for rail improvements, maintenance and services provided to RailCorp, the Transport Construction Authority and the Country Rail Infrastructure Corporation. A further \$15.3 million was provided for carparks and interchanges. The Department also paid a total of \$834.5 million to the State Transit Authority and private transport operators under the Metropolitan and Outer Metropolitan Bus System Contracts, with a further \$353.4 million provided for bus services in rural and regional areas of NSW.

2010-11 balance sheet

The Department's balance sheet as at 30 June 2011 disclosed total assets of \$1,224.7 million. These assets included the net book value of 2,002 new additional and replacement buses (\$881.8 million) funded under the metropolitan and outer metropolitan bus system contracts.

The disclosure of the lease arrangements for new buses in the Department's balance sheet contributed to an increase of \$502.9 million in the value of the Department's total assets as at 30 June 2011, as compared to 30 June 2010.

The Department's net assets totalled \$175 million as at 30 June 2011.

2010-11 Consolidated Fund Allocations

An initial recurrent budget allocation of \$8,964.2 million was provided to the Department for 2010-11. However, adjustments to the allocation saw the Department's recurrent budget allocation being \$8,598 million.

After allowing for savings, which were mainly achieved in grants and subsidies payments, the Department used \$8,595.3 million of this amount in meeting its operating expenditure.

The Department also utilised \$3.9 million of its capital allocation in 2010-11, which was mainly used to fund improvements in its management information systems.

Financial management

During the financial year the Department continued to maintain and further improve its control over the financial aspects of its core business operations and related projects to ensure that it was successfully able to operate within its budget allocation for 2010-11.

2010-11 Consolidated financial statements

Changes to the Transport Administration Act from 1 July 2010 meant that the Department for the first time in 2010-11 prepared consolidated financial statements for the following agencies and their special purposes entities or divisions:

- Rail Corporation
- Roads and Traffic Authority
- Country Rail Infrastructure Authority
- Transport Construction Authority
- State Transit Authority
- Sydney Ferries
- Public Transport Ticketing Corporation
- Sydney Metro

The consolidated financial statements net cost of services in 2010-11 amounted to \$6,540.5 million, with an operating surplus totalling \$2,062 million.

Total assets in the consolidated financial statements as at 30 June 2011 amounted to \$94,329.5 million, with net assets totalling \$87,148 million. The assets mainly consist of road and rail infrastructure (\$83,517.5 million) and also include rail rolling stock (\$2,667.4 million), bus related assets (\$1,044.9 million) and land and buildings (\$3,646.8 million).

After balance date events

The Transport Legislation Amendment Bill 2011 was recently passed by the NSW Parliament. The legislation establishes Transport for NSW (TfNSW) as a NSW government agency and sets out the objectives and functions of TfNSW. The legislation also establishes the Transport Service which will consist of those persons who are employed under Part 7A of the Transport Administration Act.

The legislation abolishes a number of existing transport agencies and establishes a new entity, Roads & Maritime Services which will take over the residual functions of the Roads and Traffic Authority and the Maritime Authority of NSW.

The Transport Construction Authority and the Country Rail Infrastructure Authority will be abolished and their functions taken over by TfNSW.

In addition, the legislation provides that TfNSW, for the purpose of exercising its functions, may give directions to the following bodies in relation to the exercise of their functions:

- RailCorp
- Roads & Maritime Services
- State Transit Authority
- Sydney Ferries
- Transport Construction Authority
- Country Rail Infrastructure Authority
- A public or private subsidiary corporation (as referred to in Part 6B of the Transport Administration Act) of any of those bodies.

The Department of Transport will continue to operate, to provide policy advice to the Minister for Transport and the Minister for Ports and Roads.

As a result, it is expected that the Department of Transport will prepare consolidated financial statements for all of those entities for the 2011-12 financial year.



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Department of Transport

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Department of Transport (the Department), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows, service group statements and summary of compliance with financial directives for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Department and the consolidated entity. The consolidated entity comprises the Department and the entities it controlled at the year's end or from time to time during the financial year.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Department and the consolidated entity, as at 30 June 2011, and of the financial performance for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

Department Head's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

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

Independence

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

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



A T Whitfield
Deputy Auditor-General

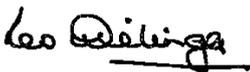
20 October 2011
SYDNEY

Department of Transport

Financial report for the year ended 30 June 2011

Pursuant to Section 45F of the Public Finance and Audit Act 1983, I state that:

- (a) The accompanying financial statements have been prepared in accordance with:
- Applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
 - The requirements of the *Public Finance and Audit Act 1983* and Regulation; and
 - The Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer under section 9(2)(9n) of the Act.
- (b) The statements exhibit a true and fair view of the financial position and transactions of the Department of Transport, and;
- (c) There are no circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.



Les Wielinga
Director General
Date: 20 October 2011

Department of Transport
Statement of comprehensive income
for the year ended 30 June 2011

	Notes	Consolidated		Parent	
		Actual 2011 \$'000	Actual 2011 \$'000	Budget 2011 \$'000	Actual 2010 \$'000
Expenses excluding losses					
Operating expenses					
Employee related expenses	2(a)	2,538,274	122,803	86,086	40,441
Other operating expenses	2(b)	1,068,439	106,794	61,189	46,724
Maintenance	2(c)	1,408,033	626	338	1,503
Depreciation and amortisation	2(d)	1,886,614	41,338	42,495	29,388
Grants and subsidies	2(e)	497,299	7,286,446	7,297,539	3,745,347
Finance costs	2(f)	177,247	55,527	57,701	39,421
Other expenses	2(g)	822,774	1,101,882	1,090,478	953,193
Total expenses excluding losses		8,398,680	8,715,416	8,635,826	4,856,017
Less:					
Revenue					
Sale of goods and services	3(a)	1,596,243	80,172	10,775	10,365
Investment revenue	3(b)	127,424	6,059	2,665	3,820
Retained taxes, fees and fines	3(c)	20,589	2,160	2,101	1,991
Grants and contributions	3(d)	188,468	80,723	50,374	54,162
Other revenue	3(e)	162,762	-	3,855	3,613
Total Revenue		2,095,486	169,114	69,770	73,951
Gain on disposal	4	5,917	-	-	-
Other losses	5	(243,237)	(500)	-	(10)
Net Cost of Services	29	(6,540,514)	(8,546,802)	(8,566,056)	(4,782,076)
Government Contributions					
Recurrent appropriations	7	8,595,254	8,595,254	8,598,039	4,786,178
Capital appropriations	7	3,979	3,979	3,979	5,674
Acceptance by the Crown Entity of employee benefits and other liabilities	8	3,323	2,579	2,333	2,537
Total Government Contributions		8,602,556	8,601,812	8,604,351	4,794,389
SURPLUS FOR THE YEAR					
		2,062,042	55,010	38,295	12,313
Other comprehensive income					
Net gains in commodity swaps and foreign exchange		1,951	-	-	-
Net increase in asset revaluation reserve		4,029,307	-	-	-
Actuarial losses on defined benefit superannuation schemes	21	(27,677)	-	-	-
Other		1,535	-	-	-
Other comprehensive income for the year		4,005,116	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		6,067,158	55,010	38,295	12,313

The accompanying notes form part of these financial statements.

Department of Transport
Statement of financial position
as at 30 June 2011

	Notes	Consolidated		Parent	
		Actual 2011 \$'000	Actual 2011 \$'000	Budget 2011 \$'000	Actual 2010 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	9	1,106,128	70,118	17,487	19,542
Receivables	10	347,868	124,929	32,700	32,973
Inventories	11	63,951	-	-	-
Derivative financial instruments	12	3,743	-	-	-
Non-current assets held for sale	13	52,726	-	-	-
Total current assets		1,574,416	195,047	50,187	52,515
Non-current assets					
Receivables	10	45,033	-	-	-
Inventories	11	28,878	-	-	-
Other financial assets	14	122,004	585	296	363
Property plant and equipment					
Land and buildings	15	3,646,792	55,606	54,974	199
Infrastructure systems	15	83,517,469	38,398	40,731	1,479
Plant and equipment	15	4,240,991	884,370	915,521	623,765
Property, plant and equipment		91,405,252	978,374	1,011,226	625,443
Intangibles	16	310,426	17,938	5,831	10,733
Other assets	17	767,926	32,707	38,947	32,707
Deferred tax asset	18	74,579	-	-	-
Derivative financial instruments	12	992	-	-	-
Total non-current assets		92,755,090	1,029,604	1,056,300	669,246
Total assets		94,329,506	1,224,651	1,106,487	721,761
LIABILITIES					
Current liabilities					
Payables	19	1,395,009	158,402	27,513	27,510
Borrowings	20	712,688	44,942	28,165	30,321
Employee benefits	21	881,188	6,596	4,294	4,295
Other provisions	22	60,655	-	-	-
Other	23	166,352	2,784	3,796	3,796
Derivative financial instruments	24	14,209	-	-	-
Total current liabilities		3,230,101	212,724	63,768	65,922
Non-current liabilities					
Borrowings	20	2,276,447	836,869	885,294	591,750
Employee benefits	21	1,188,603	-	-	-
Other provisions	22	78,171	-	-	-
Other	23	341,857	45	45	45
Deferred tax liability	25	64,002	-	-	-
Derivative financial instruments	24	2,389	-	-	-
Total non-current liabilities		3,951,469	836,914	885,339	591,795
Total liabilities		7,181,570	1,049,638	949,107	657,717
Net assets		87,147,936	175,013	157,380	64,044
EQUITY					
Reserves		39,840,671	-	-	-
Accumulated funds		47,307,265	175,013	157,380	64,044
Total Equity		87,147,936	175,013	157,380	64,044

The accompanying notes form part of these financial statements.

**Department of Transport
Statement of Changes in Equity
for the year ended 30 June 2011**

Consolidated	Notes	Accumulated Funds \$'000	Assets Revaluation Surplus \$'000	Hedging Gains & Losses Reserves \$'000	Total \$'000
Parent Entity at 1 July 2010		<u>64,044</u>	-	-	<u>64,044</u>
Equity of controlled entities at 1 July 2010	34	<u>44,890,710</u>	<u>35,934,570</u>	<u>(13,814)</u>	<u>80,811,466</u>
Surplus for the year		<u>2,062,042</u>	-	-	<u>2,062,042</u>
Other comprehensive income:					
Net gains in hedging contracts		-	-	1,951	1,951
Transfers to / (from) reserves to accumulated funds		112,228	(112,228)	-	-
Net increase in asset revaluation reserve		-	4,029,307	-	4,029,307
Actuarial losses on defined benefit superannuation schemes		(27,677)	-	-	(27,677)
Others		650	885	-	1,535
Total other comprehensive income		<u>85,201</u>	<u>3,917,964</u>	<u>1,951</u>	<u>4,005,116</u>
Total comprehensive income for the year		<u>2,147,243</u>	<u>3,917,964</u>	<u>1,951</u>	<u>6,067,158</u>
Transaction with owners in their capacity as owners					
Increase in net assets from equity transfers	34	<u>205,268</u>	-	-	<u>205,268</u>
Balance at 30 June 2011		<u>47,307,265</u>	<u>39,852,534</u>	<u>(11,863)</u>	<u>87,147,936</u>

Parent	Notes	Accumulated Funds \$'000	Assets Revaluation Surplus \$'000	Hedging Gains & Losses Reserves \$'000	Total \$'000
Balance at 1 July 2010		<u>64,044</u>	-	-	<u>64,044</u>
Surplus for the year		<u>55,010</u>	-	-	<u>55,010</u>
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		<u>55,010</u>	-	-	<u>55,010</u>
Transaction with owners in their capacity as owners					
Increase in net assets from equity transfers	34	<u>55,959</u>	-	-	<u>55,959</u>
Balance at 30 June 2011		<u>175,013</u>	-	-	<u>175,013</u>
Balance at 1 July 2009		-	-	-	-
Surplus for the year		<u>12,313</u>	-	-	<u>12,313</u>
Other comprehensive income		-	-	-	-
Total other comprehensive income		-	-	-	-
Total comprehensive income for the year		<u>12,313</u>	-	-	<u>12,313</u>
Transaction with owners in their capacity as owners					
Increase in net assets from equity transfers	34	<u>51,731</u>	-	-	<u>51,731</u>
Balance at 30 June 2010		<u>64,044</u>	-	-	<u>64,044</u>

The accompanying notes form part of these financial statements.

**Department of Transport
Statement of cash flows
for the year ended 30 June 2011**

	Notes	Consolidated		Parent	
		Actual 2011 \$'000	Actual 2011 \$'000	Budget 2011 \$'000	Actual 2010 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments					
Employee related		(2,369,163)	(50,879)	(83,753)	(37,245)
Grants and subsidies		(464,658)	(7,311,185)	(7,297,539)	(3,754,159)
Finance costs		(154,884)	(55,508)	(57,701)	(39,420)
Other		(4,067,117)	(1,218,901)	(1,240,187)	(1,081,188)
Total Payments		(7,055,822)	(8,636,473)	(8,679,180)	(4,912,012)
Receipts					
Sale of goods and services including GST refunds		2,401,836	168,626	150,706	140,724
Retained taxes, fees and fines		10,949	2,160	2,101	1,990
Interest received		87,877	5,186	2,665	3,279
Total Receipts		2,500,662	175,972	155,472	145,993
Cash Flows from Government					
Recurrent appropriation		8,598,038	8,598,038	8,598,039	4,786,178
Capital appropriation (excluding equity appropriations)		3,979	3,979	3,979	9,470
Cash transfers to the Consolidated Fund		(3,796)	(3,796)	-	(6,293)
Net Cash Flows from Government		8,598,221	8,598,221	8,602,018	4,789,355
NET CASH INFLOWS FROM OPERATING ACTIVITIES	29	4,043,061	137,720	78,310	23,336
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		38,049	-	-	-
Purchases of property, plant and equipment and intangible assets		(4,561,024)	(87,078)	(80,365)	(31,178)
Advances made		(12,000)	(66)	-	(153)
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES		(4,534,975)	(87,144)	(80,365)	(31,331)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings and advances		3,159,622	-	-	-
Repayment of borrowings and advances		(2,718,858)	-	-	-
NET CASH INFLOWS FROM FINANCING ACTIVITIES		440,764	-	-	-
NET (DECREASE) / INCREASE IN CASH		(51,150)	50,576	(2,055)	(7,995)
Opening cash and cash equivalents		19,542	19,542	19,542	27,537
Cash and cash equivalents acquired as at 1 July 2010 from controlled entities	34	1,137,736	-	-	-
CLOSING CASH AND CASH EQUIVALENTS	9	1,106,128	70,118	17,487	19,542

The accompanying notes form part of these financial statements.

Department of Transport
Service group statements
for the year ended 30 June 2011

Consolidated	Rail services * 2011 \$'000	Buses and related services * 2011 \$'000	Road services * 2011 \$'000	Ferry services * 2011 \$'000	Other services * 2011 \$'000	Inter-services eliminations 2011 \$'000	Total 2011 \$'000
REPORTING ENTITY'S EXPENSES AND INCOME							
Expenses excluding losses							
Operating expenses	1,436,062	421,298	587,397	67,034	126,912	(100,429)	2,538,274
Employee related expenses	457,454	121,893	457,941	27,848	108,538	(105,235)	1,068,439
Other operating expenses	732,482	50,189	615,251	9,482	629	-	1,408,033
Maintenance	948,440	29,224	849,154	18,291	23,777	17,728	1,886,614
Depreciation and amortisation	11,434	97,198	373,538	-	7,189,248	(7,174,119)	497,299
Grants and subsidies	27,479	20,896	89,131	190	39,551	-	177,247
Finance costs	43,086	779,568	-	-	-	120	822,774
Other expenses	3,656,437	1,520,266	2,972,412	122,845	7,488,655	(7,361,935)	8,398,680
Total expenses excluding losses							
Revenue	941,305	296,541	409,682	41,334	71,557	(164,176)	1,596,243
Sale of goods and services	82,067	536	38,403	203	6,215	-	127,424
Investment revenue	7,331	694	10,395	9	2,160	-	20,589
Retained taxes, fees and fines	4,579	48,601	141,645	-	29,577	(35,934)	188,468
Grants and contributions	4,423	-	158,339	-	-	-	162,762
Other revenue	1,039,705	346,372	758,464	41,546	109,509	(200,110)	2,095,466
Total Revenue	(126,713)	(854)	6,887	(653)	(500)	-	5,917
(Loss) / gain on disposal							
Other losses							
Net Cost of Services							
Government contributions	2,743,509	1,178,459	2,318,721	81,952	7,379,698	(7,161,825)	6,540,514
Government contributions	2,839,094	1,182,492	4,240,791	84,622	7,416,515	(7,160,958)	8,602,556
Increase / (decrease) in assets revaluation reserve	4,619,288	1,696	(591,677)	-	-	-	4,029,307
Other comprehensive income	(18,980)	(3,656)	(1,682)	127	-	-	(24,191)
Total Other Comprehensive Income	4,600,308	(1,960)	(593,359)	127	-	-	4,005,116
TOTAL COMPREHENSIVE INCOME	4,695,893	2,073	1,328,711	2,797	36,817	867	6,067,158
ADMINISTERED EXPENSES AND INCOME							
Administered Income	-	-	-	-	24,189	-	24,189
Private Transport Operators' Fees	-	-	-	-	15,210	-	15,210
Port Cargo Access Charges	-	-	2,545,122	-	265	-	2,545,387
Taxes, fees and fines	-	-	39,687	-	-	-	39,687
Other	-	-	2,584,809	-	39,664	-	2,624,473
Total Administered Incomes	-	-	2,584,809	-	39,664	-	2,624,473
Administered Income less Expenses	-	-	2,584,809	-	39,664	-	2,624,473

Department of Transport
Service group statements
for the year ended 30 June 2011

Consolidated	Rail services * 2011 \$'000	Buses and related services * 2011 \$'000	Road services * 2011 \$'000	Ferry services * 2011 \$'000	Other services * 2011 \$'000	Inter-services eliminations 2011 \$'000	Total 2011 \$'000
REPORTING ENTITY'S ASSETS AND LIABILITIES							
Current Assets							
Cash and cash equivalents	717,281	13,356	296,650	3,432	72,411	2,998	1,106,128
Receivables	204,901	14,060	145,784	2,749	127,662	(147,288)	347,868
Inventories	34,193	9,453	12,498	7,807	-	-	63,951
Derivative financial instruments	3,743	-	-	-	-	-	3,743
Non-current assets held for sale	7,801	456	44,469	-	-	-	52,726
Total current assets	967,919	37,325	499,401	13,988	200,073	(144,290)	1,574,416
Non-current Assets							
Receivables	44,854	-	-	-	-	179	45,033
Inventories	28,878	-	-	-	-	-	28,878
Other financial assets	-	-	121,419	-	585	-	122,004
Property plant and equipment	27,245,818	1,313,015	62,686,636	101,642	56,319	(178)	91,405,252
Intangibles	173,468	2,726	45,876	4,938	83,418	-	310,426
Other assets	102,684	-	665,242	-	-	-	767,926
Deferred tax asset	992	74,579	-	-	-	-	74,579
Derivative financial instruments	-	-	-	-	-	-	-
Total non-current assets	27,596,694	1,390,320	63,519,173	106,580	142,322	1	92,755,090
TOTAL ASSETS	28,564,613	1,427,645	64,018,574	120,568	342,395	(144,289)	94,329,506
Current liabilities							
Payables	571,735	55,787	730,377	6,506	172,939	(142,335)	1,395,009
Borrowings	428,135	43,813	136,121	-	104,619	-	712,688
Employee benefits	477,672	93,310	279,909	23,701	6,596	-	881,186
Other provisions	52,377	7,136	748	394	-	-	60,655
Other	20,280	5,406	137,754	128	2,784	-	166,352
Deferred tax liabilities	-	-	-	-	-	-	-
Derivative financial instruments	14,209	-	-	-	-	-	14,209
Total current liabilities	1,564,408	205,452	1,284,909	30,729	286,938	(142,335)	3,230,101
Non-current liabilities							
Borrowings	379,909	760,205	1,067,029	4,000	65,304	-	2,276,447
Employee benefits	400,325	154,866	632,005	1,407	-	-	1,188,603
Other provisions	65,229	153	12,646	143	-	-	78,171
Other	-	-	341,812	-	45	-	341,857
Deferred tax liability	-	64,002	-	-	-	-	64,002
Derivative financial instruments	2,389	-	-	-	-	-	2,389
Total non-current liabilities	847,852	979,226	2,053,492	5,550	65,349	(142,335)	3,951,469
TOTAL LIABILITIES	2,412,260	1,184,678	3,338,401	36,279	352,287	(142,335)	7,181,570
NET ASSETS / (LIABILITIES)	26,152,353	242,967	60,680,173	84,289	(9,892)	(1,954)	87,147,936

* The names and purpose of each service group are summarised in Note 1(s).

Department of Transport
 Summary of compliance with financial directives
 for the year ended 30 June 2011

Parent	2011				2010			
	Recurrent Appropriation \$'000	Expenditure / Net Claim on Consolidated Fund \$'000	Capital Appropriation \$'000	Expenditure / Net Claim on Consolidated Fund \$'000	Recurrent Appropriation \$'000	Expenditure / Net Claim on Consolidated Fund \$'000	Capital Appropriation \$'000	Expenditure / Net Claim on Consolidated Fund \$'000
ORIGINAL BUDGET APPROPRIATION / EXPENDITURE								
• Appropriation Act	8,964,222	8,961,438	3,979	3,979	4,346,222	14,723	4,335,323	5,674
• Additional Appropriations	-	-	-	-	100,000	-	100,000	-
• s 26 PF&AA - Commonwealth specific purpose payments	8,964,222	8,961,438	3,979	3,979	2,485	-	2,485	-
					4,448,707	14,723	4,437,808	5,674
OTHER APPROPRIATIONS / EXPENDITURE								
• Treasurer's Advance	-	-	-	-	166,370	-	166,370	-
• Transfers to / from another agency (s45 of the Appropriation Act)	86,462	86,462	-	-	182,000	-	182,000	-
• Under expenditure on protected items	(507,262)	(507,262)	-	-	-	-	-	-
• Over expenditure on first year enchantments	54,617	54,616	-	-	-	-	-	-
	(366,183)	(366,184)	-	-	348,370	-	348,370	-
Total Appropriations / Expenditure / Net Claim on Consolidated Fund (includes transfer payments)	8,598,039	8,595,254	3,979	3,979	4,797,077	14,723	4,786,178	5,674
Amount drawn down against Appropriation		8,598,038		3,979			4,786,178	9,470
Liability to Consolidated Fund (Note 23)		(2,784)		-			-	(3,796)

The Summary of Compliance is based on the assumption that Consolidated Fund moneys are spent first (except where otherwise identified or prescribed). Liability to Consolidated Fund represents the difference between the "Amount Drawn Down against Appropriation" and the "Total Expenditure/Net Claim on Consolidated Fund".

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2011**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Department of Transport - Reporting entity*

Following the passing on 9 June 2010 of the *Transport Administration Amendment Act 2010*, the Department of Transport and Infrastructure changed its name to Transport NSW with effect from 1 July 2010. The agency's name "Transport NSW" was changed to Department of Transport as a result of the promulgation of the *Public Sector Employment and Management (Departments) Order 2011*. The changes to the *Transport Administration Amendment Act 2010* gave the Department of Transport, through the direction of the Director General, responsibility for a range of transport related functions covering the planning, procurement, delivery and coordination of transport services and infrastructure in NSW. Consistent with the Director General's power of direction it is considered that Department of Transport has control for the purposes of preparing consolidated financial statements for the following agencies and their special purpose entities or divisions:

- Rail Corporation
- Roads and Traffic Authority and its division
- Country Rail Infrastructure Authority
- Transport Construction Authority
- State Transit Authority and its divisions
- Sydney Ferries
- Public Transport Ticketing Corporation
- Sydney Metro

Accordingly the Department of Transport (the "parent entity") and the above entities (the "controlled entities") constitute the reporting entity in these consolidated financial statements in accordance with AASB 127 *Consolidated and Separate Financial Statements*.

All these entities are reporting entities that produce financial statements in their own right.

The parent entity and the controlled entities are generally not-for-profit entities as profit is not their principal objective and as more than 50% of their funding consists of consolidated fund allocations. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

The consolidated financial statements for the year ended 30 June 2011 were authorised for issue by the Director General on 20 October, 2011.

(b) *Principles of consolidation*

The consolidated financial statements comprise the financial statements of the parent entity and its controlled entities, after elimination of all inter-entities transactions and balances. The controlled entities are consolidated from 1 July 2010, the date the parent entity obtained control and until such time as control passes. Accordingly no comparative consolidated financial information is provided for the Reporting Entity for the 2009-10 financial year.

The financial statements of the controlled entities are prepared for the same reporting period as the parent entity, using generally consistent accounting practices. As a result no adjustments were required for any material dissimilar accounting policies.

(c) *Basis of preparation*

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and Regulation; and
- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer.

Property, plant and equipment, investment property, assets (or disposal groups) held for sale and financial assets at "fair value through profit or loss" and available for sale are measured at fair value. Other financial report items are prepared in accordance with the historical cost convention.

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

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2011**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) *Critical accounting estimates, judgements and assumptions*

In the application of accounting standards and the Financial Reporting Code for Budget Dependent General Government Sector Agencies (the Code), management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the current set of circumstances. Actual results may differ from these estimates.

Management evaluates these judgements, estimates and assumptions on an ongoing basis. Revisions to estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision effects both current and future periods.

Significant judgements, estimates and assumptions made by management in the preparation of the consolidated financial statements are outlined below:

Property, plant and equipment - Note 1 (o) (iii) and (vi), and Note 15.

Other assets note 1(o) and (xi) and note 17.

Employee benefits note 1(p) and (iii) and note 21.

Commitments - Rollingstock Public Private Partnership note 26.

(e) *Statement of compliance*

The consolidated and parent entity financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

Changes in presentation and classification

This is the first year that consolidated financial statements have been prepared for the reporting entity. Accordingly the presentation and classification of financial information in the Statement of Comprehensive Income of the parent entity were reviewed and in some instances changed in line with the disclosure accounting policies of the reporting entity. These changes resulted in the aggregation of some items in the Statement of Comprehensive Income and have been applied retrospectively. The change, however, does not impact on the surplus of the parent entity.

The reporting entity has sought the Treasurer's exemption from complying fully with the requirements of the Code. The reporting entity's submission to the Treasurer relates to the separate disclosure of maintenance expenses in the Statement of Comprehensive Income and liabilities for employees' benefits in the Statement of Financial Position on the basis of their materiality and greater transparency. The Treasurer has given the necessary approval to the reporting entity under S 45E of the *Public Finance and Audit Act 1983*.

(f) *Administered activities*

The reporting entity administers, but does not control, certain activities on behalf of the Crown Entity. It is accountable for the transactions relating to those administered activities but does not have the discretion, for example, to deploy the resources for the achievement of the reporting entity's own objectives.

Transactions and balances relating to the administered activities are not recognised as the reporting entity's income, expenses, assets and liabilities, but are disclosed in notes (31), (32) and (33).

The accrual basis of accounting and applicable accounting standards have been adopted for the reporting of the administered activities.

(g) *Employee related*

Employee related includes salaries, wages, leave entitlements, superannuation, workers' compensation insurance premium, payroll tax, fringe benefits tax and redundancies.

For further details on the recognition and measurement of employee related expenses refer to note 1(p)(iii).

Some employee-related expenses are included in the construction costs of certain non-physical assets and are, therefore, not included in employee related expenses.

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2011**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) *Other operating expenses and maintenance*

Other operating expenses generally represent the day-to-day running costs incurred in the normal operations of the reporting entity. The recognition and measurement policy for non-employee provision expenses is detailed below in note 1(p)(iv).

Maintenance costs relate principally to rail and road infrastructure systems and do not include employee-related expenses.

(i) *Grants and subsidies*

Grants and subsidies generally comprise contributions in cash or in kind to various local government authorities and not-for-profit community organisations. The contributions include transfers of roads and bridges, cash grants for road maintenance and the provision of transport services. The grants and subsidies are expensed on the transfer of the cash or assets. The transferred assets are measured at their fair value and transferred for nil consideration.

(j) *Borrowing costs*

Borrowing costs comprise mainly interest on borrowings, finance lease interest charges and the unwinding of discounts on non-employee provisions. In accordance with Treasury's Mandate for the not-for-profit general government sector agencies, borrowing costs are expensed and recognised in the Statement of Comprehensive Income in the period in which they are incurred. This also includes any borrowing costs that relate to qualifying assets.

(k) *Insurance*

The reporting entity arranges insurance cover through the NSW Treasury Managed Fund and private insurance companies. Some group entities hold a group self insurer's licence with Work Cover Authority to self insure workers' compensation. The cost of insurance is expensed in the period to which the insurance cover relates.

(l) *Other expenses including income tax expense*

Other expenses include payments to bus operators for the provision of bus services in the metropolitan, regional and rural areas of New South Wales. These payments are made at the end of the month for services provided in that month and are expensed as incurred.

(m) *Accounting for the Goods and Services Tax (GST) and Income Tax*

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

- the amount of GST incurred by the reporting entity as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

State Transit Authority (STA) is the only group for-profit entity that is subject to the National Tax Equivalent Regime under which it is required to pay taxation equivalent to the NSW Government.

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

The income tax expense for the year is \$2.478m and is included in other expenses (Note 2(g)).

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

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

(n) *Income recognition*

Income is recognised and measured at the fair value of the consideration or contribution received or receivable to the extent that it is probable that the economic benefits will flow to the reporting entity and the income can be reliably measured. The following specific criteria must also be met before income is recognised:

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2011**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) *Income recognition (cont'd)*

(i) Parliamentary appropriations and contributions

Parliamentary appropriations and contributions are generally recognised as income when the reporting entity obtains control over the assets comprising the appropriations/contributions. Control over appropriations/contributions is normally obtained upon the receipt of cash. At 30 June unspent appropriations are recognised as liabilities rather than income, as the authority to spend the money lapses and the unspent amount must be repaid to the Consolidated Fund. The liability is disclosed in note 23 as part of "Current liabilities - Other". The amount will be repaid and the liability will be extinguished next financial year. Any liability in respect of transfer payments is disclosed in Note 33 "Administered assets and liabilities".

(ii) Sale of goods and services

Revenue from the sale of goods is recognised as revenue when the reporting entity transfers the significant risks and rewards of ownership of the assets.

Revenue from the provision of services (including passenger transport services) is recognised as revenue when the service is provided or by reference to the stage of completion.

(iii) Investment revenue

Interest revenue on cash and cash equivalents is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*. Rental revenue is recognised in accordance with AASB 117 *Leases* on a straight-line basis over the lease term. Royalty revenue is recognised in accordance with AASB 118 *Revenue* on an accrual basis in accordance with the substance of the relevant agreement.

(iv) Retained taxes, fines and fees

Retained taxes, fines and fees are recognised when the cash is received.

(v) Grants and contributions receivable

Grants and contributions comprising mainly cash and in kind contributions are recognised as revenues when control passes to the reporting entity and the contractual obligations have been satisfied. In kind contributions (e.g. roads and bridges from local councils) are measured at fair value on transfer and recognised as property, plant and equipment (note 1(o)(ii)).

(vi) Other revenue

Other revenue comprises the value of the emerging rights to receive private sector provided infrastructure. The non-cash revenue is also recognised as an asset (note 1(o)(xxi)).

(o) *Assets*

(i) Property, plant and equipment

Property, plant and equipment comprise land and buildings, plant and equipment (rolling stock, buses, ferries and general plant and equipment) and infrastructure systems (rail and road infrastructure including related land and buildings).

(ii) Capitalisation and initial recognition

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the reporting entity in accordance with AASB 116 *Property, Plant and Equipment*. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted at an asset-specific rate.

The cost of assets constructed for own use includes the purchase cost, other directly attributable costs and the initial estimate of dismantling and restoration costs. Borrowing costs on qualifying assets are expensed as per note 1(j).

Generally property, plant and equipment and intangible assets with a greater value than \$5,000 are capitalised except for computer equipment which is normally capitalised irrespective of the \$5,000 threshold where it is considered to be part of a network of assets.

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2011**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) *Assets (cont'd)*

(iii) Valuation of property, plant and equipment

Subsequent to initial recognition, property, plant and equipment are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-1). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

Property, plant and equipment is measured on the basis of the fair value of its existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Market evidence is available and used for the following major items of property, plant and equipment:

- Land under roads valued at existing use, based on an en globo valuation approach or proxy such as open space land;
- Land under trackwork valued at existing use (adjacent land use values);
- Non-specialised land and buildings, which include commercial and general purpose buildings for which there is a secondary market.

Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The depreciated replacement cost is used to revalue specialised buildings (designed for a specific limited purpose), trackwork and rail infrastructure systems, road infrastructure systems, buses, ferries and certain plant and equipment. Depreciated replacement cost for these types of assets is based on the "incremental optimised replacement cost". Optimised replacement cost is the minimum cost, in the normal course of business, to replace the existing asset with a technologically modern equivalent asset with the same economic benefits, adjusting for any overdesign, overcapacity and redundant components. Incremental optimisation means that optimisation is limited to the extent that optimisation can occur in the normal course of business using commercially available technology.

Non-specialised assets such as computer and office equipment with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

(iv) Revaluation of property, plant and equipment

The entities in the group revalue each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. Revaluations are performed by independent and / or in-house professionally qualified valuers.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value. This is because any difference between fair value and depreciated historical cost is unlikely to be material.

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

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the surplus / deficit, the increment is recognised immediately as revenue in the surplus / deficit.

Revaluation decrements are recognised immediately as expenses in the surplus / deficit, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

As a not-for-profit reporting entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

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

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2011**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) *Assets (cont'd)*

(v) Impairment of property, plant and equipment

As a not-for-profit reporting entity with no cash generating units, the reporting entity is effectively exempted from AASB 136 *Impairment of Assets* and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

Notwithstanding the exemption, the reporting entity generally reviews the carrying values of major assets for objective evidence of impairment. Where such an indication exists, an estimate of the recoverable amount is made. An impairment loss is recognised in the Statement of Comprehensive Income when the carrying amount of an asset exceeds its recoverable amount unless the asset has been revalued in which case the impairment loss is treated as a revaluation decrease. When the impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(vi) Depreciation of property, plant and equipment

Except for certain heritage assets, depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the reporting entity.

All material separately identifiable components of assets are depreciated over their shorter useful lives. A component is accounted for separately if it has a useful life materially different from that of the prime asset and, therefore, requires separate replacement during the life of the prime asset; is material enough to justify separate tracking; and is capable of having a reliable value attributed to it. A dedicated spare part does not normally have a useful life of its own.

Certain heritage assets including original artworks and collections and heritage buildings may not have a limited useful life because appropriate curatorial and preservation policies are adopted. The decision not to recognise depreciation for these assets is reviewed annually.

Land is not a depreciable asset. Land and buildings which have been acquired for future transport infrastructure are not depreciated as these assets are not purchased to generate revenue and are ultimately demolished for transport infrastructure projects. The expected useful lives of property, plant and equipment for depreciation purposes are as follows:

Depreciation Rates	Useful Lives
Rail systems	10-100 years
Road systems	15-100 years
Rollingstock	32-35 years
Buildings	5-200 years
Buses	15-20 years
Ferries	15-40 years
Plant and equipment	3-30 years
Finance leased buses	15 years

The assets residual values, useful lives and depreciation methods are reviewed, and adjusted, if appropriate, at each financial year end.

(vii) Major inspection costs

When each major inspection is performed, the labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised.

(viii) Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability. If the effect of the time value of money is material, these costs are discounted at the appropriate market yields on government bonds.

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2011**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) *Assets (cont'd)*

(ix) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or a component of an asset, in which case the costs are capitalised and depreciated.

(x) Leased assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee 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 a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the commencement of the lease term. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Under the Metropolitan and Outer Metropolitan Bus System Contracts, payments to bus operators for the acquisition of new buses are considered to be in the nature of finance leases and are recognised in accordance with AASB 117 *Leases*.

The leased asset is amortised on a straight line basis or on a systematic basis over the term of the lease or, where it is likely that the reporting entity will obtain ownership of the asset, the useful life of the asset to the reporting entity.

Operating lease payments are charged to the Statement of Comprehensive Income in the periods in which they are incurred.

(xi) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset and are included in the Statement of Comprehensive Income.

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

(xii) Intangible assets

Intangible assets are recognised only if it is probable that future economic benefits will flow to the reporting entity and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost which includes the purchase price and any costs directly attributable to preparing the asset for its intended use. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the reporting entity's intangible assets, the assets are carried at cost less any accumulated amortisation.

The reporting entity's intangible assets comprise principally information technology systems which are amortised using the straight line method over periods ranging from 2 years to 10 years.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

(xiii) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and NSW Treasury Corporation short-term deposits. These deposits have an original maturity of three months or less, are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The NSW Treasury Corporation short-term deposits are designated at fair value through the profit and loss. The movement in the fair value of these deposits is reported as interest on bank balances and short term deposits under investment revenue.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2011**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) *Assets (cont'd)*

(xiv) Inventories

Generally inventories are held for distribution (consumed in the ordinary activities of the reporting entity) or for sale. Inventories held for distribution are valued at the lower of current replacement cost or cost; inventories held for sale are valued at the lower of cost and net realisable value. Costs are assigned to inventory using the weighted average, First-In-First-Out or specific identification methods depending on the nature of the inventory.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Current replacement cost is the cost the reporting entity would incur to acquire the asset.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(xv) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the surplus / (deficit) for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(xvi) Other financial assets

Other financial assets comprise receivables, loan to the Sydney Harbour Tunnel and promissory notes issued by the operators of private sector provided infrastructure assets. These assets are measured at amortised cost using the effective interest rate method.

(xvii) Investments

Investments are initially recognised at fair value plus, in the case of investments not at fair value through profit or loss, transaction costs. The reporting entity determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

- **Fair value through profit or loss** - The reporting entity subsequently measures investments classified as "held for trading" or designated upon initial recognition "at fair value through profit or loss" at fair value. Financial assets are classified as "held for trading" if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading (Note 12). Gains or losses on these assets are recognised in the surplus / (deficit) for the year.

The NSW TCorp Hour-Glass Investment Facilities are designated at fair value through profit or loss using the second leg of the fair value option i.e. these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the key management personnel.

The movement in the fair value of the NSW TCorp Hour-Glass Investment Facilities incorporates distributions received as well as unrealised movements in fair value and is reported in the line item investment revenue.

- **Held-to-maturity investments** - Non-derivative financial assets with fixed or determinable payments and fixed maturity that the reporting entity has the positive intention and ability to hold to maturity are classified as "held-to-maturity". These investments are measured at amortised cost using the effective interest method. Changes are recognised in the surplus / (deficit) for the year when impaired, derecognised or through the amortisation process.
- **Available-for-sale investments** - Any residual investments that do not fall into any other category are accounted for as available-for-sale investments and measured at fair value in other comprehensive income until disposed or impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is recognised in the surplus / (deficit) for the year. However, interest calculated using the effective interest method and dividends are recognised in the surplus / (deficit) for the year.

Purchases or sales of investments under contract that require delivery of the asset within the timeframe established by convention or regulation are recognised on the trade date, i.e. the date the reporting entity commits to purchase or sell the asset.

The fair value of investments that are traded at fair value in an active market is determined by reference to quoted current bid prices at the close of business on the Statement of Financial Position date.

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2011**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) *Assets (cont'd)*

(xviii) Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the reporting entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the surplus / (deficit) for the year.

When an available for sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the surplus / (deficit) for the year, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in the surplus / (deficit) for the year.

Any reversals of impairment losses are reversed through the surplus / (deficit) for the year, where there is objective evidence, except reversals of impairment losses on an investment in an equity instrument classified as available-for-sale must be made through the reserve. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

(xix) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the reporting entity transfers the financial asset:

- where substantially all the risks and rewards have been transferred; or
- where the reporting entity has not transferred substantially all the risks and rewards, if the reporting entity has not retained control.

Where the reporting entity has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the reporting entity's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(xx) Non-current assets (or disposal group) held for sale

Certain non-current assets (or disposal groups) are classified as held for sale, where their carrying amount will be recovered principally through a sale transaction, not through continuing use.

Non-current assets (or disposal groups) held for sale are recognised at the lower of carrying amount and fair value less costs to sell, in accordance with AASB 5 *Non-Current Assets held for Sale and Discontinued Operations*. These assets are not depreciated while they are classified as held for sale.

(xxi) Other assets - Private sector provided infrastructure

In these private sector provided infrastructure arrangements, the grantor (the reporting entity) gives the service concession in exchange for the right to receive the infrastructure from the operator (private sector entity) at the end of the concession period. The operator is required to design, finance and build the infrastructure and use it to provide services directly to the public during the concession period. The operator is permitted to charge the public for the services it provides. The service concession arrangement infrastructure is operator-controlled during the concession period and grantor-controlled thereafter.

In the absence of a specific Australian Accounting Standard, Treasury Policy and Guidelines Paper *Accounting for Privately Financed Projects* (TP 06-8) applies. This policy requires the reporting entity to initially determine the estimated written down replacement cost by reference to the project's historical cost escalated by a construction index and the system's estimated working life. The estimated written down replacement cost is then allocated on a systematic basis over the concession period using the annuity method and the government bond rate at the commencement of the project. During the concession period, the reporting entity recognises the annual value of the right to receive the infrastructure as an asset and as revenue (note 1(n)(vi)).

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2011**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) *Liabilities*

(i) Payables

These amounts represent liabilities for goods and services provided to the reporting entity and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(ii) Borrowings

Borrowings are not held for trading or designated at fair value through profit or loss. Borrowings are initially measured at the fair value of the consideration received. Any difference between the proceeds and the redemption amount (premium or discount) is recognised in surplus or deficit over the period of the borrowings using the effective interest method.

The finance lease liability is determined in accordance with AASB 117 *Leases*.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the reporting entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(iii) Employee benefits

Salaries and wages, annual leave, sick leave and on-costs

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 *Employee Benefits*. Market yields on government bonds are used to discount long-term annual leave.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

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

Long service leave and superannuation

A liability for long service leave is measured in accordance with AASB 119 *Employee Benefits* at the present value of future payments anticipated for the employee services that the reporting entity has taken on at the reporting date. An actuary calculates this using:

- expected future wage and salary levels;
- experience of employee departures; and
- periods of service.

Estimated future cash outflows are discounted using market yields at the reporting date that closely match the term of maturity of government bonds.

Apart from the parent entity, the controlled entities are responsible for funding their employees' accrued long service leave entitlements which are reported under employee benefits. However, in the case of the parent entity, the long service leave liabilities are assumed by the Crown Entity and accordingly are recognised in the Statement of Comprehensive Income as "Acceptance by the Crown Entity of employee benefits and other liabilities".

In the case of defined benefit plans (State Authorities Superannuation Scheme and State Superannuation Scheme), the unfunded superannuation liability is recognised in accordance with AASB 119 *Employee Benefits*. It is measured as the difference between the present value of members' accrued benefits (as determined by actuaries) at balance date and the estimated net market value of the superannuation schemes' assets at that date

For those group entities that are responsible for funding their accrued superannuation liabilities, superannuation expense recognised in the Statement of Comprehensive Income comprises:

- For defined contribution plans, the contribution payable for the period; and

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2011**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) *Liabilities (cont'd)*

(iii) Employee benefits (cont'd)

In the case of the parent entity, the superannuation expense recognised in the Statement of Comprehensive Income comprises

- For defined contribution plans, the contribution payable for the period; and
- For defined benefit plans, the superannuation expense is a multiple of the employees' superannuation contributions as specified in the Treasury Circular "Accounting for Superannuation" (TC 11/04).

The parent entity's defined benefit plan superannuation expense is assumed by the Crown. The parent entity accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities."

(iv) Other provisions

Other provisions exist when the reporting entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Any provisions for restructuring are recognised only when the reporting entity has a detailed formal plan and it has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

(q) *Equity and reserves*

(i) Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with the reporting entity's policy on the revaluation of property, plant and equipment as discussed in note 1(o)(iii).

(ii) Accumulated funds

The category accumulated funds includes all current and prior period retained funds.

(iii) Contributed equity

Contributed equity represents generally assets less liabilities transferred to the reporting entity by the NSW Government.

(iv) Reserves

Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or Australian Accounting Standards (e.g. hedging gains and losses).

(v) Equity transfers

Equity transfers represent the transfer of net assets between agencies as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector agencies and "equity appropriations". These equity transfers are designated or required by Accounting Standards to be treated as contributions by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB 1004 Contributions and Australian Interpretation 1038 Contributions by Owners made to Wholly-owned public Sector Entities.

Transfers arising from an administrative restructure involving not-for-profit and for-profit government departments are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the agency recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the agencies does not recognise that asset.

(r) *Budgeted amounts*

For the parent entity only the budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year and with any adjustments for the effects of additional appropriations, s 21A, s 24 and / or s 26 of the *Public Finance and Audit Act 1983*.

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2011**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) *Budgeted amounts (cont'd)*

For the parent entity only, the budgeted amounts in the Statements of Comprehensive Income and the Statement of Cash Flows are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However, in the Statement of Financial Position, the amounts vary from the NSW Budget Papers, as the opening balances of the budgeted amounts are based on carried forward actual amounts; i.e. per the audited financial statements (rather than carried forward estimates).

(s) *Disaggregation of financial information by main activities of the reporting entity*

In accordance with the Code the reporting entity has disaggregated expenses and revenue and assets and liabilities by its main activities. The reporting entity's main activities comprise:

Rail Services	- Rail Corporation - Country Rail Infrastructure Authority - Transport Construction Authority - Sydney Metro
Road Transport Services (mainly Bus Services)	- State Transit Authority - Department of Transport contributions for bus transport services in the Sydney metropolitan area and rural and regional areas
Roads and Traffic Services	- Roads and Traffic Authority
Ferry Services	- Sydney Ferries - Private ferries
Other Services	- Policy formulation, program and contract management and passenger transport compliance and regulation. (other than those activities that relate specifically to rail and bus services) - Public Transport Ticketing Corporation

The expenses, revenue, assets and liabilities were allocated to these major activities on an actual basis using the financial statements of the parent entity and its controlled entities.

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2011**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) *New Australian Accounting Standards issued but not effective*

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

Early adoption of new or revised Accounting Standards / Interpretation: Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the financial reporting period ended 30 June 2011. The group's assessment of the impact of these new standards and interpretations is set out below:

Standard	Summary of key requirements / changes	Applicable to annual reporting periods beginning on or after	Impact on Reporting Entity's Financial Statements
AASB 2009-11 Amendments to AASB 9 Financial Instruments and AASB2010-7 Amendments to AASB9 Financial Instruments	Amendments address the classification, measurement and derecognition of financial assets and liabilities and use a single approach to determine whether a financial asset is measured at amortised cost or fair value replacing the previous 4 classifications in AAS 139. Financial liabilities are measured at amortised cost or fair value through profit or loss.	1 January 2013	Preliminary assessment is that classification and measurement for cash and cash equivalents and most receivables currently held by the group are not likely to change under the new requirements.
AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from reduced disclosure requirements	Establishes a differential financial reporting framework: "Tier 1" entities are to be fully compliant with AAS whilst "Tier 2" entities have reduced disclosure requirements.	1 January 2013	No impact as NSW Treasury is expected to maintain current full compliance practice with AAS.
AASB 2009-14 Amendments to AASB 119 Employee Benefits	Contribution prepayments to defined benefits superannuation schemes to be recognised as an asset.	1 January 2011	Impact is insignificant.
AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AAS1, AASB 7, AASB 101, AASB 134 and Interpretation 13)	Key changes include: - Emphasis of AAS 7 (Financial Instruments) quantitative and qualitative disclosures to enable users to evaluate the entity's exposure to financial instruments risks. - Clarification of the content of changes in equity. - Guidance regarding disclosures of significant events and transactions.	1 January 2011	Impact is insignificant.
AASB 2010-5 Amendments to Australian Accounting Standards	This Standard makes numerous editorial amendments to AAS and Interpretations.	1 January 2011	Impact is insignificant.
AASB 1054 Australian Additional Disclosures	This Standards sets out the Australian specific disclosures for entities that have adopted Australian Accounting Standards. This standard contains disclosure requirements additional to IFRS	1 January 2011	Impact is insignificant.
AASB 2011-1 and AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project	The Standards delete Australian specific guidance or relocate it if it is still considered necessary in the Australian context as part of the Australian and new Zealand Harmonisation Project.	1 January 2011	Impact is insignificant.

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2011**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

New Australian Accounting Standards issued but not effective (cont'd)

The group has also reviewed the following accounting standards and interpretations and concluded that they are not applicable to the consolidated financial statements.

- AASB 2009-10 Amendments to AASB 132 Financial Instruments,
- AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets,
- AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets,
- AASB 2010-9 Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters,
- AASB 2010-10 Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters,
- Interpretation 19 Extinguishing Liabilities with Equity Instruments.

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2011**

2 EXPENSES EXCLUDING LOSSES

	Consolidated	Parent	
	2011 \$'000	2011 \$'000	2010 \$'000
(a) Employee related expenses			
Salaries and wages (including recreation leave)	2,027,383	47,690	33,505
Superannuation - defined benefit plans	16,855	1,036	1,048
Superannuation - defined contribution plans	127,791	2,684	2,059
Long service leave	65,504	1,486	1,429
Workers' compensation insurance	50,478	148	114
Payroll tax and fringe benefit tax	117,801	2,663	2,171
Redundancy Payments	5,906	-	115
Other	998	239	-
Skilled Hire Contractors	125,558	9,056	-
Fee for Personnel Services (see note below)	-	57,801	-
	<u>2,538,274</u>	<u>122,803</u>	<u>40,441</u>

Employee related costs of \$388m (parent entity: nil) have been capitalised in property, plant and equipment and intangible assets (computer systems) and are excluded from the above.

	Consolidated	Parent	
	2011 \$'000	2011 \$'000	2010 \$'000
(b) Other operating expenses include the following:			
Auditor's remuneration - audit of the financial reports	2,214	191	134
Bad and doubtful debts	149	-	-
Cashback Refund M4/M5	64,638	-	-
Communications	47,285	1,879	1,297
Consultancy costs	9,709	2,956	2,229
Contractors	165,295	62,679	23,593
Electricity and gas	78,196	397	164
Fleet hire & leasing charges including access fees	32,351	284	254
Fuel Costs	89,191	67	68
General expenses	123,912	7,993	5,963
Information technology (Computer expenses)	94,656	3,771	1,611
Insurance	46,790	509	522
Internal audit	424	71	37
Land and buildings remediation	5,684	-	-
Legal costs	22,076	3,363	2,062
Office expenses	62,285	9,348	3,259
Payments to councils and external bodies	31,425	-	-
Rental expense relating to operating leases	88,221	10,297	2,930
Security costs	39,218	2,589	2,382
Sydney Harbour Tunnel operating expenses	31,357	-	-
Taxes, rates and related charges	4,498	-	-
Travel	9,919	400	219
Tripartite agreement payment	11,820	-	-
Derecognition and write off of assets	3,224	-	-
Materials	3,902	-	-
	<u>1,068,439</u>	<u>106,794</u>	<u>46,724</u>

General expenses of \$124m includes bus services for rail replacement, public liability claims, merchant and bank fees, vehicles number plates and occupational health and safety expenses.

Assigned staff:

In the parent entity, salary and other operating expenses include the costs of assigned staff totalling \$70m for the various functions, which were transferred to the parent entity from the controlled entities during the 2010-11 financial year. This expenditure was recouped from the controlled entities for the provision of these functions.

These functions included shared services and transport management centre, strategic policy and co-ordination.

In accordance with note 1(b), transactions and balances relating to the transfer of these functions were eliminated in the preparation of the consolidated financial statements.

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2011**

2 EXPENSES EXCLUDING LOSSES (cont'd)

	Consolidated 2011 \$'000	2011 \$'000	Parent 2010 \$'000
(c) Maintenance			
Maintenance - general	30,208	626	1,503
Maintenance - buses and ferries	49,114	-	-
Maintenance - rail network	402,297	-	-
Maintenance - trains	329,040	-	-
Maintenance - road network	597,374	-	-
	<u>1,408,033</u>	<u>626</u>	<u>1,503</u>
<i>Reconciliation - Total maintenance</i>			
Maintenance expense - contracted labour and other (non-employee related), as above	1,408,033	626	1,503
Employee related maintenance expense included in Note 2(a)	513,675	-	-
Total maintenance expense included in Note 2(a) + 2(c)	<u>1,921,708</u>	<u>626</u>	<u>1,503</u>
	Consolidated 2011 \$'000	2011 \$'000	Parent 2010 \$'000
(d) Depreciation and amortisation expense			
Depreciation			
<i>Buildings:</i>			
Depreciation - Buildings	17,676	14	72
<i>Infrastructure systems:</i>			
Depreciation - Road systems	817,215	-	-
Depreciation - Rail systems	682,924	-	-
<i>Plant and equipment:</i>			
Depreciation - Plant and equipment	72,181	707	567
Depreciation - Rolling stock	186,036	-	-
Depreciation - Buses	34,743	-	-
Depreciation - Ferries	13,510	-	-
Total Depreciation	<u>1,824,285</u>	<u>721</u>	<u>639</u>
Amortisation			
Amortisation - Computer systems	41,877	2,437	3,482
Finance leased buses	20,452	38,180	25,267
	<u>1,886,614</u>	<u>41,338</u>	<u>29,388</u>
	Consolidated 2011 \$'000	2011 \$'000	Parent 2010 \$'000
(e) Grants and subsidies			
Taxi transport subsidy scheme	25,715	25,715	24,299
Community transport groups	51,414	51,414	47,470
Private vehicle conveyance	20,069	20,069	19,616
Rail Corporation	-	2,499,622	2,312,225
Country Rail Infrastructure Authority	-	173,608	174,987
Sydney Ferries	-	84,989	83,790
Carparks and interchanges	15,378	15,297	24,639
Transport Construction Authority	-	160,443	655,320
Sydney Metro	-	-	384,214
Roads and Traffic Authority	-	4,240,791	-
Public Transport Ticketing Corporation	-	-	15,109
Grants under road safety program	19,177	-	-
Grants to councils – maintenance for transport infrastructure	310,345	1,363	1,463
Grants to councils – transfer of roads and bridges	45,379	-	-
Other	9,822	13,135	2,215
	<u>497,299</u>	<u>7,286,446</u>	<u>3,745,347</u>

The parent entity paid grants and subsidies to various transport entities in 2010-11. These grants and subsidies appear in the parent entity column. However, these payments were eliminated on consolidation in accordance with Note 1(b).

The grant to the Transport Construction Authority includes funding for carparks and interchanges (\$101.4m in 2010-11; \$122.7m in 2009-10).

Department of Transport
Notes to the financial statements
for the year ended 30 June 2011

2 EXPENSES EXCLUDING LOSSES (cont'd)

	Consolidated	Parent	
	2011	2011	2010
	\$'000	\$'000	\$'000
(f) Finance costs			
Finance lease interest charges	97,470	55,508	39,420
Interest expense on NSW TCorp borrowings	72,054	-	-
Interest expense on non current provisions and liabilities (Note 22)	5,774	-	-
Debt guarantee	583	-	-
Finance costs - others	1,366	19	1
	<u>177,247</u>	<u>55,527</u>	<u>39,421</u>
(g) Other expenses			
Service costs – metropolitan and outer metropolitan bus operators	416,056	740,849	594,779
Major events - hire of bus and rail services	7,632	7,632	7,959
Service costs – rural and regional bus operators	353,401	353,401	350,455
Project costs expensed	43,207	-	-
Income tax expense (note 1(m))	2,478	-	-
	<u>822,774</u>	<u>1,101,882</u>	<u>953,193</u>

3 REVENUE

	Consolidated	Parent	
	2011	2011	2010
	\$'000	\$'000	\$'000
(a) Sale of goods and services			
Passenger service revenue	1,008,898	-	-
Toll revenue including E-Tag	138,641	-	-
Access fees	77,906	-	-
Number plates	86,626	-	-
Works and services including construction contract revenue	44,989	-	-
Third party insurance data access charges	16,769	-	-
Advertising	44,706	-	-
Publications	7,108	-	-
Fees for services rendered including salary recoup	29,738	73,855	4,369
Others	140,862	6,317	5,996
	<u>1,596,243</u>	<u>80,172</u>	<u>10,365</u>

Other revenue of \$141m includes vehicle related fees, commissions, tours, catering, leases, sale of scrap and sale of products.

	Consolidated	Parent	
	2011	2011	2010
	\$'000	\$'000	\$'000
(b) Investment revenue			
Rents	61,854	370	-
Interest on bank and short-term deposits with NSW TCorp	65,570	5,689	3,820
	<u>127,424</u>	<u>6,059</u>	<u>3,820</u>
(c) Retained taxes, fees and fines			
Taxi operators accreditation renewal fees	2,160	2,160	1,991
Fines	18,429	-	-
	<u>20,589</u>	<u>2,160</u>	<u>1,991</u>

The reporting entity collects taxi operators' accreditation fees which can only be used to fund taxi industry related operations and initiatives.

Department of Transport
Notes to the financial statements
for the year ended 30 June 2011

3 REVENUE (cont'd)

	Consolidated	Parent	
	2011	2011	2010
	\$'000	\$'000	\$'000
(d) Grants and contributions			
Community transport grants	48,601	48,601	42,091
Integrated transport information service	-	-	4,182
NSW Government agencies - others (Non-transport)	20,858	-	796
Private firms and individuals	12,343	-	-
Transport entities	-	32,122	7,093
Local councils	103,599	-	-
Other government agencies - inter-state and Commonwealth Government	3,067	-	-
	<u>188,468</u>	<u>80,723</u>	<u>54,162</u>

Community transport grants of \$49m represent grants received from the Department of Ageing, Disability and Home Care for the Community Transport Group funding scheme.

Local councils grants of \$104m include roads and bridges transferred (fair value - \$98m) to the reporting entity.

	Consolidated	Parent	
	2011	2011	2010
	\$'000	\$'000	\$'000
(e) Other revenue			
Value of emerging interests of Private Sector Provided Infrastructure (Note 17)	142,449	-	3,613
Amortisation of deferred revenue on Private Sector Provided Infrastructure	12,179	-	-
M2 and Eastern Distributor promissory notes	1,489	-	-
Value of emerging interests in Sydney Harbour Tunnel Loan	6,645	-	-
	<u>162,762</u>	<u>-</u>	<u>3,613</u>

4 GAIN ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	Consolidated	Parent	
	2011	2011	2010
	\$'000	\$'000	\$'000
Proceeds from disposal including credit sales	47,712	-	-
Written down value of assets disposed	(41,795)	-	-
Net gain on disposal of plant and equipment	<u>5,917</u>	<u>-</u>	<u>-</u>

5 OTHER GAINS / (LOSSES)

	Consolidated	Parent	
	2011	2011	2010
	\$'000	\$'000	\$'000
Property, plant and equipment			
Revaluation decrement	(13,272)	(500)	-
Impairment	(513)	-	-
Write offs	(230,401)	-	(10)
	<u>(244,186)</u>	<u>(500)</u>	<u>(10)</u>
Receivables			
Decrease in allowance recognised in surplus or deficit (Note 10)	1,279	-	-
Write offs	(188)	-	-
	<u>1,091</u>	<u>-</u>	<u>-</u>
Losses on sale of units (NSW TCorp - short term deposits)			
	(142)	-	-
	<u>(142)</u>	<u>-</u>	<u>-</u>
	<u>(243,237)</u>	<u>(500)</u>	<u>(10)</u>

6 CONDITIONS ON CONTRIBUTIONS

The reporting entity collects taxi operators' accreditation fees and receives grants and contributions whose usage is restricted by requirements of the grantors. The reporting entity has complied in full with the externally-imposed requirements in the year under review.

**Department of Transport
Notes to the financial statements
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7 APPROPRIATIONS

	Consolidated 2011 \$'000	Parent 2011 \$'000	2010 \$'000
Recurrent appropriations			
Recurrent appropriations (per Statement of Comprehensive Income) (Per Summary of Compliance with Financial Directives)	8,598,038	8,598,038	4,786,178
Less: Liability to Consolidated Fund (Per Summary of Compliance with Financial Directives)	<u>2,784</u>	<u>2,784</u>	<u>-</u>
Recurrent appropriations (Per Statement of Comprehensive Income)	<u>8,595,254</u>	<u>8,595,254</u>	<u>4,786,178</u>
Capital appropriations			
Capital appropriations (per Statement of Comprehensive Income) (Per Summary of Compliance with Financial Directives)	3,979	3,979	9,470
Less: Liability to Consolidated Fund (Per Summary of Compliance with Financial Directives)	<u>-</u>	<u>-</u>	<u>3,796</u>
Capital appropriations (Per Statement of Comprehensive Income)	<u>3,979</u>	<u>3,979</u>	<u>5,674</u>

8 ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE BENEFITS AND OTHER LIABILITIES

	Consolidated 2011 \$'000	Parent 2011 \$'000	2010 \$'000
Superannuation - defined benefit	1,780	1,036	1,048
Long service leave	1,486	1,486	1,429
Payroll tax	<u>57</u>	<u>57</u>	<u>60</u>
	<u>3,323</u>	<u>2,579</u>	<u>2,537</u>

9 CASH AND CASH EQUIVALENTS

	Consolidated 2011 \$'000	Parent 2011 \$'000	2010 \$'000
Cash at bank and on hand	101,562	70,118	19,542
Short-term deposits with NSW TCorp	917,963	-	-
Public revenue bank account	29,454	-	-
Security deposits	<u>57,149</u>	<u>-</u>	<u>-</u>
	<u>1,106,128</u>	<u>70,118</u>	<u>19,542</u>

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand, short term deposits with NSW TCorp (with a maturity of less than 90 days).

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

	Consolidated 2011 \$'000	Parent 2011 \$'000	2010 \$'000
Cash and cash equivalents (per Statement of Financial Position)	<u>1,106,128</u>	<u>70,118</u>	<u>19,542</u>
Closing cash and cash equivalents (per Statement of Cash Flows)	<u>1,106,128</u>	<u>70,118</u>	<u>19,542</u>

Refer Note 35 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

Credit standby arrangements and loan facilities with NSW TCorp

Details of credit standby arrangements available to and used by the reporting entity are provided under Financial Instruments (Note 35(c)).

**Department of Transport
Notes to the financial statements
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9 CASH AND CASH EQUIVALENTS (cont'd)

Restricted cash and cash equivalents

Cash and cash equivalent assets include restricted cash of \$33m (parent entity: \$33m) which can only be used for specific purposes and are, therefore, not available to fund the ongoing operations of the reporting entity.

10 RECEIVABLES

	Consolidated 2011 \$'000	2011 \$'000	Parent 2010 \$'000
Current Receivables			
Sale of goods and services	64,262	14,792	7,508
Retained taxes, fees and fines	7,757	-	-
Goods and Services Tax recoverable	102,444	9,623	7,732
Prepayments	25,513	-	42
Income receivable	122,310	97,581	15,263
Other debtors	27,899	2	-
Investment income receivable	3,222	2,957	2,454
Finance leases	604	-	-
	<u>354,011</u>	<u>124,955</u>	<u>32,999</u>
Less: Allowance for impairment	6,143	26	26
	<u>347,868</u>	<u>124,929</u>	<u>32,973</u>

	Consolidated 2011 \$'000	2011 \$'000	Parent 2010 \$'000
Movement in the allowance for impairment:			
Balance at 1 July	7,585	26	26
Decrease in allowance recognised in surplus or deficit (Note 5)	(1,279)	-	-
Others	(163)	-	-
Balance at 30 June	<u>6,143</u>	<u>26</u>	<u>26</u>

	Consolidated 2011 \$'000	2011 \$'000	Parent 2010 \$'000
Non-current Receivables			
Finance lease receivable	28,599	-	-
Other receivables	16,434	-	-
	<u>45,033</u>	<u>-</u>	<u>-</u>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 35.

11 INVENTORIES

	Consolidated 2011 \$'000	2011 \$'000	Parent 2010 \$'000
Current Inventories			
Materials, spare parts and other stores	68,147	-	-
Work in progress	800	-	-
Less: Provision for obsolescence	(4,996)	-	-
	<u>63,951</u>	<u>-</u>	<u>-</u>
Non-current Inventories			
Materials, spare parts and other stores	28,878	-	-
	<u>28,878</u>	<u>-</u>	<u>-</u>

Department of Transport
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12 DERIVATIVE FINANCIAL INSTRUMENTS - ASSETS

	Consolidated	Parent	
	2011	2011	2010
	\$'000	\$'000	\$'000
Current Derivative financial instruments			
Derivative financial instruments	<u>3,743</u>	-	-
	<u>3,743</u>	-	-
Non-current Derivative financial instruments			
Derivative financial instruments	<u>992</u>	-	-
	<u>992</u>	-	-

Railcorp is the only group entity that uses derivative financial instruments. The activity is carried in accordance with Railcorp Treasury Management Policy which establishes a prudential framework covering policies, best practice, internal controls and reporting systems for the management of financial risk within Railcorp's operations. The policy covers specific areas such as foreign exchange risk, interest rate risks, commodity risk, credit risk, use of derivative financial instruments and investment of excess funds.

The Railcorp Treasury Management Policy was approved by the former board of the entity. This Policy complies strictly with the internal policies and guidelines within the broad framework of the NSW "Treasury Management Policy" (TPP07-7). Accounting for Treasury instruments is in accordance with NSW Treasury Accounting Policy, "Accounting for Financial Instruments" (TPP08-1). Treasury instruments approved for the management of financial risk are in accordance with the Public Authorities (Financial Arrangements) Act 1987.

Derivative financial instruments are used to hedge against exposures to foreign currency risk on overseas purchase commitments and on commodity price risk on forecast distillate and electricity purchases (where applicable).

Forward foreign exchange contracts are used to hedge against currency risk on firm commitments for the purchase of goods or services from overseas suppliers. These contracts entail a right to receive a fixed amount of foreign currency at a specified future date, which is offset by an obligation to pay a fixed amount of domestic currency at that time.

13 NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE

	Consolidated	Parent	
	2011	2011	2010
	\$'000	\$'000	\$'000
Non-current Assets held for sale			
Land and buildings held for sale	50,941	-	-
Plant and equipment held for sale	1,329	-	-
Buses held for sale	<u>456</u>	-	-
	<u>52,726</u>	-	-

The assets held for sale relate to property, plant and equipment that have been determined as being surplus to needs. In such case sales are expected to be realised within the next reporting period.

14 OTHER FINANCIAL ASSETS

	Consolidated	Parent	
	2011	2011	2010
	\$'000	\$'000	\$'000
Non-current Other financial assets			
Interest free advances to taxi operators	585	585	363
Loan to Sydney Harbour Tunnel Company	104,431	-	-
Promissory Notes	<u>16,988</u>	-	-
	<u>122,004</u>	<u>585</u>	<u>363</u>

Refer to Note 35 for further information regarding credit risk, liquidity risk, and market risk arising from financial instruments.

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Notes to the financial statements
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15 PROPERTY, PLANT AND EQUIPMENT

Consolidated

	Infrastructure Systems				Plant and Equipment					Total Property, plant and equipment \$'000	
	Land and buildings \$'000	Road systems \$'000	Rail systems \$'000	Total \$'000	Plant and equipment \$'000	Finance leased buses \$'000	Rolling stock \$'000	Buses \$'000	Ferries \$'000		Total \$'000
At 30 June 2011 - fair value											
At cost	-	-	-	-	-	529,709	-	-	-	-	529,709
Accumulated amortisation and impairment	-	-	-	-	-	(49,912)	-	-	-	-	(49,912)
At fair value	3,763,738	79,045,328	38,532,090	117,577,418	998,421	-	6,991,749	1,077,163	231,391	9,298,724	130,639,880
Accumulated depreciation and impairment	(116,946)	(19,799,603)	(14,260,346)	(34,059,949)	(525,315)	-	(4,324,386)	(512,053)	(175,776)	(5,537,530)	(39,714,425)
Net carrying amount	<u>3,646,792</u>	<u>59,245,725</u>	<u>24,271,744</u>	<u>83,517,469</u>	<u>473,106</u>	<u>479,797</u>	<u>2,667,363</u>	<u>565,110</u>	<u>55,615</u>	<u>4,240,991</u>	<u>91,405,252</u>

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15 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Consolidated - reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.

	Infrastructure Systems					Plant and Equipment					Total Property, plant and equipment \$'000	
	Land and buildings \$'000	Road systems \$'000	Rail systems \$'000	Total \$'000	Plant and equipment \$'000	Finance leased buses \$'000	Rolling stock \$'000	Buses \$'000	Ferries \$'000	Total \$'000		
Year ended 30 June 2011												
Net carrying amount at beginning of the year	3,439,893	58,225,145	18,925,562	77,150,707	470,707	368,015	2,647,476	465,845	58,115	4,010,158	84,600,758	
Additions	225,356	2,349,963	1,545,169	3,895,132	82,596	132,234	205,923	137,042	12,339	570,134	4,690,622	
Transfers to and from owners (Note 34)	(30,596)	193,780	42,084	235,864	-	-	-	-	-	-	205,268	
Roads and bridges transferred to and from local councils (Notes 2(e) and 3(d))	-	52,926	-	52,926	-	-	-	-	-	-	52,926	
Net revaluation increment less revaluation decrements *	96,014	(697,130)	4,609,492	3,912,362	(127)	-	-	(2,012)	-	(2,139)	4,006,237	
Disposals	(36,525)	(96,346)	(120,641)	(216,987)	(23,392)	-	-	(746)	(1,329)	(25,467)	(278,979)	
Assets held for sale	4,995	-	(5,698)	(5,698)	(817)	-	-	(276)	-	(1,093)	(1,796)	
Reclassification and transfers to intangible assets (Note 16)	(34,669)	34,602	(41,300)	(6,698)	16,320	-	-	-	-	16,320	(25,047)	
Depreciation and amortisation expense (Note 2(d))	(17,676)	(817,215)	(682,924)	(1,500,139)	(72,181)	(20,452)	(186,036)	(34,743)	(13,510)	(326,922)	(1,844,737)	
Net carrying amount at end of year	<u>3,646,792</u>	<u>59,245,725</u>	<u>24,271,744</u>	<u>83,517,469</u>	<u>473,106</u>	<u>479,797</u>	<u>2,667,363</u>	<u>565,110</u>	<u>55,615</u>	<u>4,240,991</u>	<u>91,405,452</u>	

* Net revaluation is recognised in both the surplus / (deficit) and the other comprehensive income.

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15 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Infrastructure Systems			Plant and Equipment			Total Property, plant and equipment \$'000
	Land and buildings \$'000	Rail systems \$'000	Total \$'000	Plant and equipment \$'000	Finance leased buses \$'000	Total \$'000	
Parent							
At 1 July 2010							
At cost	-	-	-	-	676,134	676,134	676,134
Accumulated amortisation and impairment	-	-	-	-	(54,063)	(54,063)	(54,063)
At fair value	3,756	1,479	1,479	4,017	-	4,017	9,252
Accumulated depreciation and impairment	(3,557)	-	-	(2,323)	-	(2,323)	(5,880)
Net carrying amount	199	1,479	1,479	1,694	622,071	623,765	625,443
At 30 June 2011							
At cost	-	-	-	-	974,053	974,053	974,053
Accumulated amortisation and impairment	-	-	-	-	(92,243)	(92,243)	(92,243)
At fair value	59,177	38,398	38,398	5,651	-	5,651	103,226
Accumulated depreciation and impairment	(3,571)	-	-	(3,091)	-	(3,091)	(6,662)
Net carrying amount	55,606	38,398	38,398	2,560	881,810	884,370	978,374

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15 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Parent - reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.

	Infrastructure Systems			Plant and Equipment			Total Property, plant and equipment \$'000
	Land and buildings \$'000	Rail systems \$'000	Total \$'000	Plant and equipment \$'000	Finance leased buses \$'000	Total \$'000	
Year ended 30 June 2011							
Net carrying amount at beginning of the year	199	1,479	1,479	1,694	622,071	623,765	625,443
Additions	949	36,919	36,919	1,056	297,919	298,975	336,843
Acquisitions through administrative restructures	54,972	-	-	517	-	517	55,489
Revaluation decrements	(500)	-	-	-	-	-	(500)
Depreciation / amortisation expense (Note 2(d))	(14)	-	-	(707)	(38,180)	(38,887)	(38,901)
Net carrying amount at end of year	55,006	36,398	36,398	2,560	881,810	884,370	978,374
Year ended 30 June 2010							
Net carrying amount at start of year	89	-	-	1,624	418,338	419,962	420,051
Additions	182	1,479	1,479	647	229,000	229,647	231,308
Disposals	-	-	-	(10)	-	(10)	(10)
Depreciation / amortisation expense	(72)	-	-	(567)	(25,267)	(25,834)	(25,906)
Net carrying amount at end of year	199	1,479	1,479	1,694	622,071	623,765	625,443

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16 INTANGIBLE ASSETS

	Consolidated	Parent	
	2011	2011	2010
	\$'000	\$'000	\$'000
Intangible assets - computer systems			
Cost (gross carrying amount)	585,993	34,901	25,259
Accumulated amortisation and impairment	<u>(275,567)</u>	<u>(16,963)</u>	<u>(14,526)</u>
Net carrying amount at fair value	<u>310,426</u>	<u>17,938</u>	<u>10,733</u>
Net carrying amount at beginning of the year	214,792	10,733	10,612
Additions	115,639	9,642	3,603
Reclassifications from plant and equipment (Note 15)	25,047	-	-
Amortisation expense (Note 2(d))	(41,877)	(2,437)	(3,482)
Disposals and write offs	<u>(3,175)</u>	<u>-</u>	<u>-</u>
Net carrying amount at end of year	<u>310,426</u>	<u>17,938</u>	<u>10,733</u>

17 OTHER ASSETS

	Consolidated	Parent	
	2011	2011	2010
	\$'000	\$'000	\$'000
Non-current Other Assets			
Right to receive privately financed transport infrastructure (see below for movements)	733,439	32,707	32,707
Milestone advances under rollingstock Public Private Partnerships (PPP) contract	<u>34,487</u>	<u>-</u>	<u>-</u>
	<u>767,926</u>	<u>32,707</u>	<u>32,707</u>
Movement in right to receive privately financed transport infrastructure			
Net carrying amount at beginning of the year	590,990	32,707	29,094
Period increment - emerging right to receive (Note 3(e))	<u>142,449</u>	<u>-</u>	<u>3,613</u>
Net carrying amount at end of year	<u>733,439</u>	<u>32,707</u>	<u>32,707</u>

In June 2011 the parent entity reviewed the model used to value the right to receive privately financed transport infrastructure. This review which was conducted by an independent accounting firm, recommended improvements to the methodology model.

Under these improvements, the value of the right to receive was estimated at approximately \$33m as at 30 June 2011 with the result that no emerging right was recognised in the Statement of Comprehensive Income for 2010-11.

18 DEFERRED TAX ASSET

	Consolidated	Parent	
	2011	2011	2010
	\$'000	\$'000	\$'000
Non-current Deferred tax asset			
Deferred tax asset (Note 1(m))	<u>74,579</u>	<u>-</u>	<u>-</u>
	<u>74,579</u>	<u>-</u>	<u>-</u>

19 PAYABLES

	Consolidated	Parent	
	2011	2011	2010
	\$'000	\$'000	\$'000
Current payables			
Accrued salaries, wages and on-costs	66,517	3,587	682
Trade Creditors	282,834	4,601	2,039
Interest	40,641	-	-
Accruals	941,626	150,214	24,789
Other creditors	<u>63,391</u>	<u>-</u>	<u>-</u>
	<u>1,395,009</u>	<u>158,402</u>	<u>27,510</u>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 35.

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20 BORROWINGS

	Consolidated	Parent	
	2011	2011	2010
	\$'000	\$'000	\$'000
Current Borrowings			
Secured			
NSW Treasury advances repayable	1,898	-	-
NSW TCorp borrowings	510,854	-	-
NSW TCorp - Come and Go Overdraft Facility	138,148	-	-
Finance leases (Note 26)	61,392	44,942	30,321
Other loans and deposits	396	-	-
	<u>712,688</u>	<u>44,942</u>	<u>30,321</u>
Non-current Borrowings			
Secured			
NSW Treasury advances repayable	8,348	-	-
NSW TCorp borrowings	968,242	-	-
Finance leases (Note 26)	1,299,025	836,869	591,750
Other loans and deposits	832	-	-
	<u>2,276,447</u>	<u>836,869</u>	<u>591,750</u>
Repayment of Borrowings			
	Consolidated	Parent	
	2011	2011	2010
	\$'000	\$'000	\$'000
Not later than one year	712,688	44,942	30,321
Between one and five years	1,093,342	214,569	144,939
Later than five years	1,183,105	622,300	446,811
Total borrowings at face value	<u>2,989,135</u>	<u>881,811</u>	<u>622,071</u>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 35.

21 EMPLOYEE BENEFITS

	Consolidated	Parent	
	2011	2011	2010
	\$'000	\$'000	\$'000
Current Employee benefits			
Recreation leave	286,001	5,648	3,616
Long service leave	534,524	-	(89)
Workers compensation insurance	24,162	105	170
Payroll tax	3,458	689	482
Fringe benefits tax	66	36	29
Public holidays	21,696	-	-
Superannuation	11,154	118	87
Severance payments/redundancies	127	-	-
	<u>881,188</u>	<u>6,596</u>	<u>4,295</u>
Non-current Employee benefits			
Long service leave	47,777	-	-
Payroll tax	1	-	-
Workers compensation insurance	111,856	-	-
Superannuation	1,028,969	-	-
	<u>1,188,603</u>	<u>-</u>	<u>-</u>

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21 EMPLOYEE BENEFITS (cont'd)

Superannuation overview

Employer contributions are made to three defined-benefit superannuation schemes administered by the SAS Trustee Corporation (STC): The State Authorities Superannuation Scheme (SASS), the State Authorities Non-Contributory Superannuation Scheme (SANCSS) and the State Superannuation Scheme (SSS), which together form the Pooled Fund. Each scheme is closed to new members and its investments are held in trust by the Pooled Fund. At least a component of the final benefit is derived from a multiple of members' salary and years of membership. All Fund assets are invested by SAS Trustee Corporation at arm's length through independent fund managers.

An under funded scheme is recognised as a provision and an overfunded scheme is recognised as an asset. Details of both provisions and assets are given below.

• **Recognised liability or asset at reporting date comprised the following:**

Year ended 30 June 2011	SASS \$'000	SANCSS \$'000	SSS \$'000	Minor superannuation \$'000	Total \$'000
Accrued liability	2,343,515	274,856	1,075,429	226	3,694,026
Estimated reserve account balance	<u>(1,859,529)</u>	<u>(219,281)</u>	<u>(575,093)</u>	-	<u>(2,653,903)</u>
Under funded schemes at the end of the year	483,986	55,575	500,336	226	1,040,123
Future service liability	(166,801)	(85,451)	(30,861)	-	(283,113)

Note (a) The Future Service Liability (FSL) does not have to be recognised by an employer. It is only used to determine if an asset ceiling limit should be imposed. Any prepaid superannuation asset recognised cannot exceed the total of any unrecognised past service cost and the present value of any economic benefits that may be available in the form of refunds from the plan or reductions in future contributions to the plan. Where the "surplus in excess of recovery" is zero, no asset ceiling limit is imposed.

Year ended 30 June 2011	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Contributors	6,197	6,655	458	13,310
Deferred benefits	-	-	60	60
Pensioners	441	-	1,111	1,552
Pensions fully commuted	-	-	507	507
	<u>6,638</u>	<u>6,655</u>	<u>2,136</u>	<u>15,429</u>

• **Reconciliation of the present value of the defined benefit obligation**

Year ended 30 June 2011	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Present value of defined benefit obligations at the beginning of the year	2,279,466	267,508	1,059,710	3,606,684
Current service costs	37,078	11,880	5,415	54,373
Interest cost	113,312	13,135	53,806	180,253
Contributions by Fund participants	25,439	-	6,888	32,327
Actuarial losses / (gains)	38,349	(5,861)	(6,223)	26,265
Benefits paid	<u>(150,129)</u>	<u>(11,806)</u>	<u>(44,167)</u>	<u>(206,102)</u>
Present value of defined benefit obligations at the end of the year	2,343,515	274,856	1,075,429	3,693,800

Year ended 30 June 2011	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Fair value of Fund assets at the beginning of the year	1,818,810	208,893	566,067	2,593,770
Expected return on Fund assets	149,517	17,013	47,099	213,629
Actuarial (gains) / losses	(203)	149	(1,391)	(1,445)
Employer contributions	16,095	5,032	597	21,724
Contributions by Fund participants	25,439	-	6,888	32,327
Benefits paid	<u>(150,129)</u>	<u>(11,806)</u>	<u>(44,167)</u>	<u>(206,102)</u>
Fair value of Fund assets at the end of the year	1,859,529	219,281	575,093	2,653,903

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21 EMPLOYEE BENEFITS (cont'd)

• **Reconciliation of the assets and liabilities recognised in the Statement of Financial Position**

Year ended 30 June 2011	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Fair value of partly funded defined benefit obligations at the end of year	2,343,515	274,856	1,075,429	3,693,800
Fair value of Fund assets at the end of the year	<u>(1,859,529)</u>	<u>(219,281)</u>	<u>(575,093)</u>	<u>(2,653,903)</u>
Net Liability recognised in the Statement of Financial Position at end of year	<u>483,986</u>	<u>55,575</u>	<u>500,336</u>	<u>1,039,897</u>

• **Expense recognised in the Statement of Comprehensive Income**

Year ended 30 June 2011	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Components recognised as expenses				
Current service costs	37,078	11,880	5,415	54,373
Interest cost	113,312	13,135	53,806	180,253
Expected return on Fund assets (net expenses)	<u>(149,517)</u>	<u>(17,013)</u>	<u>(47,099)</u>	<u>(213,629)</u>
Superannuation expense for the year	<u>873</u>	<u>8,002</u>	<u>12,122</u>	<u>20,997</u>

The superannuation expense of \$17m in Note 2(a) comprises the expense of \$21m as per this table, the parent entity's superannuation expense of \$1m less capitalised superannuation of approximately \$5m.

• **Amount recognised in Other Comprehensive Income**

Year ended 30 June 2011	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Actuarial losses / (gains) recognised in the year	38,551	(6,009)	(4,865)	27,677
Adjustment for limit on net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cumulative amount of actuarial losses / (gains)	<u>38,551</u>	<u>(6,009)</u>	<u>(4,865)</u>	<u>27,677</u>

	2011 %
Australian equities	33
Overseas equities	30
Australian fixed interest securities	6
Overseas fixed interest securities	3
Property	10
Cash	5
Other	<u>13</u>
	<u>100</u>

• **Fair value of Fund Assets**

All Fund assets are invested by SAS Trustee Corporation (STC) at arm's length through independent fund managers.

• **Expected rate of return on assets**

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

Year ended 30 June 2011	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Actual return on Fund assets	<u>151,698</u>	<u>17,161</u>	<u>46,881</u>	<u>215,740</u>
	<u>151,698</u>	<u>17,161</u>	<u>46,881</u>	<u>215,740</u>

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21 EMPLOYEE BENEFITS (cont'd)

• **Valuation method and principal actuarial assumptions at the Statement of Financial Position date**

(a) **Valuation method**

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

(b) **Economic assumptions**

	2011 % p.a.
Salary increase rate (excluding promotional increases)	4
Rate of CPI increase	3
Expected rate of return on assets	9
Discount rate	5

(c) **Demographic assumptions**

The demographic assumptions at 30 June 2011 are those that were used in the 2009 triennial actuarial valuation. The triennial review report is available from the NSW Treasury website.

• **Funding arrangements for employer contributions**

(a) **Deficit**

The following is a summary of the financial position of the Fund calculated in accordance with AASB 25.

Year ended 30 June 2011	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Accrued benefits	2,094,096	249,547	772,168	3,115,811
Net market value of Fund assets	<u>(1,859,529)</u>	<u>(219,281)</u>	<u>(575,093)</u>	<u>(2,653,903)</u>
Net deficit	<u>234,567</u>	<u>30,266</u>	<u>197,075</u>	<u>461,908</u>

(b) **Contributions recommendations**

Year ended 30 June 2011

	SASS % p.a.	SANCSS % p.a.	SSS % p.a.
Recommended contributions rates for the reporting entity were:	<u>9</u>	<u>9</u>	<u>9</u>
	<u>9</u>	<u>9</u>	<u>9</u>

(c) **Funding method**

The method used to determine the employer contribution recommendations at the last actuarial review was the Aggregate Funding method, the employer contribution rate is determined so that sufficient assets will be available to meet benefit payments to existing members, taking into account the current value of assets and future contributions.

(d) **Economic assumptions**

	2011 % p.a.
Weighted average assumptions adopted for the last actuarial review	
Expected rate of return on Fund assets backing current pension liabilities	8
Expected rate of return on Fund assets backing other liabilities	7
Expected salary increase rate	4
Expected rate of CPI increase	3

• **Nature of asset / liability**

If a surplus exists in the employer's interest in the Fund, the employer may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the Fund's actuary.

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

Department of Transport
Notes to the financial statements
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21 EMPLOYEE BENEFITS (cont'd)

• **Historical Information**

As this is the first year that consolidated financial statements have been prepared for the reporting entity, no historical information on superannuation has been provided.

22 OTHER PROVISIONS

	Consolidated	Parent	
	2011 \$'000	2011 \$'000	2010 \$'000
Current Other provisions			
Airport Line asset replacement	719	-	-
Ballast disposal	14,562	-	-
Land and buildings remediation	15,131	-	-
Land tax and related charges	511	-	-
Lease make good costs	3,522	-	-
Legal and related claims	12,660	-	-
Property reimbursement claims	600	-	-
Provision for marine damage claims	23	-	-
Provision for marine hull damage	214	-	-
Provision for public liability claims	4,751	-	-
Other	7,962	-	-
	<u>60,655</u>	<u>-</u>	<u>-</u>
Non-current Other provisions			
Airport Line asset replacement	7,955	-	-
Land and buildings remediation	49,207	-	-
Legal and related claims	-	-	-
Lease make good costs	12,646	-	-
Provision for marine damage claims	23	-	-
Provision for marine hull damage	54	-	-
Provision for public liability claims	4,052	-	-
Other	4,234	-	-
	<u>78,171</u>	<u>-</u>	<u>-</u>

Movements in other provisions

Movements in each class of provision during the financial year, other than employee benefits are set out below:

	Airport Line asset replacement \$'000	Ballast disposal \$'000	Land and buildings remediation \$'000	Legal and related claims \$'000	Property reimbursement claims \$'000	Others \$'000	Total \$'000
Consolidated							
Carrying amount at the beginning of year	9,548	9,614	65,480	8,880	1,035	18,579	113,136
Increase in provisions	-	8,405	5,670	7,992	600	26,778	49,445
Amounts used	(829)	(3,457)	(7,857)	(1,943)	(598)	(6,195)	(20,879)
Unused amounts reversed	(518)	-	(141)	(2,269)	(437)	(1,205)	(4,570)
Interest expense	473	-	1,186	-	-	35	1,694
Carrying amount at end of year	<u>8,674</u>	<u>14,562</u>	<u>64,338</u>	<u>12,660</u>	<u>600</u>	<u>37,992</u>	<u>138,826</u>

The interest expense (\$5.774m) in finance costs (Note 2(f)) comprises interest expense on the above provisions (\$1.694m) and on workers' compensation provision (\$4.08m).

**Department of Transport
Notes to the financial statements
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22 OTHER PROVISIONS (cont'd)

Airport Line asset replacement

The provision (\$9m) recognises the reporting entity's contractual obligation to fund the replacement of major track and tunnel assets of the Airport Line by the line's maintenance contractor during the term of the contractor to 2030. Any unused balance of the provision remaining in 2030 will be shared equally with the maintenance contractor.

The liability at year end is the unused portion of the contractually specified maximum amount to be provided. The quantum and timing of payments are inherently uncertain as they are based on unpredictable future claims by the maintenance contractor. The provision has been discounted to a present value that reflects the time value of money.

Ballast disposal

The provision (\$15m) recognises the reporting entity's legal obligation in relation to the disposal of non recyclable landfill and materials arising from ballast recycling operations.

The liability was assessed at 30 April 2011 by management after investigation of stockpiles at the Chullora site. The liability is inherently uncertain due to the quantum and timing of future disposals.

Land and buildings remediation

The provision (\$64m) comprises remediation of asbestos (\$32m) and of contaminated land (\$32m). In response to the identification of asbestos contamination in a railway station in March 2006, the reporting entity initiated during 2005 / 06 a program of hazardous materials surveys to identify the full extent of contamination and remedial action required in stations. During 2006 / 07 the program was extended to encompass other hazardous materials and operational buildings including signal boxes, depots and maintenance centres as well as rolling stock.

This project will continue beyond 30 June 2011 to provide incident management and undertake remediation projects funded by the provision to be undertaken from 2011 / 12 to 2014 / 15.

Legal claims

This provision recognises claims against the reporting entity arising from prosecutions or fines in relation to legislative or contractual breaches or other matters. The liability at year end was assessed by management by reviewing individual claims. The liability is inherently uncertain due to disputes over the existence or quantum of individual claims.

Others

Others include provisions for various items such as public liability, lease make good provisions etc, which individually are not considered to be material. The liability at period end was assessed by management and is inherently uncertain due to disputes over the existence or quantum of individual claims.

23 OTHER LIABILITIES

	Consolidated	Parent	
	2011	2011	2010
	\$'000	\$'000	\$'000
Current Other liabilities			
Liability to Consolidated Fund	2,784	2,784	3,796
Statutory creditors	17,788	-	-
Sydney Harbour Tunnel tax liabilities	1,876	-	-
Holding accounts	90,748	-	-
Lease incentive	2,297	-	-
Deferred revenue - Private sector provided infrastructure reimbursement	12,179	-	-
Income received in advance	<u>38,680</u>	<u>-</u>	<u>-</u>
	<u>166,352</u>	<u>2,784</u>	<u>3,796</u>
Non-current Other liabilities			
Sydney Harbour Tunnel tax liabilities	23,018	-	-
Deferred revenue - Private sector provided infrastructure reimbursement	295,935	-	-
Unearned rent on M4 and M5 motorways	7,578	-	-
Income received in advance	15,281	-	-
Other	<u>45</u>	<u>45</u>	<u>45</u>
	<u>341,857</u>	<u>45</u>	<u>45</u>

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24 DERIVATIVE FINANCIAL INSTRUMENTS - LIABILITIES

	Consolidated	Parent	
	2011	2011	2010
	\$'000	\$'000	\$'000
Current derivative financial instruments			
Derivative financial instruments	<u>14,209</u>	-	-
	<u>14,209</u>	-	-
Non-current derivative financial instruments			
Derivative financial instruments	<u>2,389</u>	-	-
	<u>2,389</u>	-	-

Refer to note 12 above.

25 DEFERRED TAX LIABILITY

	Consolidated	Parent	
	2011	2011	2010
	\$'000	\$'000	\$'000
Non-current deferred tax liability			
Deferred tax liability (Note 1(m))	<u>64,002</u>	-	-
	<u>64,002</u>	-	-

26 COMMITMENTS FOR EXPENDITURE

(a) Capital Commitments

Aggregate capital expenditure for the acquisition of property, plant and equipment contracted for at reporting date and not provided for:

	Consolidated	Parent	
	2011	2011	2010
	\$'000	\$'000	\$'000
Not later than one year	3,013,773	1,754	3,277
Later than one year and not later than five years	2,904,420	-	-
Later than five years	<u>85,653</u>	-	-
Total (including GST)	<u>6,003,846</u>	<u>1,754</u>	<u>3,277</u>

(b) Other Expenditure Commitments

Aggregate other expenditure for the acquisition of goods and services contracted for at balance date and not provided for:

	Consolidated	Parent	
	2011	2011	2010
	\$'000	\$'000	\$'000
Not later than one year	2,368,649	1,065,480	1,006,698
Later than one year and not later than five years	1,920,492	1,514,239	2,490,827
Later than five years	<u>247,872</u>	-	-
Total (including GST)	<u>4,537,013</u>	<u>2,579,719</u>	<u>3,497,525</u>

Department of Transport
Notes to the financial statements
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26 COMMITMENTS FOR EXPENDITURE (cont'd)

(c) Operating Lease Commitments

Future non-cancellable operating lease rentals not provided for and payable

	Consolidated 2011 \$'000	Parent 2011 \$'000	2010 \$'000
Not later than one year	190,227	10,693	11,692
Later than one year and not later than five years	298,165	27,411	37,399
Later than five years	<u>136,953</u>	<u>-</u>	<u>686</u>
Total (including GST)	<u>625,345</u>	<u>38,104</u>	<u>49,777</u>

Operating leases include office accommodation and plant and equipment.

Input tax on all commitments estimated at \$1,015m (parent entity: \$203m) will be recouped from the Australian Taxation Office.

	Consolidated 2011 \$'000	Parent 2011 \$'000	2010 \$'000
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(d) Finance Lease Commitments

Minimum lease payment commitments in relation to finance leases payable as follows:

Not later than one year	143,345	104,979	73,504
Later than one year and not later than five years	633,008	419,917	294,017
Later than five years	<u>1,695,402</u>	<u>812,250</u>	<u>589,346</u>
Minimum lease payments	2,471,755	1,337,146	956,867
Less: future finance charges	<u>1,111,338</u>	<u>455,335</u>	<u>334,796</u>
Present value of minimum lease payments	<u>1,360,417</u>	<u>881,811</u>	<u>622,071</u>

The present value of finance lease commitments is as follows:

Not later than one year	61,392	44,942	30,321
Later than one year and not later than five years	345,784	214,570	144,939
Later than five years	<u>953,241</u>	<u>622,299</u>	<u>446,811</u>
	<u>1,360,417</u>	<u>881,811</u>	<u>622,071</u>

Classified as:

Current borrowings (Note 20)	61,392	44,942	30,321
Non-current borrowings (Note 20)	<u>1,299,025</u>	<u>836,869</u>	<u>591,750</u>
	<u>1,360,417</u>	<u>881,811</u>	<u>622,071</u>

(e) Other Public and Private Partnerships contract commitments

	Consolidated 2011 \$'000	Parent 2011 \$'000	2010 \$'000
Not later than one year	20,388	-	-
Later than one year and not later than five years	823,911	-	-
Later than five years	<u>8,106,135</u>	<u>-</u>	<u>-</u>
Total (including GST)	<u>8,950,434</u>	<u>-</u>	<u>-</u>

**Department of Transport
Notes to the financial statements
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27 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The parent entity had no contingent liabilities as at 30 June 2011. The reporting entity had contingent liabilities and contingent assets at 30 June 2011 in respect of:

(i) Public Private Partnership arrangements

Rail Corporation has certain obligations under the contract for the Rollingstock Public Private Partnership (PPP) and the NSW Government guarantees the performance of those obligations. However, there is no expectation that those guarantees will ever be exercised.

The Roads and Traffic Authority has certain obligations under contracts with private sector parties with the performance of these obligations guaranteed by the NSW Government. The current guarantees outstanding are for the Sydney Harbour Tunnel, the M2 Motorway, the Eastern Distributor, the Cross City Tunnel, the Western Sydney Orbital and the Lane Cove Tunnel. There is no reason to believe that these guarantees are ever to be exercised.

(ii) Court actions

On 23 January 2008, Public Transport Ticketing Corporation terminated the Tcard contract on the basis of failure to meet the requirements of the Project Agreement. Subsequently, the Corporation lodged a claim against the contractor who has responded by lodging a cross claim against the Corporation for breach of contract. The Corporation has denied the cross claim and is defending the action. It is not practical to estimate the potential effect at this cross claim. This cross-claim is disclosed as a contingent liability as at 30 June 2011.

The Corporation's legal position would be prejudiced if it were to disclose the estimated present value of any of these claims.

The Corporation currently has a claim lodged against the former Tcard contractor for non performance under the contract. If this claim is successful the Corporation may be awarded damages as well as reimbursement of legal costs relating to the dispute. It is not practical to estimate the potential effect of this cross-claim at this stage of the litigation. This claim is disclosed as a contingent asset as at 30 June 2011.

The Corporation's legal position would be prejudiced if it were to disclose the estimated present value of any of these claims.

(iii) Others

The Roads and Traffic Authority has a number of contractual and compulsory property acquisition disputes with an estimated contingent liability of \$109m.

Rail Corporation, by virtue of its operations, has a range of possible contamination in land and buildings. Rail Corporation is engaged in an ongoing process of identifying necessary remediation of land and buildings the final amount of which is contingent on further investigation and cannot be accurately calculated at the date of preparation of these financial statements. Rail Corporation has provided for land and buildings remediation where there is a legal or constructive obligation to undertake remediation and the cost of which can be reliably estimated.

In addition there are various claims for contractual damages occurring through the ordinary course of business existed at balance date. The existence or quantum of each claim is usually disputed and the outcome cannot be measured reliably.

(iv) Guarantees and performance bonds

At reporting date the reporting entity holds guarantees and performance bonds totalling \$159m (2009-10 - parent entity \$55m).

(v) Sydney Metro projects

At the time of the Government's decision to stop work on its metro projects, Sydney Metro had initiated a structured property acquisition programme for Metro Network Stage 1. Whilst seven properties had been acquired, a number of other properties and associated leaseholds had reached varying stages of acquisition at the time of Sydney Metro ceasing negotiations. As part of its February 2010 decision, the NSW Premier announced that, in cases where the acquisition of properties was not completed, the NSW Government would put processes in place to assist property owners and tenants who had incurred legal, valuation and other costs relating to property acquisition.

A detailed assessment process was approved by the NSW Government to assess cost reimbursement claims from affected parties, applying assessment principles consistent with the Land Acquisition (*Just Terms Compensation*) Act. As at 30 June 2011, 80 claims totalling \$12m had been finalised. A provision of \$0.6m to cover a further claim that has certainty about the settlement amount has been included in Sydney Metro's financial statements (2010: \$1m to cover 11 claims). In addition to these items, Sydney Metro has received a further 3 claims for which no provision has been made since the amounts that may become payable cannot be estimated reliably. These claims are expected to be resolved during the next reporting period.

Whilst a significant number of affected parties have already lodged claims, under the relevant legislation remaining directly affected property and leasehold owners have up to 3 years from the rescission of the acquisition notice to lodge a claim.

**Department of Transport
Notes to the financial statements
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28 BUDGET REVIEW OF THE PARENT ENTITY

Net cost of services

The actual **net cost of services** for the 12 months ended 30 June 2011 was \$8,547m compared to the budget of \$8,566m, an under spending of \$19m mainly due to lower Grants and Subsidies expenditure. The major variations by line items are summarised below:

Employee related expenses and other operating expenses were \$83m higher than budget due to the transfer of certain functions to the parent entity from the controlled entities and project expenditure.

The functions assumed by the parent entity include Shared Services, Transport Management Centre and Strategic Policy and Co-ordination activities. The increased costs relating to Shared Services and Transport Management Centre were equally offset by increases in sales of goods & services representing recoupment of these costs from the Operating Entities.

The projects expenditure included funds spent on Barangaroo Pedestrian Link, Western Express and North West Rail Link. The projects costs were recovered from Railcorp (refer to grants and contributions revenue commentary below).

Grants and subsidies of \$7,286m were \$11m lower than budget This was mainly due to lower than expected expenditure of Parking Space Levy funding, which was offset by an increase in capital grants to RailCorp for the Barangaroo Pedestrian Link.

Other expenses of \$1,102m were \$11m higher than budget mainly due to an increase in payments under the Department's bus contracts.

Grants and contributions revenue of \$81m was \$30m higher than budget mainly due to recoupment from RailCorp for expenditure related to infrastructure projects including Western Express, Barangaroo Pedestrian Link and North West Rail Link.

Investment revenue of \$6m was higher than budget by \$3m due to higher interest rates and increase in funds held for future works.

Assets and liabilities

The main variations in the Statement of Financial Position are set out below:

Cash was higher than budget by \$53m mainly due to \$25m Parking Space Levy funds held for future works and \$28m increase in payables, receivables and other assets.

Receivables exceeded the budget by \$92m due to the recoupment of the cost of Shared Services, Transport Management Centre and Infrastructure projects activities, which were offset by an increase in payables of \$131m.

Borrowings reduced by \$32m and reflected the amount payable in regard to new buses acquired under the arrangements of the metropolitan and outer metropolitan bus system contracts during 2010-11. The change was reflected in a reduction in finance leased assets under plant and equipment.

Cash flows

Net cash inflows from operating activities were \$59m higher than budget due to \$25m Parking Space Levy funds held for future works and lower than expected payments to creditors.

29 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES

	Consolidated	Parent	
	2011	2011	2010
	\$'000	\$'000	\$'000
Net cash inflows from operating activities	4,043,061	137,720	23,336
Cash flows from Government / Appropriations	(8,598,221)	(8,598,221)	(4,789,355)
Acceptance by the Crown Entity of employee benefits and other liabilities	(3,322)	(2,578)	(2,537)
Depreciation and amortisation	(1,886,614)	(41,339)	(29,388)
Non-cash revenue and expenses	196,584	(330)	3,603
Derecognition, impairment and write off assets	(234,600)	-	-
Revaluation decrement of assets	(13,272)	(500)	-
(Decrease) / increase in receivables, inventories and other assets	(104,132)	92,812	16,569
Increase / (decrease) in creditors and provisions	60,002	(134,366)	(4,302)
Net cost of services	(6,540,514)	(8,546,802)	(4,782,074)

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30 NON-CASH FINANCING AND INVESTING ACTIVITIES

	Consolidated	Parent	
	2011	2011	2010
	\$'000	\$'000	\$'000
Non-cash investing activities			
Acquisition of assets free of charge (transactions with owners as owners)	205,266	55,959	51,731
Plant and equipment acquired by finance lease	111,782	259,739	203,733
Roads transferred from councils	98,305	-	-
Roads transferred to councils	(45,379)	-	-
Value of emerging interests in Private Sector Provided Infrastructure	142,449	-	-
Non-cash financing activities			
Financial lease liabilities in respect of the acquisition of property, plant and equipment	(111,782)	(259,739)	(203,733)
Employee entitlements and liabilities assumed by the Crown Entity	(3,323)	(2,579)	(2,537)
	<u>397,318</u>	<u>53,380</u>	<u>49,194</u>

31 ADMINISTERED INCOME - DEBTS WRITTEN OFF

No administered income was written off to bad debts in the year under review.

32 ADMINISTERED INCOME - SCHEDULE OF UNCOLLECTED AMOUNTS

No administered income was uncollected at the balance date.

33 ADMINISTERED ASSETS AND LIABILITIES

	Consolidated	Parent	
	2011	2011	2010
	\$'000	\$'000	\$'000
Administered Assets			
Cash	<u>20,930</u>	<u>330</u>	<u>16</u>
Total Administered Assets	<u>20,930</u>	<u>330</u>	<u>16</u>
Administered Liabilities			
Payables	<u>315,803</u>	<u>330</u>	<u>16</u>
Total Administered Liabilities	<u>315,803</u>	<u>330</u>	<u>16</u>

**Department of Transport
Notes to the financial statements
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34 ADMINISTRATIVE RESTRUCTURE

Assets and liabilities acquired on acquisition of control of transport entities on 1 July 2010 (Note 1(a)).

	\$'000
ASSETS	
Current assets	
Cash and cash equivalents	1,137,736
Receivables	281,356
Inventories	65,695
Derivative financial instruments	1,692
Non-current assets held for sale	52,196
Total current assets	<u>1,538,675</u>
Non-current assets	
Receivables	286,921
Inventories	27,167
Financial assets at fair value	117,946
Other financial assets	-
Property plant and equipment	
- Land and Buildings	3,439,694
- Road systems	58,225,145
- Rail systems	18,924,083
- Plant and equipment	3,386,393
Total Property plant and equipment	83,975,315
Intangibles	204,059
Other assets	589,283
Deferred tax asset	73,799
Derivative financial instruments	772
Total non-current assets	<u>85,275,262</u>
Total assets	<u>86,813,937</u>
LIABILITIES	
Current liabilities	
Payables	1,262,606
Borrowings	421,520
Employee benefits	828,663
Other provisions	42,864
Other	176,718
Derivative financial instruments	14,298
Total current liabilities	<u>2,746,669</u>
Non-current liabilities	
Borrowings	1,599,271
Employee benefits	1,172,359
Other provisions	70,274
Other	343,203
Deferred tax liability	68,715
Derivative financial instruments	1,980
Total non-current liabilities	<u>3,255,802</u>
Total liabilities	<u>6,002,471</u>
Net assets	<u>80,811,466</u>
EQUITY	
Asset Revaluation Reserve	35,934,570
Accumulated funds	44,890,710
Other reserves - hedging (losses) and gains	(13,814)
Total Equity	<u>80,811,466</u>

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ADMINISTRATIVE RESTRUCTURE (cont'd)

Net assets transferred free of charge

	Consolidated		Parent	
	2011	2011	2010	2010
	\$'000	\$'000	\$'000	\$'000
Land and buildings	205,268	54,973	-	-
Plant and equipment	-	516	-	-
Receivables	-	470	-	-
Other - Net assets transferred from the Ministry of Transport	-	-	51,731	51,731
Net assets transferred	205,268	55,959	51,731	51,731

35 FINANCIAL INSTRUMENTS

The reporting entity's principal financial instruments are outlined below. These financial instruments arise directly from the reporting entities operations or are required to finance the reporting entity's operations.

The reporting entity does not enter into trade financial instruments, including derivative financial instruments, for speculative purposes. Derivatives are exclusively used for hedging purposes.

The operational activities of the reporting entity expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk currency risk, and commodity price risk in respect of distillate and electricity purchases). The main risks arising from these financial instruments are outlined below together with the reporting entity's objectives, policies and processes for measuring and managing risk.

Methods used to measure risk include sensitivity analysis in the case of interest rate, foreign exchange and other commodity price risks, and an ageing analysis for credit risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Director General and each of the Chief Executive of the controlled entities have overall responsibility for the establishment and oversight of risk management and review and determine policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the reporting entity, to set limits and to monitor risks. Compliance with these policies is reviewed by internal audit.

(a) Financial instrument categories

Financial Assets Consolidated	Note	Category	Carrying Amount 2011 \$'000	
Class:				
Cash and cash equivalents	9	N/A	1,106,128	
Receivables ¹	10	Loans and receivables (at amortised cost)	222,784	
Other financial assets	14	Loans and receivables (at amortised cost)	122,005	
Derivative financial instruments		Currency/commodity	4,735	
			<u>1,455,652</u>	
Financial Liabilities Consolidated	Note	Category	Carrying Amount 2011 \$'000	
Class:				
Payables ²	19	Financial liabilities measured at amortised cost	1,441,860	
Borrowings	20	Financial liabilities measured at amortised cost	2,989,135	
Derivative financial instruments		Currency/commodity	16,598	
			<u>4,447,593</u>	
Financial Assets Parent	Note	Category	Carrying Amount 2011 \$'000	Carrying Amount 2010 \$'000
Class:				
Cash and cash equivalents	9	N/A	70,118	19,542
Receivables ¹	10	Loans and receivables (at amortised cost)	110,670	25,099
Other financial assets	14	Loans and receivables (at amortised cost)	586	520
			<u>181,374</u>	<u>45,161</u>

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Notes to the financial statements
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35 FINANCIAL INSTRUMENTS (cont'd)

Financial Liabilities Parent	Note	Category	Carrying Amount 2011 \$'000	Carrying Amount 2010 \$'000
Class:				
Payables ²	19	Financial liabilities measured at amortised cost	158,439	27,557
Borrowings	20	Financial liabilities measured at amortised cost	<u>881,810</u>	<u>622,071</u>
			<u>1,040,249</u>	<u>649,628</u>

¹ Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7)

² Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7)

(b) Credit Risk

Credit Risk arises where a debtor or counterparty does not complete their obligations, resulting in financial risk to the Reporting Entity.

Credit risk can arise from financial assets of the reporting entity, including cash and cash equivalents, derivative financial instruments, deposits with banks and NSW TCorp, as well as credit exposure to customers, including outstanding receivables and committed transactions. The reporting entity holds bank guarantees for significant customers as well as property bonds for some leased premises. The reporting entity has not granted any financial guarantees.

Credit risk policy is aimed at minimising the potential for counter party default.

Credit risk associated with the reporting entity's financial assets, other than receivables, is managed through the sound selection of counterparties and establishment of minimum credit rating standards. All debt management and investment activities are undertaken with NSW TCorp, which is guaranteed by the NSW Government.

Credit risk impacts on the following financial instruments which are discussed below:

Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW TCorp 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectibility of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the reporting entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are generally made on 30 day terms.

The reporting entity is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2011 - \$183m; parent entity - \$100m; 2010 - \$25m) and not more than 3 months overdue (2011 - \$21m; parent entity - \$2m; 2010 - \$nil) are not considered impaired. These debtors represent 94% of the total trade debtors.

The only financial assets that are past due or impaired are "sales of goods and services" in the "receivables" category of the statement of financial position.

	Total ^{1,2} \$'000	Past due but not impaired ^{1,2} \$'000	Considered impaired ^{1,2} \$'000
Consolidated 2011			
< 3 months overdue	21,081	20,530	551
3 months – 6 months overdue	10,041	9,088	953
> 6 months overdue	<u>8,630</u>	<u>4,016</u>	<u>4,614</u>
	<u>39,752</u>	<u>33,634</u>	<u>6,118</u>
Parent 2011			
< 3 months overdue	1,722	1,722	-
3 months – 6 months overdue	7,952	7,952	-
> 6 months overdue	<u>1,135</u>	<u>1,135</u>	-
	<u>10,809</u>	<u>10,809</u>	-

Department of Transport
Notes to the financial statements
for the year ended 30 June 2011

35 FINANCIAL INSTRUMENTS (cont'd)

	Total ^{1,2} \$'000	Past due but not impaired ^{1,2} \$'000	Considered impaired ^{1,2} \$'000
Parent			
2010			
< 3 months overdue	2	2	-
3 months – 6 months overdue	-	-	-
> 6 months overdue	138	138	-
	<u>140</u>	<u>140</u>	<u>-</u>

¹ Each column in the table reports "gross receivables".

² The aging analysis excludes receivables that are not past due and not impaired. Therefore the total will not reconcile to the receivables total recognised in the Statement of Financial Position.

Funds on Deposit

The reporting entity has placed funds on deposit (at call) with NSW TCorp, (which has been rated "AAA" by Standard and Poor's). These deposits are similar to money market or bank deposits and can be placed "at call" or for a fixed term. For fixed term deposits, the interest rate payable by NSW TCorp is negotiated initially and is fixed for the term of the deposit, while the interest rate payable on at call deposits can vary. The deposits at balance date were earning an average interest rate of 3.574% while over the year the weighted average interest rate was 2.650% on a weighted average balance during the year of \$10.385 million. None of these assets are past due or impaired.

Derivatives

Only two entities have undertaken both forward exchange currency swaps and commodity swaps, being Rail Corporation and the State Transit Authority. The risks associated with these arrangements are mitigated by only entering into arrangements with reputable, well established financial institutions with high level credit ratings.

The reporting entity held derivative financial assets (\$4.735m) and derivative financial liabilities (\$16.598m). Further details on derivatives are provided in Note 12.

Other financial assets

The repayment of the Sydney Harbour Tunnel loan ranks behind all creditors to be paid. Redemption of the M2 and Eastern Distributor promissory notes is dependent upon counterparties generating sufficient cash flows to enable the face value to be repaid.

(c) Liquidity risk

Liquidity Risk is the risk that the reporting entity will be unable to meet its payment obligations when they fall due. The reporting entity continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

The reporting entity has access to credit facilities with NSW TCorp, as set out in the table below:

	Consolidated	Parent	
	2011 \$'000	2011 \$'000	2010 \$'000
Financing arrangement			
Total facility	1,834,000	-	-
Used at balance date	<u>(786,885)</u>	<u>-</u>	<u>-</u>
Unused at balance date	<u>1,047,115</u>	<u>-</u>	<u>-</u>

During the current year, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The reporting entity's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk and the ongoing access to the consolidated fund allocation to meet on going operating and capital commitments.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2011**

35 FINANCIAL INSTRUMENTS (cont'd)

The table below summarises the maturity profile of the reporting entity's financial liabilities, together with the interest rate exposure.

Maturity Analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate	Nominal Amount	\$'000 Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate	Variable Interest Rate	Non-interest bearing	< 1 yr	1-5 yrs	> 5 yrs
Consolidated 2011								
<i>Payables:</i>								
Trade creditors and accruals	-	1,442,034	-	-	1,442,034	1,418,800	5,375	17,859
<i>Borrowings:</i>								
NSW TCorp borrowings and finance leases	6.14	<u>3,982,924</u>	<u>3,476,361</u>	<u>506,563</u>	-	<u>802,290</u>	<u>1,355,603</u>	<u>1,825,031</u>
		<u>5,424,958</u>	<u>3,476,361</u>	<u>506,563</u>	<u>1,442,034</u>	<u>2,221,090</u>	<u>1,360,978</u>	<u>1,842,890</u>

	Weighted Average Effective Int. Rate	Nominal Amount	\$'000 Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate	Variable Interest Rate	Non-interest bearing	< 1 yr	1-5 yrs	> 5 yrs
Parent 2011								
<i>Payables:</i>								
Trade creditors and accruals	-	158,402	-	-	158,402	158,402	-	-
<i>Borrowings:</i>								
NSW TCorp borrowings and finance leases	7.37	881,810	881,810	-	-	44,942	214,570	622,298
Other loans and deposits	-	-	-	-	-	-	-	-
		<u>1,040,212</u>	<u>881,810</u>	<u>-</u>	<u>158,402</u>	<u>203,344</u>	<u>214,570</u>	<u>622,298</u>

Parent 2010								
<i>Payables:</i>								
Trade creditors and accruals	-	27,557	-	-	27,557	27,557	-	-
<i>Borrowings:</i>								
NSW TCorp borrowings and finance leases	7.40	<u>622,071</u>	<u>622,071</u>	<u>-</u>	<u>-</u>	<u>30,321</u>	<u>144,939</u>	<u>446,811</u>
		<u>649,628</u>	<u>622,071</u>	<u>-</u>	<u>27,557</u>	<u>57,878</u>	<u>144,939</u>	<u>446,811</u>

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2011**

35 FINANCIAL INSTRUMENTS (cont'd)

(d) Market risk

Market risk relates to fluctuations in the fair value of future cash flows of financial instruments because of changes in market prices. This applies to the reporting entity's foreign exchange, interest rate and commodity price hedging instruments.

Sensitivity analysis on market risk is based on a reasonably possible price variability taking into account the economic environment in which the reporting entity's operates and the time frame for assessment, that is, until the end of the next reporting period. The sensitivity analysis is based on financial instruments held at the balance date. The analysis assumes that all other variables remain constant.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information provided below, for interest rate risk and other price risk including currency movements. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the reporting entity operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the balance date. The analysis is performed on the same basis for 2010 and assumes that all other variables remain constant.

The reporting entity is exposed to market risks in respective of

Interest rate risk

Exposure to interest rate risk arises primarily through the reporting entity's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW Treasury Corporation (NSW TCorp).

The reporting entity's s exposure to interest rate risk is set out in the table below.

	Carrying Amount	\$'000			
		Profit	-1% Equity	+1% Profit	Equity
Consolidated					
2011					
<i>Financial assets:</i>					
Cash and cash equivalents	1,106,128	(11,323)	(11,323)	11,323	11,323
Receivables	222,784	-	-	-	-
Other financial assets	122,005	-	-	-	-
Derivative financial instruments	4,735	-	-	-	-
<i>Financial liabilities:</i>					
Payables	(1,441,860)	-	-	-	-
Borrowings	(2,989,135)	7,058	7,058	(7,058)	(7,058)
Derivative financial instruments	(16,598)	-	-	-	-
	<u>(2,991,941)</u>	<u>(4,265)</u>	<u>(4,265)</u>	<u>4,265</u>	<u>4,265</u>

	Carrying Amount	\$'000			
		Profit	-1% Equity	+1% Profit	Equity
Parent					
2011					
<i>Financial assets:</i>					
Cash and cash equivalents	70,112	(1,384)	(1,384)	1,384	1,384
Receivables	110,670	-	-	-	-
Other financial assets	586	-	-	-	-
<i>Financial liabilities:</i>					
Payables	(158,439)	-	-	-	-
Borrowings	(881,810)	-	-	-	-
	<u>(858,881)</u>	<u>(1,384)</u>	<u>(1,384)</u>	<u>1,384</u>	<u>1,384</u>

	Carrying Amount	\$'000			
		Profit	-1% Equity	+1% Profit	Equity
Parent					
2010					
<i>Financial assets:</i>					
Cash and cash equivalents	19,542	(1,193)	(1,193)	1,193	1,193
Receivables	25,099	-	-	-	-
Other financial assets	520	-	-	-	-
<i>Financial liabilities:</i>					
Payables	(27,557)	-	-	-	-
Borrowings	(622,071)	-	-	-	-
	<u>(604,467)</u>	<u>(1,193)</u>	<u>(1,193)</u>	<u>1,193</u>	<u>1,193</u>

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2011**

35 FINANCIAL INSTRUMENTS (cont'd)

Other price risk - NSW TCorp Hour-Glass facilities

Exposure to other price risk primarily arises through the investment in the NSW TCorp Hour-Glass Investment facilities, which are held for strategic rather than trading purposes. The reporting entity has no direct equity investments and holds units in the following Hour-Glass Investment Trusts:

Facility	Investment Sectors	Investment Horizon	2011 \$'000	2010 \$'000
Consolidated				
Cash facility	Cash, money market instruments	Up to 1.5 years	917,963	-
Parent				
Cash facility	Cash, money market instruments	Up to 1.5 years (pre-June 2008 - Up to 2 years)	-	-

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

NSW TCorp is the trustee for each of the above facilities and is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, NSW TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. However, NSW TCorp acts as manager for part of the Cash Facility. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the Hour-Glass facilities limits the reporting entity's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

NSW TCorp provides sensitivity analysis information for each of the Investment facilities, using historically based volatility information. The NSW TCorp Hour-Glass Investment facilities are designated at fair value through surplus or deficit and, therefore, any change in unit price impacts directly on profit (rather than equity). A reasonably possible change is based on the percentage change in unit price (as advised by NSW TCorp) multiplied by the redemption value as at 30 June each year.

The impact on the profit and loss as a result of changes in the unit prices of the investments is not considered to be material.

(e) Fair value compared to carrying amount

Financial instruments are generally recognised at cost, with the exception of the NSW TCorp Hour-Glass facilities, which are measured at fair value. As discussed, the value of the Hour-Glass Investments is based on the reporting entity's share of the value of the underlying assets of the facility, based on the market value. All of the Hour-Glass facilities are valued using "redemption" pricing.

The fair value of financial instruments approximates their carrying amounts as disclosed in the Statement of Financial Position at reporting date.

(f) Fair value recognised in the Statements of Financial Position

The reporting entity uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Derived from quoted prices in active markets for identical assets / liabilities.
- Level 2 - Derived from inputs other than quoted prices that are observable directly or indirectly.
- Level 3 - Derived from valuation techniques that include inputs for the asset / liability not based on observable market data (unobservable inputs).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Consolidated - 2011				
Financial assets at fair value				
Derivatives	-	4,735	-	4,735
NSW TCorp Hour-Glass Investment Facility	-	917,963	-	917,963
	-	<u>922,698</u>	-	<u>922,698</u>

Consolidated - 2011

Financial liabilities at fair value				
Derivatives	-	16,958	-	16,958
	-	<u>16,958</u>	-	<u>16,958</u>

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2011**

36 AFTER BALANCE DATE EVENTS

The Transport Legislation Amendment Bill 2011 was recently passed by the NSW Parliament. The legislation establishes Transport for NSW (TfNSW) as a NSW Government agency and sets out the objectives and functions of TfNSW. The legislation also establishes the Transport Service which will consist of those persons who are employed under Part 7A of the Transport Administration Act.

The legislation abolishes a number of existing transport agencies and establishes a new entity, Roads and Maritime Services which will take over the residual functions of the Roads and Traffic Authority and the Maritime Authority of NSW.

The Transport Construction Authority and the Country Rail Infrastructure Authority will be abolished and their functions taken over by TfNSW.

In addition, the legislation provides that TfNSW, for the purpose of exercising its functions, may give directions to the following bodies in relation to the exercise of their functions:

- Roads and Maritime Services
- Rail Corporation
- State Transit Authority
- Sydney Ferries
- Country Rail Infrastructure Authority
- Transport Construction Authority
- A public or private subsidiary corporation (as referred to in Part 6B of the Transport Administration Act) of any of those bodies.

The Department of Transport will continue to operate to provide policy advice to the Minister for Transport and the Minister for Roads and Ports. The Director General also manages the affairs of TfNSW, Sydney Metro and the Public Transport Ticketing Corporation.

On 1 July 2011, in accordance with the Deed of Lease, between Country Rail Infrastructure Authority (CRIA) and Australian Rail Track Corporation, the latter exercised an option to lease the section of track from GAP to Boggabilla. The financial transactions associated with the option will be recorded in the 2011-12 CRIA financial statements. The material impacts on the CRIA 2011-12 financial statements are estimated to be a reduction in property, plant and equipment assets of \$327m as well as the repayment of total borrowings of \$57m, funded by revenue to be received from third parties.

End of audited financial statements



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Sydney Metro

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Sydney Metro, which comprise the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of Sydney Metro as at 30 June 2011, and its financial performance for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Director-General Delegate's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

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

Independence

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

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



C J Giumelli
Director, Financial Audit Services

9 September 2011
SYDNEY

Statement by the director-general delegate

Financial statements for the year ended 30 June 2011

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

- 1) The accompanying financial statements, consisting of the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the notes accompanying and forming part of the financial statements, exhibit a true and fair view of the financial position of Sydney Metro as at 30 June 2011, and of its financial performance for the year ended on that date.
- 2) These financial statements have been prepared in accordance with the provisions of the applicable Australian Accounting Standards, including Australian Accounting Interpretations, and other mandatory and statutory reporting requirements, including the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010* and NSW Treasurer's Directions.

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



.....
Rodd Staples
Director-General Delegate
07/09/2011

SYDNEY METRO

Start of audited financial statements

Statement of comprehensive income

for the year ended 30 June 2011

	Note	Consolidated		Sydney Metro	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Revenue					
Government grants	1c(i)/2a	-	384,214	-	384,214
Interest income	1c(ii)/2b	10,669	10,518	10,669	10,518
Acceptance by the Crown Entity of employee benefits	7	745	-	745	-
Other revenue	1c(iii)/2c	8,128	4,811	8,128	4,811
Total revenue		19,542	399,543	19,542	399,543
Operating expenditure					
Operating costs (including personnel services)	3	12,220	35,907	12,220	36,692
Decrement in value of properties	10	-	47,669	-	47,669
Write off of capitalised work in progress	10	-	176,128	-	176,128
Cost reimbursement claims	5	10,810	94,872	10,810	94,872
Depreciation and amortisation	4	193	324	193	324
Loss on disposal	6	93	-	93	-
Total operating expenditure		23,316	354,900	23,316	355,685
(Deficit)/Surplus for the year		(3,774)	44,643	(3,774)	43,858
Other comprehensive income					
Superannuation actuarial losses	12b	-	(785)	-	-
Total other comprehensive income for the year		-	(785)	-	-
Total comprehensive income for the year		(3,774)	43,858	(3,774)	43,858

The accompanying notes form part of these financial statements.

SYDNEY METRO

Statement of financial position

as at 30 June 2011

	Note	Consolidated		Sydney Metro	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Assets					
Current assets					
Cash and cash equivalents	8	201,758	213,315	201,758	213,315
Trade and other receivables	9	4,924	2,276	4,924	2,276
Total current assets		206,682	215,591	206,682	215,591
Non-current assets					
Property, plant and equipment	10	-	55,840	-	55,840
Total non-current assets		-	55,840	-	55,840
Total assets		206,682	271,431	206,682	271,431
Liabilities					
Current liabilities					
Trade and other payables	11	1,889	4,231	1,889	6,331
Employee benefits	12	-	2,100	-	-
Other provisions	13	600	1,175	600	1,175
Total current liabilities		2,489	7,506	2,489	7,506
Total liabilities		2,489	7,506	2,489	7,506
Net assets		204,193	263,925	204,193	263,925
Equity					
Accumulated funds	14a	152,584	212,316	152,584	212,316
Contributed equity	14b	51,609	51,609	51,609	51,609
Total equity		204,193	263,925	204,193	263,925

The accompanying notes form part of these financial statements.

SYDNEY METRO

Statement of changes in equity

for the year ended 30 June 2011

Consolidated & Sydney Metro	Note	Accumulated Funds	Contributed Equity	Total
		\$'000	\$'000	\$'000
Current year – ended 30 June 2011				
Balance at beginning of year		212,316	51,609	263,925
Deficit for the year		(3,774)	-	(3,774)
Total comprehensive income for the year		(3,774)	-	(3,774)
Transactions with owners in their capacity as owners				
Decrease in net assets from equity transfers	14a	(55,958)	-	(55,958)
Balance at end of year		152,584	51,609	204,193

Consolidated	Note	Accumulated Funds	Contributed Equity	Total
		\$'000	\$'000	\$'000
Prior year – 30 June 2010				
Balance at beginning of year		168,458	51,609	220,067
Surplus for the year		44,643	-	44,643
Other comprehensive income				
Superannuation actuarial losses	12b	(785)	-	(785)
Total other comprehensive income for the year		(785)	-	(785)
Total comprehensive income for the year		43,858	-	43,858
Balance at end of year		212,316	51,609	263,925

Sydney Metro		Accumulated Funds	Contributed Equity	Total
		\$'000	\$'000	\$'000
Prior year – 30 June 2010				
Balance at beginning of year		168,458	51,609	220,067
Surplus for the year		43,858	-	43,858
Total comprehensive income for the year		43,858	-	43,858
Balance at end of year		212,316	51,609	263,925

The accompanying notes form part of these financial statements

SYDNEY METRO

Statement of cash flows

for the year ended 30 June 2011

	Note	Consolidated		Sydney Metro	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
i) Cash flow from operating activities					
Government grants received	2a	-	384,214	-	384,214
Interest received		10,669	10,518	10,669	10,518
Other revenue		7,073	22,189	7,073	22,189
Operating expenditure payments		(29,304)	(161,351)	(29,304)	(161,351)
Net cash flow from operating activities	16a	(11,562)	255,570	(11,562)	255,570
ii) Cash flow from investing activities					
Proceeds from sale of assets	6	5	-	5	-
Payments for capital work-in-progress		-	(111,669)	-	(111,669)
Purchases of seven project properties		-	(102,642)	-	(102,642)
Purchase of plant and equipment		-	(597)	-	(597)
Net cash flow from investing activities		5	(214,908)	5	(214,908)
iii) Cash flow from financing activities					
		-	-	-	-
Net (decrease)/increase in cash and cash equivalents		(11,557)	40,662	(11,557)	40,662
Cash and cash equivalents at beginning of year		213,315	172,653	213,315	172,653
Cash and cash equivalents at end of year	8	201,758	213,315	201,758	213,315

The accompanying notes form part of these financial statements.

SYDNEY METRO

Notes to and forming part of the financial statements for the year ended 30 June 2011

1. Significant accounting policies

The following significant policies have been adopted in the preparation of the financial statements:

a) Reporting entity

Sydney Metro is a NSW Government agency, a corporation established on 27 January 2009 by the *Transport Administration Act 1988*. It is incorporated in Australia. Its principal address is Level 3, 18 Lee Street, Chippendale, NSW 2008.

Sydney Metro is a not-for-profit Public Trading Enterprise.

The principal activities of Sydney Metro were to:

- develop safe and reliable metro railway systems, and
- hold, manage and maintain rail infrastructure facilities of metro railways.

On 21 February 2010, the NSW Government decided to stop planning and procurement of Metro Network Stage 1 (CBD) and Stage 2 (West Metro). After that date, Sydney Metro's resources and related contracts were either wound up or, where relevant, transferred to work on new NSW Government infrastructure projects principally within the Department of Transport (formerly Transport NSW).

Sydney Metro had one controlled entity, the Sydney Metro Division. As of 1 July 2010, the provisions of the *Transport Administration Amendment Act 2010* took effect. As a result, the Sydney Metro Division was dissolved effective 1 July 2010. Therefore, separate Sydney Metro Division financial statements were not required for the current financial year.

Also as a result of the recent amendments, the Board of Sydney Metro ceased to exist from 1 July 2010. From this date Sydney Metro became a controlled entity of the Department of Transport for consolidation purposes. Sydney Metro's ultimate parent is the NSW Government and it is consolidated as part of the Total State Sector Accounts.

These financial statements have been authorised for issue by the director-general delegate on the date on which the accompanying statement was signed.

(b) Basis of preparation

The financial statements of Sydney Metro are general purpose financial statements, which have been prepared in accordance with:

- applicable Australian Accounting Standards including Australian Accounting Interpretations;
- requirements of the *NSW Public Finance and Audit Act 1983* and the Public Finance and Audit Regulation 2010;
- Treasurer's Directions and relevant Treasury Circulars.

The financial statements have been prepared on an accrual accounting basis using historical cost conventions and are presented in Australian dollars. Except where stated, they do not take into account changing money values or the revaluation of certain non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of

SYDNEY METRO

Notes to and forming part of the financial statements for the year ended 30 June 2011

1. Significant accounting policies (continued)

(b) Basis of preparation (continued)

the underlying transactions or other events is reported. All amounts are rounded to the nearest one thousand dollars unless otherwise stated and are expressed in Australian dollars.

Statement of compliance

The consolidated and parent entity financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions if relevant are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

Going concern

During the course of the current and prior financial year, Sydney Metro has prepared its financial statements on a going concern basis which assumes liabilities will be met in the due course of future business activities.

Principle of consolidation

For the comparatives, the consolidated financial statements incorporate the financial statements of Sydney Metro and of the subsidiary it controls: Sydney Metro Division. Control exists as Sydney Metro has the power to govern the financial and operating policies of the subsidiary so as to obtain benefits from its activities, currently being personnel services.

Consistent accounting policies have been applied to the two entities within the Group.

All intra-entity transactions, balances, income and expenses have been eliminated in full on consolidation.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition are disclosed below:

(i) State and Commonwealth Government Grants

Government grants are recognised when control of the cash or asset (or the right to receive it) is obtained. During the prior year, funds were received and disclosed as Government Grants for the Metro Stage 1 (CBD) and Metro Stage 2 (West Metro) Network projects. No such funding was received in the current year.

SYDNEY METRO

Notes to and forming part of the financial statements
for the year ended 30 June 2011

1. Significant accounting policies (continued)

(c) Revenue recognition (continued)

(ii) Interest Revenue

Interest revenue is recognised in the statement of comprehensive income as it is received and accrued using the effective interest rate method (per AASB139 *Financial Instruments: Recognition and Measurement*).

(iii) Other Revenue

Other revenue related to the rendering of services is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date). The services relate to project work undertaken on behalf of either the Department of Transport or the Barangaroo Development Authority. Sydney Metro was charged with the development of the Barangaroo Pedestrian Link, with costs to be recouped from the Barangaroo Development Authority. Sydney Metro also recouped costs from the Department of Transport for project work undertaken on its behalf and for the relocation of tenants from the Department's Clarence Street properties as required by the Barangaroo Pedestrian Link project. External contractor costs are recouped at cost and salary costs are recouped with salary oncosts.

Rental revenue is recognised in accordance with AASB 117 *Leases* on a straight-line basis over the lease term.

(d) Cash and cash equivalents

(refer note 8)

Cash and cash equivalents are reported at their principal amount which is subject to an insignificant risk of change in value. Cash and cash equivalents comprise cash at bank, and cash investments held in NSW Treasury Corporation's Hour-Glass cash investment facility.

For the purposes of the statement of cash flows, cash and cash equivalents are also defined as above.

(e) Trade and other receivables

(refer note 9)

Trade and other receivables are initially recognised at fair value, being the transaction cost or face value. They are subsequently carried at the original invoiced amount less a provision for any impairment. Given the short term nature of receivables, recognition at original invoice amount is not materially different from amortised cost.

Receivables are recognised when it is probable that the future cash inflows associated with them will be realised and they have a value that can be measured reliably. They are derecognised when the contractual or other rights to future cash flow from them expire or are transferred.

Any future changes will be accounted for in the statement of comprehensive income for impairment, derecognition and/or amortisation where circumstances require.

(f) Property, plant and equipment

(refer note 10)

All assets were initially carried at cost. Individual asset items with a purchase value of less than \$5,000 were generally expensed when acquired.

SYDNEY METRO

Notes to and forming part of the financial statements
for the year ended 30 June 2011

1. Significant accounting policies (continued)

(f) Property, plant and equipment (continued)

(i) Project properties

Following from the decision of Government in February 2010 to stop all work associated with the activities of Sydney Metro it was determined that substantially all assets of Sydney Metro were to be vested in the Department of Transport. On 22 December 2010, the Minister for Transport vested all project properties acquired by Sydney Metro with the Department of Transport.

In the prior year, as a result of the Government's decision, Sydney Metro arranged for current market valuations as at 30 June 2010 to be determined by independent professional property valuers for all properties owned at that date. Fair value of these properties was determined based on the best available market evidence, including current and market selling prices for the same or similar assets.

The revaluation decrement was recognised as an expense.

(ii) Project work-in-progress

In the prior year, as a result of the Government's decision, an assessment was undertaken of project and related expenditure up to the date of the decision. With the exception of the properties acquired for project purposes, no other components of project expenditure were considered to have resulted in the creation of an asset that could be utilised in the near future. As a consequence, all project expenditure (with the exception of expenditure on the acquisition of properties) which was capitalised was written off as an expense in the prior year.

(iii) Plant and equipment

Items of plant and equipment acquired were recognised as an asset in Sydney Metro's ledgers where they individually exceeded the capitalisation threshold value. Substantially all plant and equipment assets of Sydney Metro were vested with the Department of Transport by the Minister for Transport on 22 December 2010.

(iv) Depreciation and amortisation of non-current assets

All depreciable assets (except project properties revalued at 30 June 2010) are depreciated on a straight-line basis over their estimated useful lives, commencing when the items became available for use. All items, including separately identifiable component assets, are recognised and depreciated over their shorter useful lives. The depreciation charge for each period is recognised as an expense.

In determining an asset's useful life, consideration is given to its expected usage, its expected wear and tear, technical or commercial obsolescence and any legal or similar limits on its use.

The depreciation and amortisation rates applied in 2010/11 for each class of asset are as follows:

• Computer Equipment	25%
• Furniture and Fittings	10%
• Plant and Equipment	20%
• Leasehold Improvements	Over the term of the lease

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

SYDNEY METRO

Notes to and forming part of the financial statements for the year ended 30 June 2011

1. Significant accounting policies (continued)

(f) Property, plant and equipment (continued)

(iv) Depreciation and amortisation of non-current assets (continued)

The revaluation of the project properties at 30 June 2010 was undertaken in anticipation of them vesting at fair value in the Department of Transport. The decrement in value was expensed in Sydney Metro and no further depreciation charge considered necessary prior to the properties being vested in December 2010.

(g) Trade and other payables

(refer note 11)

A payable is recognised on the statement of financial position when a present obligation arises under a contract. The reported values represent liabilities for goods and services provided to Sydney Metro during the current period and remaining unsettled at period end. Trade and other payables are initially stated at fair value (usually the invoiced cost) which is not materially different from amortised cost due to their short term nature. These short term payables have no stated interest rate, and are measured at the original invoice cost on the basis the effect of discounting would be immaterial.

(h) Employee benefits

(refer note 12)

Following the dissolution of the Sydney Metro Division on 1 July 2010, all personnel services costs were paid by Sydney Metro, pending the transfer of staff to the Department of Transport (Transport). Sydney Metro recovered these costs from Transport, since all staff were engaged on Transport projects. Sydney Metro staff moved to Transport during the 2011 financial year and all had been transferred by 30 June 2011. Their entitlements for annual leave and extended leave have been paid to Transport or are included as payables in Sydney Metro at balance date. The dissolution of the Sydney Metro Division and movement of all staff to the Department of Transport (which has its defined benefit plan superannuation expense assumed by the Crown Entity) has resulted in the acceptance by the Crown Entity as at 1 July 2010 of the amount previously recognised in Sydney Metro as an unfunded liability on the defined benefit superannuation schemes (refer Note 7).

In the prior year, staff were employed directly by Sydney Metro Division, with costs charged at cost to Sydney Metro as personnel services. Within the Division (and the consolidated financial statements for Sydney Metro and the Division) the following accounting policies were applied:

i) Salaries, wages, leave, and related oncosts

Liabilities for salaries, wages and leave entitlements expected to be settled wholly within 12 months of the reporting date, were recognised and measured in respect to individual employee's services up to the reporting date at undiscounted amounts (being amounts expected to be paid when the liabilities are settled).

Longer term annual and long service leave, which was not expected to be paid within 12 months of the reporting date, was measured at present value in accordance with AASBI 19 *Employee Benefits*.

Unused sick leave did not give rise to a liability as it was non-vesting, and it was considered future sick leave taking would not exceed benefits accruing in future periods.

SYDNEY METRO

Notes to and forming part of the financial statements
for the year ended 30 June 2011

1. Significant accounting policies (continued)

(h) Employee benefits (continued)

ii) Superannuation

Accumulation fund schemes:

Sydney Metro has contributed the Superannuation Guarantee Contribution (SGC) and other nominated payments to these schemes, generally held by employees with the First State Superannuation scheme (FSS). Contributions to these schemes are recognised as an expense as incurred.

Defined benefit fund schemes:

Sydney Metro contributed to three defined benefit schemes (see Note 12). Sydney Metro's net obligation in respect of these schemes is calculated separately for each scheme by estimating the amount of future benefit that employees have earned in return for their service in the current reporting and prior periods. That benefit is discounted to determine its present value and the fair value of any scheme assets is deducted.

The discount rate applied was the yield relevant to Commonwealth Government bonds with maturity dates approximating the terms of Sydney Metro's obligations. Actual calculations were performed by the Pooled Funds actuary using the projected unit credit method and advised to Sydney Metro for recognition and disclosure within its financial statements.

Where the present value of the defined benefit obligation in respect of a scheme exceeded the fair value of the scheme's assets, a liability for the difference is recognised on the statement of financial position.

Actuarial gains and losses arising in calculating the obligations of Sydney Metro were recognised in the statement of changes in equity.

(i) Other provisions

(refer note 13)

Sydney Metro recognises provisions in the statement of financial position where it has a present legal or constructive obligation resulting from a past event, and it is probable that an outflow of economic benefit will be required to settle the obligation, and the amount has been reliably estimated.

In relation to its office accommodation at Kent Street, Sydney, Sydney Metro negotiated to exit the site on 4 December 2010 and agreed to terms that extinguished all Sydney Metro obligations beyond that date.

A provision has been established for property reimbursement cost claims that have been received following the Government's decision to stop the Metro projects in February 2010. The provision has been raised where there is certainty as to the amount of the claim settlement.

(j) Insurance

Sydney Metro is covered by the NSW Government self insurance scheme known as the Treasury Managed Fund (TMF). The TMF provides cover in respect of Workers' Compensation Liability, Public Liability and Directors & Officers cover, Motor Vehicle, Property and Miscellaneous including, but not

SYDNEY METRO

Notes to and forming part of the financial statements for the year ended 30 June 2011

1. Significant accounting policies (continued)

(j) Insurance (continued)

limited to, personal accident cover. The premium (expense) is determined annually by the fund manager, based on claims experience and exposure (assets and risk). The coverage is reviewed annually to ensure that it is adequate and any major or substantial change in exposure in risk must be reported to the TMF Claims Manager.

The TMF was advised of the vesting of Sydney Metro assets to the Department of Transport on 22 December 2010. It continued to provide Workers' Compensation Liability coverage until the final transfer of Sydney Metro staff to the Department of Transport payroll on 24 June 2011.

(k) Goods and services tax (GST)

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

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

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the statement of financial position. Cash flows are included in the statement of cash flows on a grossed-up basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Australian Taxation Office, are classified as operating cash flows.

(l) Income tax

Previously, NSW Treasury determined that Sydney Metro would not be required to comply with the National Tax Equivalent Regime (NTER) under the Commercial Policy Framework for Government Businesses at least during the construction phase of the Sydney Metro projects.

(m) New Accounting Standards and interpretations issued not yet effective

Sydney Metro has assessed new Australian Accounting Standards that have recently been issued or amended but are not yet effective or applied. It has determined that these new accounting standards where relevant have no material impact on the financial statements in the period of initial application.

(n) Equity adjustments due to administrative restructuring / transfer of assets and liabilities

A transfer of assets (or liabilities) from (or to) another NSW public sector entity as a result of a Ministerial Order to give effect to industry restructuring, or transfer of assets or liabilities from certain other government entities, is treated as a contribution by (or distribution to) the government and recognised as a direct adjustment to accumulated funds. This treatment is consistent with AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

SYDNEY METRO

Notes to and forming part of the financial statements
for the year ended 30 June 2011

2. Revenue

(refer note 1(c))

(a) Government grants

	Note	Consolidated		Sydney Metro	
		2011	2010	2011	2010
		\$'000	\$'000	\$'000	\$'000
NSW Government – Stages 1 and 2		-	384,214	-	384,214
	1c(i)	-	384,214	-	384,214

State Government grants were received for detailed planning, pre-construction, procurement and construction activities including the acquisition of land and buildings for the Metro Network Stage 1 and a feasibility study and the initial planning work on the Metro Network Stage 2.

(b) Interest income

	Note	Consolidated		Sydney Metro	
		2011	2010	2011	2010
		\$'000	\$'000	\$'000	\$'000
Bank accounts		520	2,760	520	2,760
TCorp cash investment accounts		10,149	7,738	10,149	7,738
Other		-	20	-	20
	1c(ii)	10,669	10,518	10,669	10,518

(c) Other revenue

	Note	Consolidated		Sydney Metro	
		2011	2010	2011	2010
		\$'000	\$'000	\$'000	\$'000
Services provided (Recouped costs)		7,518	3,027	7,518	3,027
Rents received from project property tenancies		610	1,784	610	1,784
	1c(iii)	8,128	4,811	8,128	4,811

Services provided (recouped costs) includes the recoupment of personnel services costs related to the Barangaroo Pedestrian Link and other Department of Transport projects, together with the recoupment of tenant relocation costs associated with the Barangaroo Pedestrian Link project. Rents were received by Sydney Metro from project properties prior to them vesting in the Department of Transport.

SYDNEY METRO

Notes to and forming part of the financial statements
for the year ended 30 June 2011

3. Operating expenditure

	Note	Consolidated		Sydney Metro	
		2011	2010	2011	2010
		\$'000	\$'000	\$'000	\$'000
Professional service contractors		1,765	62,963	1,765	62,963
Property lease payout & disturbance		1,587	26,776	1,587	26,776
Property acquisition related valuations & costs		808	6,294	808	6,294
Design and engineering contractors		-	26,659	-	26,659
Legal fees		492	8,257	492	8,257
Labour related costs	- seconded staff costs # - personnel services *	293	3,162	293	3,162
Consultants		-	43	-	43
Other contractors		631	2,438	631	2,438
Accommodation		540	2,498	540	2,498
External audit fees	21	65	78	65	78
Board and members' remuneration	20	-	34	-	34
Other		182	2,521	182	2,521
Board and members' remuneration (in payroll)	20	-	141	-	-
Personnel services costs**		4,685	4,264	4,685	-
Annual leave expense		419	442	419	-
LSL expense		112	268	112	-
Superannuation entitlements		447	315	447	-
Payroll tax & workers compensation insurance		194	423	194	-
Total operating expenditure		12,220	147,576	12,220	148,361
Operating expenses capitalised to work-in-progress					
Metro network stage 1		-	74,205	-	74,205
Metro network stage 2		-	37,464	-	37,464
Total operating expense capitalised		-	111,669	-	111,669
Total operating expense remaining after capitalisation		12,220	35,907	12,220	36,692

Seconded staff costs comprise invoiced charges received by Sydney Metro from other NSW Government agencies for staff currently utilised on a seconded basis by Sydney Metro.

* In the prior year, personnel services are costs of labour resources provided to Sydney Metro by Sydney Metro Division, in accordance with the provisions of the Public Sector Employment Legislation Amendment Act 2006.

** Following the dissolution of Sydney Metro Division in July 2010, personnel services costs in the current year were paid by Sydney Metro and recouped from the Department of Transport, as all staff had been assigned to work on Transport projects, Sydney Metro staff moved to Transport over the course of the current year and all had been transferred prior to 30 June 2011 [see Note 1 (h)].

SYDNEY METRO

Notes to and forming part of the financial statements
for the year ended 30 June 2011

4. Depreciation and amortisation

	Note	Consolidated		Sydney Metro	
		2011	2010	2011	2010
		\$'000	\$'000	\$'000	\$'000
Leasehold improvements		107	208	107	208
Furniture and equipment		13	24	13	24
Computer equipment		73	92	73	92
	10	193	324	193	324

5. Cost reimbursement claims

As part of the February 2010 decision, the NSW Premier announced that the NSW Government would reimburse the reasonable costs incurred by the property and leasehold owners and the tenderers for the major construction contracts affected by its decision to stop work on the Metro Network Stage 1 (CBD) project.

In the prior year, Sydney Metro established a detailed process to assess claims provided by all short listed tenderers and settled all claims for a total of \$93.5m.

Sydney Metro also applied a detailed process to assess costs reimbursements for property and leasehold owners impacted by the Government's February decision. Expenses of \$10.81m (2010: \$1.4m) were incurred for these costs in the year to 30 June 2011.

6. Gain/(loss) on disposal

	Note	Consolidated		Sydney Metro	
		2011	2010	2011	2010
		\$'000	\$'000	\$'000	\$'000
Gain/(loss) on disposal of property, plant and equipment					
Proceeds of disposal		5	-	5	-
Transfer from Provision for Make-Good	13b	60	-	60	-
Written down value of assets disposed	10	(158)	-	(158)	-
		(93)	-	(93)	-

7. Acceptance by the Crown Entity of Employee Benefits

(refer note 1(h))

The following liabilities have been assumed by the Crown Entity:

	Note	Consolidated		Sydney Metro	
		2011	2010	2011	2010
		\$'000	\$'000	\$'000	\$'000
Superannuation – defined benefit		745	-	745	-
	1(h)	745	-	745	-

SYDNEY METRO

Notes to and forming part of the financial statements
for the year ended 30 June 2011

8. Cash and cash equivalents

(refer note 1(d))

	Note	Consolidated		Sydney Metro	
		2011	2010	2011	2010
		\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand		2,546	24,252	2,546	24,252
NSW Treasury Corporation cash investments		199,212	189,063	199,212	189,063
	1(d)	201,758	213,315	201,758	213,315

Refer to Note 15 for details regarding credit risk, liquidity risk, market risk, interest rate risk and other price risk arising from these financial instruments.

Cash balances in the Sydney Metro bank accounts, remaining after settling the property cost reimbursement claims, will be returned to NSW Treasury at the time of Sydney Metro's dissolution or at a time advised by the Treasurer.

9. Trade and other receivables

(refer note 1(e))

	Note	Consolidated		Sydney Metro	
		2011	2010	2011	2010
		\$'000	\$'000	\$'000	\$'000
Receivables					
- Australian Taxation Office - GST recoverable		-	332	-	332
- Barangaroo Development Authority		-	1,208	-	1,208
- Department of Transport		4,879	-	4,879	-
Prepayments		-	7	-	7
Other receivables					
- Department of Transport		10	-	10	-
- Others		35	729	35	729
	1(e)	4,924	2,276	4,924	2,276

Details regarding credit risk, liquidity risk, market risk and interest rate risk, including financial assets that are either past due or impaired, are disclosed in Note 15.

SYDNEY METRO

Notes to and forming part of the financial statements
for the year ended 30 June 2011

10. Property, plant and equipment

(refer note 1(f))

Consolidated Entity and Sydney Metro	Note	Project properties	Leasehold improvements	Furniture and equipment	Computer equipment	Work in progress	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
a) Current year - ended 30 June 2011							
Net carrying amount at start of year		54,973	196	129	542	-	55,840
Depreciation and amortisation	4	-	(107)	(13)	(73)	-	(193)
Inter-agency transfers out	14a	(54,973)	-	(68)	(448)	-	(55,489)
Disposals	6	-	(89)	(48)	(21)	-	(158)
Net carrying amount at end of year		-	-	-	-	-	-
At fair value:							
Gross carrying value		-	-	-	-	-	-
Accumulated depreciation		-	-	-	-	-	-
Carrying value at end of year		-	-	-	-	-	-
b) Prior year - ended 30 June 2010							
Net carrying amount at start of year		-	342	75	177	64,459	65,053
Additions		102,642	62	78	457	111,669	214,908
Sub-total		102,642	404	153	634	176,128	279,961
Depreciation and amortisation	4	-	(208)	(24)	(92)	-	(324)
Revaluation adjustment		(47,669)	-	-	-	-	(47,669)
Write Offs		-	-	-	-	(176,128)	(176,128)
Net carrying amount at end of year		54,973	196	129	542	-	55,840
At fair value:							
Gross carrying value		54,973	465	157	673	-	56,268
Accumulated depreciation		-	(269)	(28)	(131)	-	(428)
Carrying value at end of year		54,973	196	129	542	-	55,840

11. Trade and other payables

(refer note 1(g))

	Note	Consolidated		Sydney Metro	
		2011	2010	2011	2010
		\$'000	\$'000	\$'000	\$'000
Trade creditors		14	1,761	14	1,761
Other creditors and accruals		1,646	2,205	1,646	2,205
Australian Taxation Office – GST payable		229	-	229	-
Accrued salaries, wages & associated costs		-	265	-	-
Amount owed to Sydney Metro Division		-	-	-	2,365
	1(g)	1,889	4,231	1,889	6,331

Details regarding credit risk, liquidity risk, market risk and interest rate risk, including a maturity analysis of the above payables, are disclosed in Note 15.

SYDNEY METRO

Notes to and forming part of the financial statements
for the year ended 30 June 2011

12. Employee benefits

(refer note 1(h))

	Note	Consolidated		Sydney Metro	
		2011	2010	2011	2010
		\$'000	\$'000	\$'000	\$'000
Current					
- Provision for annual leave		-	496	-	-
- Provision for long service leave		-	848	-	-
- Provision for superannuation		-	756	-	-
		-	2,100	-	-
Non-current					
- Provision for long service leave		-	-	-	-
Total employee entitlement liability		-	2,100	-	-
Aggregate employee entitlements					
- Current leave provisions		-	1,344	-	-
- Current superannuation provisions		-	756	-	-
- Non-current leave provisions		-	-	-	-
- Accrued salaries, wages & oncosts	11	-	265	-	-
Total employee entitlements	1(h)	-	2,365	-	-

Note: Following the dissolution of Sydney Metro Division on 1 July 2010, staff were transferred over the course of the financial year to the Department of Transport. As all staff had been transferred by 30 June 2011, their entitlements (annual leave and long service leave) have either been paid to the Department of Transport or are included as payables in Sydney Metro at balance date. The intended movement of staff to the Department of Transport (which has its defined benefit plan superannuation expense assumed by the Crown Entity) has resulted in the acceptance by the Crown Entity as at 1 July 2010 of the amount previously recognised in Sydney Metro as an unfunded liability on the defined benefit superannuation schemes. In the prior year, Sydney Metro Division provided staff resources (as personnel services) at cost to Sydney Metro and the employee entitlements included in the consolidated figures noted above.

Project and administrative staff have been seconded periodically to Sydney Metro from other government departments and agencies. These staff members are paid by the departments and agencies from which they originate. Their remuneration and oncosts (including leave entitlements) are invoiced to Sydney Metro with the resulting costs included in Seconded Staff Costs as part of Operating Expenses, as disclosed in Note 3.

i) Valuation of the long service leave liability

As at 30 June 2010 Sydney Metro's long service leave valuation was calculated by Service First. In valuing the liability for long service leave financial assumptions of expected long service leave payments arising, were calculated from history of leave taking during service, and lump sum payments made on termination of service. Long service leave was classified as a current provision because the staff were expected to be transferred to the Department of Transport prior to the end of the current financial year.

ii) Financial assumptions

All employee entitlements were held as current provisions because it was expected that all Metro obligations would be extinguished by the end of the current financial year. On this basis no discount rates were applied to the calculated balances.

SYDNEY METRO

Notes to and forming part of the financial statements
for the year ended 30 June 2011

12. Employee benefits (continued)

(b) Employee retirement benefits (defined benefit funds)

Defined Benefit Scheme (AASB119 Employee Benefits)

	As at 30 June 2011				As at 30 June 2010			
	SASS	SANCS	SSS	Total	SASS	SANCS	SSS	Total
Member Numbers								
Contributors	-	-	-	-	2	3	1	3
Deferred Benefits	-	-	-	-	-	-	-	-
Pensioners	-	-	-	-	-	-	-	-
Pensions fully commuted	-	-	-	-	-	-	-	-
Superannuation Position for AASB 119 purposes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accrued liability	-	-	-	-	1,025	212	1,527	2,764
Estimated reserve account balance	-	-	-	-	(856)	(196)	(967)	(2,019)
	-	-	-	-	169	16	560	745
Future Service Liability	-	-	-	-	(68)	(50)	(81)	(199)
Surplus in excess of recovery available from schemes	-	-	-	-	-	-	-	-
Net (asset)/liability to be recognised in statement of financial position	-	-	-	-	169	16	560	745

The Future Service Liability (FSL) does not have to be recognised by an employer. It is only used to determine if an asset ceiling limit should be imposed (AASB 119, para 58). Under AASB 119, any prepaid superannuation asset recognised cannot exceed the total of any unrecognised past service cost and the present value of any economic benefits that may be available in the form of refunds from the plan or reductions in future contributions to the plan. Where the "surplus in excess of recovery" is zero, no asset ceiling limit is imposed.

i) Fund information

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

- State Authorities Superannuation Scheme (SASS);
- State Superannuation Scheme (SSS); and
- State Authorities Non-contributory Superannuation Scheme (SANCS).

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

All the Schemes are closed to new members.

SYDNEY METRO

Notes to and forming part of the financial statements
for the year ended 30 June 2011

12. Employee benefits (continued)

(b) Employee retirement benefits (defined benefit funds) (continued)

ii) Reconciliation of the present value of the defined benefit obligation

	Financial year to 30 June 2011				Financial year to 30 June 2010			
	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Present value of partly funded defined benefit obligation at beginning of the year	1,025	212	1,527	2,764	-	-	-	-
Current service cost	-	-	-	-	-	-	-	-
Interest cost	-	-	-	-	-	-	-	-
Contributions by fund members	-	-	-	-	-	-	-	-
Actuarial (gains)/losses	-	-	-	-	434	19	962	1,415
Benefits paid	-	-	-	-	591	193	565	1,349
Past service cost	-	-	-	-	-	-	-	-
Transfer to Crown Entity	(1,025)	(212)	(1,527)	(2,764)	-	-	-	-
Present value of partly funded defined benefit obligation at end of the year	-	-	-	-	1,025	212	1,527	2,764

iii) Reconciliation of the fair value of fund assets

	Financial year to 30 June 2011				Financial year to 30 June 2010			
	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Fair value of Fund assets at beginning of the year	856	196	967	2,019	-	-	-	-
Expected return on fund assets	-	-	-	-	-	-	-	-
Actuarial gains/(losses)	-	-	-	-	246	1	383	630
Employer contributions	-	-	-	-	19	2	19	40
Contribution by fund members	-	-	-	-	-	-	-	-
Benefits paid	-	-	-	-	591	193	565	1,349
Transfer to Crown Entity	(856)	(196)	(967)	(2,019)	-	-	-	-
Fair value of Fund assets at end of the year	-	-	-	-	856	196	967	2,019

iv) Reconciliation of amounts recognised in the financial statements

(a) Assets and liabilities recognised in statement of financial position

	Financial year to 30 June 2011				Financial year to 30 June 2010			
	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Present value of partly funded defined benefit obligation at end of year	-	-	-	-	1,025	212	1,527	2,764
Fair value of fund assets at end of year	-	-	-	-	(856)	(196)	(967)	(2,019)
Subtotal	-	-	-	-	169	16	560	745
Unrecognised past service cost	-	-	-	-	-	-	-	-
Unrecognised gain/(loss)	-	-	-	-	-	-	-	-
Adjustment for limitation on net asset	-	-	-	-	-	-	-	-
Net liability/(asset) recognised in statement of financial position at end of year	-	-	-	-	169	16	560	745

SYDNEY METRO

Notes to and forming part of the financial statements
for the year ended 30 June 2011

12. Employee benefits (continued)

(b) Employee retirement benefits (defined benefit funds) (continued)

iv) Reconciliation of amounts recognised in the financial statements (continued)

(b) Expense recognised in statement of comprehensive income

	Financial year to 30 June 2011				Financial year to 30 June 2010			
	SASS	SANCS	SSS	Total	SASS	SANCS	SSS	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Components recognised in Statement of comprehensive income								
Current service cost	-	-	-	-	-	-	-	-
Interest cost	-	-	-	-	-	-	-	-
Expected return on fund assets (net of expenses)	-	-	-	-	-	-	-	-
Actuarial losses/(gains) recognised in year	-	-	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-	-	-
Movement in adjustment for limitation on net asset	-	-	-	-	-	-	-	-
Curtailment or settlement (gain)/loss	-	-	-	-	-	-	-	-
Expense/(income) recognised	-	-	-	-	-	-	-	-

(c) Amounts recognised in other comprehensive income

	Financial year to 30 June 2011				Financial year to 30 June 2010			
	SASS	SANCS	SSS	Total	SASS	SANCS	SSS	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Actuarial (gains) / losses	-	-	-	-	187	19	579	785
Adjustment for limit on net asset	-	-	-	-	-	-	-	-

(d) Cumulative amount recognised in other comprehensive income

	Financial year to 30 June 2011				Financial year to 30 June 2010			
	SASS	SANCS	SSS	Total	SASS	SANCS	SSS	Total
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Cumulative amount at beginning of the year	187	19	579	785	-	-	-	-
Recognised during the current period	-	-	-	-	187	19	579	785
Cumulative amount at the end of the year	187	19	579	785	187	19	579	785

v) Fund assets

The percentage invested in each asset class at the end of the year.

	Consolidated	
	2011	2010
Australian equities	-	31.0%
Overseas equities	-	26.8%
Australian fixed interest securities	-	6.1%
Overseas fixed interest securities	-	4.3%
Property	-	9.5%
Cash	-	9.6%
Other	-	12.7%

SYDNEY METRO

Notes to and forming part of the financial statements
for the year ended 30 June 2011

12. Employee benefits (continued)

(b) Employee retirement benefits (defined benefit funds) (continued)

vi) Fair value of fund assets

All Fund assets are invested by STC at arm's length through independent fund managers.

vii) Expected rate of return on assets

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

viii) Actual return on fund assets

	Financial year to 30 June 2011				Financial year to 30 June 2010			
	SASS	SANCS	SSS	Total	SASS	SANCS	SSS	Total
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Actual return on fund assets	-	-	-	-	(7,865)	550	10,472	3,157

ix) Valuation method and principal actuarial assumptions at the end of the year

Valuation method

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

Economic assumptions

	Consolidated	
	2011	2010
Salary increase rate (excluding promotional increases)	-	3.5%pa
Rate of CPI increase	-	2.5%pa
Expected rate of return on assets	-	8.60%
Discount rate	-	5.17%pa

Demographic assumptions

The demographic assumptions at 30 June 2011 are those that were used in the 2009 triennial actuarial valuation. The triennial review report is available from the NSW Treasury website.

x) Historical information

	Financial year to 30 June 2011			
	SASS	SANCS	SSS	Total
	\$000's	\$000's	\$000's	\$000's
Present value of defined benefit obligation	-	-	-	-
Fair value of fund asset	-	-	-	-
(Surplus)/deficit in fund	-	-	-	-
Experience adjustments – fund liabilities	-	-	-	-
Experience adjustments – fund assets	-	-	-	-

SYDNEY METRO

Notes to and forming part of the financial statements
for the year ended 30 June 2011

12. Employee benefits (continued)

(b) Employee retirement benefits (defined benefit funds) (continued)

x) Historical information (continued)

	Financial year to 30 June 2010			
	SASS	SANCS	SSS	Total
	\$000's	\$000's	\$000's	\$000's
Present value of defined benefit obligation	1,025	212	1,527	2,764
Fair value of fund asset	(856)	(196)	(967)	(2,019)
(Surplus)/deficit in fund	169	16	560	745
Experience adjustments – fund liabilities	434	19	962	1,415
Experience adjustments – fund assets	(246)	(1)	(383)	(630)

xi) Expected contributions

	Financial year to 30 June 2011			
	SASS	SANCS	SSS	Total
	\$000's	\$000's	\$000's	\$000's
Expected employer contributions to be paid in the next reporting period	-	-	-	-

xii) Funding arrangement for employer contributions

(a) Surplus/deficit

The following is a summary of the 30 June 2011 financial position of the Fund calculated in accordance with AAS 25 Financial Reporting by Superannuation Plans:

	Financial year to 30 June 2011				Financial year to 30 June 2010			
	SASS	SANCS	SSS	Total	SASS	SANCS	SSS	Total
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Accrued benefits	-	-	-	-	915	196	1,007	2,118
Net market value of Fund assets	-	-	-	-	(857)	(196)	(966)	(2,019)
Net (surplus)/deficit	-	-	-	-	58	-	41	99

(b) Contribution recommendations

Recommended contribution rates for the entity are:

SASS	SANCS	SSS
Multiple of member contributions	% member salary	Multiple of member contributions
1.90	2.50%	-

(c) Funding method

Contribution rates are set after discussions between the employer, STC and NSW Treasury.

(d) Economic assumptions

The economic assumptions adopted for the 2009 actuarial review of the Fund are:

Weighted-Average Assumptions	
Expected rate of return on Fund assets backing current pension liabilities	8.3%
Expected rate of return on Fund assets backing other liabilities	7.3%
Expected salary increase rate	4.0%
Expected rate of CPI increase	2.5%

SYDNEY METRO

Notes to and forming part of the financial statements
for the year ended 30 June 2011

12. Employee benefits (continued)

(b) Employee retirement benefits (defined benefit funds) (continued)

xiii) Nature of asset / liability

If a surplus exists in the employer's interest in the Fund, the employer may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the Fund's actuary.

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

13. Other provisions

(refer note 1(i))

(a) Other Provisions

	Consolidated		Sydney Metro	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Current				
Lease make-good costs	-	140	-	140
Property reimbursement claims	600	1,035	600	1,035
	600	1,175	600	1,175

(b) Movement in other provisions

	Note	Consolidated		Sydney Metro	
		2011	2010	2011	2010
		\$'000	\$'000	\$'000	\$'000
Lease make-good costs					
Balance at start of year		140	140	140	140
Payments during the year		(80)	-	(80)	-
Unused amounts reversed	6	(60)	-	(60)	-
Balance at end of year		-	140	-	140

	Consolidated		Sydney Metro	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Property reimbursement claims				
Balance at start of year	1,035	-	1,035	-
Amounts recognised during the year	10,810	1,035	10,810	1,035
Payments during the year	(10,808)	-	(10,808)	-
Unused amounts reversed	(437)	-	(437)	-
Balance at end of year	600	1,035	600	1,035

SYDNEY METRO

Notes to and forming part of the financial statements
for the year ended 30 June 2011

14. Equity

	Note	Consolidated		Sydney Metro	
		2011	2010	2011	2010
		\$'000	\$'000	\$'000	\$'000
Accumulated funds at the start of the year		212,316	168,458	212,316	168,458
Total changes in equity recognised in the statement of comprehensive income		(3,774)	43,858	(3,774)	43,858
		208,542	212,316	208,542	212,316
Transactions with owners in their capacity as owners					
Inter-agency transfer of non-current assets	10	(55,489)	-	(55,489)	-
Inter-agency transfer of receivables		(469)	-	(469)	-
		(55,958)	-	(55,958)	-
Accumulated funds at end of the year		152,584	212,316	152,584	212,316

Under a vesting order dated 22 December 2010, made pursuant to section 94(1) of the *Transport Administration Act 1988*, certain assets, rights and liabilities of Sydney Metro were transferred to the Director General of Transport NSW (now Department of Transport) prior to the dissolution of Sydney Metro. These included real property owned by Sydney Metro, licences for the use of computer software, contracts relating to the management of its real property, certain contracts relating to the provision of services to Sydney Metro, the metro corridor and contracts or arrangements relating to the metro corridor and the planning approval.

	Consolidated		Sydney Metro	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Contributed equity at the start and end of the year	51,609	51,609	51,609	51,609

15. Financial instruments

Sydney Metro's principal financial instruments are outlined below. These financial instruments arise directly from Sydney Metro's operations or are required to finance its operations. Sydney Metro does not enter into, or trade, financial instruments, including derivative financial instruments, for speculative purposes.

Sydney Metro's main risks arising from financial instruments are outlined below, together with the objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

Up until 30 June 2010 Sydney Metro's Board had overall responsibility for the establishment and oversight of risk management and reviewed and agreed policies for management of those risks. The Board had established an Audit and Risk Committee which monitored Sydney Metro's major risks and oversaw compliance on a continuous basis throughout the year. From 1 July the Board ceased to exist and the affairs of Sydney Metro came under the management and control of the Director-General of the Department of Transport. Also from this date the Audit and Risk Committee of the Department of Transport assumed the role of monitoring Sydney Metro's major risks and overseeing compliance.

SYDNEY METRO

Notes to and forming part of the financial statements
for the year ended 30 June 2011

15. Financial instruments (continued)

(a) Financial instrument categories

Class	Category	Note	Consolidated		Sydney Metro	
			2011	2010	2011	2010
Financial assets						
Cash and cash equivalents	N/A	8	\$'000	\$'000	\$'000	\$'000
			201,758	213,315	201,758	213,315
Trade and other receivables	Receivables measured at invoiced amount	9	4,465	1,779	4,465	1,779
			206,223	215,094	206,223	215,094
Financial liabilities						
Trade and other payables	Payables measured at invoiced amount	11	1,619	3,758	1,619	5,859
			1,619	3,758	1,619	5,859

The figures in the above table exclude prepayments and statutory receivables and payables, as they are not within the scope of AASB 7.

(b) Credit risk

Credit risk arises when there is the possibility that Sydney Metro's debtors will default on their contractual obligations, resulting in financial loss to Sydney Metro. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets in the statement of financial position, including cash and receivables (net of any provision for impairment). No collateral is held by Sydney Metro. Sydney Metro has not granted any financial guarantees.

(i) Cash

Cash comprises the balances on interest-bearing trading accounts held with the Westpac Banking Corporation, and short-term cash investments held in NSW Treasury Corporation's Hour-Glass Cash facility.

(ii) Receivables

Trade and other debtors are recognised as amounts receivable at balance date. No interest is earned on receivables. The collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is raised when there is objective evidence that Sydney Metro will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms. No amount has been written-off during the reporting period. No impairment provision has been raised at balance date.

At balance date, the majority of receivables are with Government agencies and are not considered to pose a credit risk.

SYDNEY METRO

Notes to and forming part of the financial statements
for the year ended 30 June 2011

15. Financial instruments (continued)

(b) Credit risk (continued)

	Total (Notes 1 & 2)	Past due but not impaired (Notes 1 & 2)	Considered impaired (Notes 1 & 2)
	\$'000	\$'000	\$'000
2011			
< 3 months overdue	1,421	1,421	-
2010			
< 3 months overdue	1,098	1,098	-
> 6 months overdue	21	21	-

Notes

- Each column in the table reports "gross receivables".
- The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the "total" will not reconcile to the receivables total recognised in the statement of financial position.

(c) Liquidity risk

Liquidity risk is the risk that Sydney Metro will not be able to meet its payment obligations as and when they fall due. Sydney Metro continually manages the risk by monitoring future cash flows to ensure the adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and the minimisation of underutilised financial assets.

Sydney Metro has access to a Come and Go facility with TCorp for an amount not exceeding \$50 million. Access to the facility was granted by NSW Treasury in May 2009. The facility remained undrawn at balance date. Sydney Metro did not borrow any funds from any source during the reporting period, nor did it pledge any assets as collateral. Sydney Metro's exposure to liquidity risk is deemed insignificant based on the current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods and services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the supplier's terms of trade. If terms of trade are not specified, payment is made no later than the end of the month following the month in which the invoice was received. Treasurer's Direction 219.01 allows the Minister to award penalty interest for late payment of invoices. No such award was made during the reporting period.

The table below summarises the maturity profile of Sydney Metro's financial liabilities, together with the interest rate exposure:

	Weighted average effective interest rate	Nominal amount	Interest rate exposure			Maturity dates		
			Fixed interest rate	Variable interest rate	Non- interest bearing	<1 year	1-5 years	> 5 years
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2011								
Accounts payable	-	-	-	-	-	-	-	-
Accrued expenses	-	1,619	-	-	1,619	1,619	-	-
Total financial liabilities	-	1,619	-	-	1,619	1,619	-	-

SYDNEY METRO

Notes to and forming part of the financial statements
for the year ended 30 June 2011

15. Financial instruments (continued)

(c) Liquidity risk (continued)

	Weighted average effective interest rate	Nominal amount	Interest rate exposure			Maturity dates		
			Fixed interest rate	Variable interest rate	Non- interest bearing	<1 year	1-5 years	> 5 years
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2011								
Accounts payable	-	1,600	-	-	1,600	1,600	-	-
Accrued expenses	-	2,158	-	-	2,158	2,158	-	-
Total financial liabilities	-	3,758	-	-	3,758	3,758	-	-

(d) Market risk

Market risk is the risk that the fair value of, or future cash flows from, a financial instrument will fluctuate because of changes in market prices. Sydney Metro does not have any financial instruments that are valued by reference to a market price. It has no exposure to foreign currency risk and does not enter into commodity contracts.

(e) Interest rate risk

Interest rate risk is the risk that the fair value of, or future cash flows from, a financial instrument will fluctuate because of changes in market interest rates. Sydney Metro has an exposure to interest rate risk arising from its ownership of interest-bearing trading accounts with the Westpac Banking Corporation and short-term cash investments held in NSW Treasury Corporation's Hour-Glass Cash facility. The extent of its exposure is set out in the sensitivity analysis below.

The average interest rate earned on the bank trading account balances during the reporting period was 4.56% (2010: 4.49%). A reasonably possible change of +/- 1% is used, consistent with current possible movements in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

(f) Interest rate sensitivity

	Carrying amount	-1%		+1%	
		Impact on profit	Impact on equity	Impact on profit	Impact on equity
	\$'000	\$'000	\$'000	\$'000	\$'000
2011					
Bank trading accounts (Westpac)	2,546	(114)	-	114	-
Cash investments (NSW Treasury Corporation)	199,212	(1,930)	-	1,930	-
Total financial assets	201,758	(2,044)	-	2,044	-
2010					
Bank trading accounts (Westpac)	24,252	(760)	-	760	-
Cash investments (NSW Treasury Corporation)	189,063	(1,682)	-	1,682	-
Total financial assets	213,315	(2,442)	-	2,442	-

SYDNEY METRO

Notes to and forming part of the financial statements
for the year ended 30 June 2011

15. Financial instruments (continued)

(g) Other price risk – TCorp Hour-Glass facilities

Exposure to "other price risk" primarily arises through the investment in the TCorp Hour-Glass Investment Facilities, which are held for strategic rather than trading purposes. Sydney Metro has no direct equity investments. Sydney Metro holds units in the following Hour-Glass investment trust:

Facility	Investment Sectors	Investment Horizon	2011	2010
			\$'000	\$'000
Cash facility	Cash, money market instruments	Up to 1.5 years	199,212	189,063

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

NSW TCorp is trustee for the above facility and is required to act in the best interest of the unit holders and to administer the trust in accordance with the trust deed. As trustee, TCorp has appointed an external manager to manage the performance and risks of the facility in accordance with a mandate agreed by the parties. However, TCorp acts as manager for part of the Cash Facility and also manages the Australian Bond portfolio. A significant portion of the administration of the facility is outsourced to an external custodian.

Investment in the Hour-Glass facility limits Sydney Metro's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

NSW TCorp provides sensitivity analysis information for the investment facility, using historically based volatility information collected over a ten year period, quoted at two standard deviations (ie. 95% probability). The TCorp Hour-Glass Investment facility is designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity). A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for each facility (balance from Hour-Glass statement).

	Change in unit price	Impact on profit/loss	
		2011	2010
		\$'000	\$'000
Hour-Glass Investment- Cash facility	+/- 1%	+/- 1,992	+/- 1,891

(h) Fair value

All of Sydney Metro's financial instruments are generally recognised at cost, with the exception of the TCorp Hourglass facilities, which are measured at fair value. In the fair value hierarchy, the investments in the Hourglass facilities are classified as Level 2, as although prices are observable, no active market exists for these facilities as they are only accessible to government agencies. The value of the Hourglass Investments is based on the Sydney Metro's share of the value of the underlying assets of the facility, based on the market value. All of the Hourglass facilities are valued using 'redemption' pricing. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short term nature of the financial instruments.

SYDNEY METRO

Notes to and forming part of the financial statements
for the year ended 30 June 2011

16. Notes to the statement of cash flows

(a) Reconciliation of the (deficit)/surplus to the net cash flow from operating activities

	Consolidated		Sydney Metro	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
(Deficit)/Surplus for the year	(3,774)	44,643	(3,774)	43,858
Non-cash items				
Depreciation and amortisation	193	324	193	324
Write-off of construction work in progress	-	176,128	-	176,128
Decrement in value of properties	-	47,669	-	47,669
Loss on disposal of assets	93	-	93	-
Acceptance by the Crown Entity of employee benefits	(745)	-	(745)	-
Changes in assets and liabilities				
Increase/(decrease) in payables	(2,342)	(17,024)	(4,442)	(14,924)
(Increase)/decrease in receivables	(3,117)	1,480	(3,117)	1,480
Increase/(decrease) in provisions & employee benefits	(1,870)	2,350	230	1,035
Net cash flow from operating activities	(11,562)	255,570	(11,562)	255,570

(b) Financing Facilities

Sydney Metro had no borrowings at period end, or during the period. In May 2009, Sydney Metro received approval from NSW Treasury under the *Public Authorities (Financial Arrangements) Act 1987* to obtain a *Come and Go* facility with TCorp. The facility has not been needed or utilised since it was initially approved.

	Consolidated		Sydney Metro	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Credit card – approved limit	-	120	-	120
NSW Treasury Corporation <i>Come and Go</i> Facility	50,000	50,000	50,000	50,000
Total approved facilities	50,000	50,120	50,000	50,120

SYDNEY METRO

Notes to and forming part of the financial statements
for the year ended 30 June 2011

17. Expenditure commitments

(a) Operating expenditure commitments

	Consolidated		Sydney Metro	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Not longer than 1 year	-	1,056	-	1,056
Longer than 1 year and not longer than 5 years	-	-	-	-
	-	1,056	-	1,056
<i>GST input tax credits included in total</i>	-	96	-	96

The commitments above were not recognised in the financial statements as liabilities. The GST input tax credits were recovered from the Australian Taxation Office.

(b) Operating lease commitments

	Consolidated		Sydney Metro	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Not longer than 1 year	-	1,700	-	1,700
Longer than 1 year and not longer than 5 years	-	-	-	-
	-	1,700	-	1,700
<i>GST input tax credits included in total</i>	-	155	-	155

The operating leases related to office accommodation, motor vehicles and the cost of extinguishing a property lease. The property lease was in a building Sydney Metro was negotiating to acquire prior to the Premier's announcement in February 2010 to stop work on the Sydney Metro projects.

The commitments above were not recognised in the financial statements as liabilities. The GST input tax credits were recovered from the Australian Taxation Office.

18. Contingent assets and contingent liabilities

At the time of the Government's decision to stop work on its metro projects, Sydney Metro had initiated a structured property acquisition programme for Metro Network Stage 1. Whilst seven properties had been acquired, a number of other properties and associated leaseholds had reached varying stages of acquisition at the time of Sydney Metro ceasing negotiations. As part of its February 2010 decision, the NSW Premier announced that, in cases where the acquisition of properties was not completed, the NSW Government would put processes in place to assist property owners and tenants who had incurred legal, valuation and other costs relating to property acquisition.

A detailed assessment process was approved by the NSW Government to assess cost reimbursement claims from affected parties, applying assessment principles consistent with the *Land Acquisition (Just Terms Compensation) Act*. As at 30 June 2011, 80 claims totalling \$11.95m had been finalised. A provision of \$0.6m to cover a further claim that has certainty about the settlement amount has been included in Sydney Metro's financial statements (2010: \$1.0m to cover 11 claims). In addition to these items, Sydney Metro has received a further 3 claims for which no provision has been made since the amounts that may become payable cannot be estimated reliably. These claims are expected to be resolved during the next reporting period.

Whilst a significant number of affected parties have already lodged claims, under the relevant legislation remaining directly affected property and leasehold owners have up to 3 years from the rescission of the acquisition notice to lodge a claim.

SYDNEY METRO

Notes to and forming part of the financial statements
for the year ended 30 June 2011

19. Related party disclosures

Amendments to the *Transport Administration Act 1988* commenced on 1 July 2010 which established the Department of Transport and abolished the Sydney Metro Board.

20. Board remuneration

Remuneration paid to Board members who were not government employees, including compulsory superannuation contributions, during the previous reporting period were:

Board member remuneration by range	2011	2010
\$0 - \$10,000	-	-
\$10,001 - \$20,000	-	1
\$50,000 - \$60,000	-	1
\$60,000 - \$70,000	-	1

21. Auditors' remuneration

The amount received, or due and receivable, by the auditors for auditing the financial statements of the consolidated entity was \$65,000 (2010: \$78,000).

22. Post balance date events

The *Transport Legislation Amendment Bill 2011* was passed by the Legislative Assembly on 26 August 2011. The status of Sydney Metro in the new legislation was not changed and as such Schedule 8A of the *Transport Administration Act 1988* will continue to apply to Sydney Metro and its affairs managed and controlled by the Director General (clause 4).

End of audited financial statements.



North Sydney

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Appendices ▶

Appendix 1: Management and structure including Executive Performance Statements

Names, offices and qualifications of principal officers as at 30 June 2011

NAME	POSITION	SES LEVEL	QUALIFICATIONS
Les Wielinga	Director General	8	BE (Civil), Grad Dip Mgmt (Technology Management)
Rodd Staples	Deputy Director General Transport Infrastructure	7	Bachelor of Engineering (Civil), Masters of Finance (Business)
Peter Scarlett	Deputy Director General, Corporate Services	6	B Ec Cert Commerce (Accounting Procedures)
Joanna Quilty	Deputy Director-General, Transport Policy & Planning	6	BA, BSW, Masters of Interdisciplinary Studies.
Elizabeth Zealand	Director, Centre for Transport Planning	6	Bachelor of Arts (Hons)
Louise Hicks	Director Corporate Counsel & Legal Services	5	Bachelor of Law (Hons), Bachelor of Economics
Matthew Browne	Director, Integrated Ticketing and Fares	5	Bachelor of Economics, Institute of Chartered Accountants
Craig Dunn	Director, Bus and Ferry Service Contracts	4	Graduate Diploma Public Administration, Graduate Diploma Transport Management and Associate Diploma Business.
Mohini Nair	Director, Centre for Transport Planning	4	Master of Arts (Hons) Graduate Diploma in Planning
Bill Grant	Director, Service Development and Network Improvement	4	Bachelor of Arts (Hons)
Natalie Pelham	Director, Transport Policy & Reform	3	Bachelor of Science, Respiratory Therapy Diploma, Registered Respiratory Therapy License, Clinical Excellence and Leadership, Master of Science and Society, PhD
Pauline Ross	Director, Strategic Coordination	3	Bachelor of Arts, Master of Arts and Bachelor of Laws.

Numbers of Executive positions at each level for the current and prior reporting periods 2010-11

SES LEVEL	2008-09	2009-10	2010-11
1	0		
2	1	1	
3	2	2	2
4	4	3	3
5	0	1	2
6	2	2	3
7	1	0	1
8	0	1	1
Female Executive Officers	2	4	6

Senior Executive Service staff Level 5 and above 2010-11

SES OFFICER	SES LEVEL	TRP
Les Wielinga	8	\$496,232
Rodd Staples	7	\$392,350
Peter Scarlett	6	\$312,850
Elizabeth Zealand	6	\$352,606*
Joanne Qulity	6	\$304,225
Matthew Browne	5	\$269,075
Louise Hicks	5	\$269,075

* includes special allowance to SES 7 for additional responsibilities

Director General Performance Statement

Name: Les Wielinga

Title: Director General

Remuneration Package: \$496,232

Level: SES Level 8

The Minister has expressed satisfaction with the performance of Mr Wielinga in the reporting period to 30 June 2011. Mr Wielinga met the requirements of his Performance Agreement for 2010-11. During this period, Mr Wielinga continued to focus on delivering an effective transport system that maximises benefits for the community and the economy.

In 2010-11, Mr Wielinga's significant achievements included:

- Successfully commencing the establishment of an integrated transport authority. The integrated transport authority will be responsible for improving the customer experience, planning, program administration, policy, regulation, procuring transport services, infrastructure and freight and regional development. The new integrated transport authority will have the customer as the central focus of transport.
- Leading the portfolio-wide focus on performance and service delivery to meet the NSW State Plan transport priorities and targets. This has resulted in targets being consistently met for the provision of public transport, improving the public transport system, improving the road network, maintaining road infrastructure, improving road safety and increasing walking and cycling mode share.
- Oversaw the introduction of an additional nine free shuttle bus services throughout the greater metropolitan area, in addition to the shuttles already operating in Parramatta, Wollongong and the Sydney CBD. These new services are located at Campbelltown, Liverpool, Cabramatta, Bankstown, Penrith, Blacktown, Gosford, Kogarah and Newcastle.
- Led the delivery of an increased number of commuter car parks. Since March 2011, commuter car parks have opened at various locations including Wyong, Woy Woy, Revesby and Blacktown stations providing approximately 1400 additional parking spaces.
- Introduced increased access to public transport services for people with disabilities, elderly people with mobility constraints, and people travelling with prams through easy access upgrades. As at 30 June 2011, 66 per cent of buses in the Sydney metropolitan area and 38.2 per cent of buses in outer metropolitan areas are accessible.

As part of their performance monitoring, bus operators are required to report on the number of accessible services they provide.

- Oversaw the introduction of MyZone tickets for light rail services in June 2011. Approximately 127,000 recorded boardings were made on light rail using a MyZone ticket in the first month. Total patronage (which includes MyZone and Light Rail tickets) in July 2011 was about 25 per cent (26 per cent) higher than the same time in the previous year.
- Established a dedicated North West Rail Link project team to ensure a clear focus on delivering the project on time and within budget. This team includes a number of skilled staff with the technical expertise required to deliver this project. Stakeholder engagement has already commenced with a Community Information Centre opened at Castle Hill in June of this year.
- Successfully delivered infrastructure and services against the integrated transport budget and met budget targets for capital works and net cost of services. This net cost of services result reflects the effectiveness of the funding provided for both transport infrastructure improvements and maintenance and the provision of transport services.
- Successfully introduced reductions to monthly, quarterly and annual MyTrain and MyMulti fares. The Government is able to set fares below the maximum fares determined by IPART to achieve broader policy objectives such as rewarding regular, long-term commuters and where appropriate, providing price incentives for people to use public transport. The new fares were commenced on 1 July 2011.
- Commenced the delivery of the South West Rail Link, an important initiative in responding to issues of reliability and passenger growth on the metropolitan rail network and population growth in south west Sydney. This project is being delivered in two parts, the Glenfield Transport Interchange and the new rail link between Glenfield and Leppington. Early construction works and early site investigation are underway.
- Managed the implementation program of 33 recommendations resulting from the Moroney inquiry into a major accident on the F3 Freeway in April 2010. This has led to improved coordination and cooperation between various agencies involved in responding to road and traffic incidents.

Name: Louise Hicks
Title: General Counsel/Director
Legal Services
Remuneration Package: \$269,075
Level: SES Level 5

The Director General has expressed satisfaction with the performance of Ms Hicks in the reporting period to 30 June 2011. Ms Hicks held the position of General Counsel/Director, Legal Services from 1 July 2010 to 30 June 2011.

Ms Hicks met the performance indicators in her Performance Agreement apart from those projects put on hold due to the election and foreshadowed organisational changes. These factors have delayed the establishment of the Transport wide legal panel.

Ms Hicks provided advice to the Director General and Executive of Transport on the amended Transport Administration Act that came into force on 1 July 2010 and oversaw the development of in-house and external legal resources to meet the increasing legal needs of the Department.

A slight budget overrun can be attributed to the cost of contractors and secondees who provided necessary skilled internal legal resources. The Director General agreed to this staffing arrangement rather than recruiting permanently to roles which had been graded inappropriately.

In 2010-11, Ms Hicks' significant achievements included:

- Establishing a Project Control Group to manage a proposed tender for legal services across the Transport portfolio, which will be implemented once the organisational changes are settled.
- Providing quality and timely legal advice to support the ongoing corporate and operational needs of the Department of Transport.
- Fostering close partnerships with panel law firms through strategic secondments giving flexibility to the legal staffing levels.
- The engagement of an experienced Practice Manager to closely monitor legal expenditure and implement the Informed Purchaser Model for Legal Services through a new policy on Engaging and Managing Lawyers.
- The establishment of a Legal Executive Steering Committee bringing together the General Counsels of all Transport agencies to foster integration.
- Assisting with the new government's initiatives including franchising Sydney Ferries, bringing Light Rail into My Zone ticketing and arranging a tender for legal services for North West Rail Link project.

Name: Joanna Quilty
Title: Deputy Director General
Transport Policy and Planning
Remuneration Package: \$304,225
Level: SES 6

The Director General has expressed satisfaction with the performance of Ms Quilty in the reporting period to 30 June 2011.

Ms Quilty met the requirements of her Performance Agreement for 2010-11 and significant achievements included:

- Participating in and advising government in relation to the formation of a National Heavy Vehicle Regulator and the related draft national law on development of the National Rail Safety Regulator through representation on the project's Board and Advisory Group. NSW successfully argued that the national scheme should allow for the national regulatory function to be provided by each state's own safety regulators under service level agreements with the national regulator.
- Advising Government on NSW submissions to Infrastructure Australia on its national freight and national ports strategies.
- Development of a Memorandum of Understanding between the NSW Government and the City of Sydney.
- Overseeing the delivery of the \$7.3 million Level Crossing Improvement Program which provides for infrastructure upgrades at level crossings across NSW, level crossing awareness campaigns and enforcement activities.
- Chaired the Ministerial Taskforce established to examine a business case for the re-opening of the Blayney-Cowra-Demondrille Rail Lines, including the Koorawatha to Greenethorpe Line.
- Continued to support the work of the NSW Transport and Logistics Workforce Advisory Group which has been established to promote careers in the transport and logistics industry.
- Providing input to COAG's Consultation Draft Interim Report on the Strategic Planning System for Sydney, which lead to a finalised Interim Report in June 2010.
- Undertaking analysis and development work for the Transport Plan to be released in 2012.
- Enhancing the Bureau of Transport Statistic's website.
- Undertaking customer satisfaction surveys for rail, bus and ferry customers.

Name: Peter Scarlett
Title: Chief Financial Officer
Remuneration Package: \$312,850
Level: SES Level 6

The Director General has expressed satisfaction with the performance of Mr Scarlett in the reporting period up to 30 June 2011.

Mr Scarlett met the requirements of his Performance Agreement for 2010-11, delivering strategic oversight, coordination and management of the finances of the transport portfolio.

In 2009-10, Mr Scarlett's significant achievements included:

- Meeting all statutory, budgeting and reporting requirements and ensuring compliance with applicable accounting standards.
- Providing leadership and strategic level direction across the portfolio through coordination of forward estimates, allocation of infrastructure funding and financial management of major service and funding. Developing an integrated transport budget approach to support future delivery of transport priorities and targets as outlined in the NSW State Plan and the Metropolitan Transport Plan.
- Managing the financial aspects of government and Industry transport service providers to support continued delivery of services.

Name: Rodd Staples
Title: Deputy Director General
Infrastructure Division
Project Director, North West Rail Link
Remuneration Package: \$392,350
Level: SES Level 7

The Director General has expressed satisfaction with the performance of Mr Staples in the reporting period up to 30 June 2011.

Mr Staples met the requirements of his performance agreement for 2010-11, providing strategic direction to the portfolio's capital and asset management program and driving the scoping and delivery of major infrastructure projects.

In April 2011, Mr Staples was assigned to the North West Rail Link Project as Project Director.

Significant achievements for 2010-11 included:

- Establishing the Infrastructure Division as a new division within Department of Transport.
- Developing a strategy for integrated capital and asset management across the portfolio.
- Developing a framework for Department of Transport's 10 year capital program investment decision-making and a portfolio-wide capital program reporting and monitoring process.
- Procuring planning approval and managing completion of early works for Stage 1 (Inner West) of the Sydney Light Rail Extension and completing a feasibility study for Stage 2 (CBD).
- Scoping, planning and developing other transport projects included in the Metropolitan Transport Plan.
- Establishing governance arrangements, a project team and a community information centre for the North West Rail Link and commencing development work on the project in consultation with major stakeholders.

Name: Elizabeth Zealand
Title: Deputy Director General, Transport
Coordination Division
CEO, Public Transport Ticketing Corporation
Remuneration Package: \$352,601
Level: SES 6

The Director General has expressed satisfaction with the performance of Ms Zealand in the reporting period to 30 June 2011.

Ms Zealand met the requirements of her Performance Agreement for 2010-11, delivering integrated programs across all modes of public transport to support government objectives for delivery of an integrated transport system.

In 2010-11 Ms Zealand's achievements included:

- Overseeing the detailed design and contract management associated with the electronic ticketing system for greater Sydney, delivery of which continues to remain within budget and to schedule.
- Successfully managing the implementation program of 33 recommendations resulting from the Moroney inquiry into a major accident on the F3 Freeway in April 2010. This has led to improved coordination and cooperation between various agencies involved in responding to road and traffic incidents.
- Established the Mode Interchange Program (Stage 1), which is a 10-year rolling program to deliver new or upgraded interchanges and associated development at identified locations.
- Develop the implementation plan for the reduced fares on MyTrain monthly, quarterly and yearly tickets as well as MyMulti tickets, effective 1 July 2011.
- Developing a congestion management strategy which documents the measures and mechanisms in place in the Sydney region to keep transport moving. Setting a framework for activities and contingencies over the next five years to make best use of current infrastructure and services.
- Establish systems to improve wayfinding and customer information. The Circular Quay Customer Information Centre pilot was the first project to be delivered.
- Developing for Cabinet consideration options for implementing the current MyZone ticketing system on privately owned CBD light rail services and overseeing the implementation effective 27 June 2011.

Appendix 2: Committees and significant advisory groups

Significant committees – Interdepartmental, State or National 2010-11

COMMITTEE	REPRESENTATIVE	POSITION
Australasian Transport Research Forum Organising Group	Tim Raimond	Director Bureau of Transport Statistics
Australian Level Crossing Assessment Model (ALCAM) National Group	Chris Lees	Manager ALCAM
Austrroads Freight Taskforce (national government only committee)	Daniel Kicuroski	Manager National Regulatory Policy
Blayney-Cowra-Demondrille Rail Line Working Group	Natalie Pelham	Director Transport Policy and Reform
Blayney-Cowra-Demondrille Rail Line Working Group	Sean O'Shannassy	Manager National Road Pricing Policy
Blayney-Cowra-Demondrille Rail Line Working Group	Paul Gaynor	Principal Policy Officer
Blayney-Cowra-Demondrille Rail Line Working Group	Padraic Fischer	Assistant Policy Officer
Blayney-Cowra-Demondrille Rail Line Working Group	Ro Mueller	Senior Policy Officer
Bus Driver Safety Committee	Craig Dunn	Director Bus and Ferry Services Contracts
Bus Driver Safety Committee	Arthur Rogers	Principal Manager Strategy and Reporting
Bus Driver Safety Committee	David Tooze	Principal Manager Compliance and Regulation
Bus Driver Safety Committee	Brian Solomon	Senior Policy Officer
Bus Driver Safety Committee	Greg Nott	Principal Manager Security and Emergency Management
Bus Operations Committee	Brian Solomon	Senior Policy Officer
Bus Operations Committee	David Tooze	Principal Manager Compliance and Regulation
Bus Operations Committee	Craig Dunn	Director Bus and Ferry Services Contracts
Bus Operations Committee	Arthur Rogers	Principal Manager Strategy and Reporting
Chief Executive Officer's Freight Group	Les Wielinga	Director General
COAG Road Reform Plan (CRRP) Jurisdictional Reference Group	Sean O'Shannassy	Manager National Road Pricing Policy
COAG Road Reform Plan (CRRP) Project Team	Sean O'Shannassy	Manager National Road Pricing Policy
Electronic Ticketing System Reference Group	Elizabeth Zealand	Deputy Director General Transport Coordination Division
Electronic Ticketing System Reference Group	Matthew Browne	Director Integrated Ticketing and Fares, Transport Coordination
Electronic Ticketing System Reference Group	Trish Stockton	Principal Manager Program Management Services, Public Transport Ticketing Corporation
Electronic Ticketing System Reference Group	John Karaboulis	Deputy Director General Transport Services
Freight Advisory Council	Les Wielinga	Director General
International Travel Survey Conference – Co-Chair 2014 Local Organising Committee	Tim Raimond	Director Bureau of Transport Statistics
Level Crossing Strategy Council	Natalie Pelham	Director Transport Policy and Reform
Level Crossing Strategy Council	Godwin Camilleri	Manager Level Crossings Improvement Program

COMMITTEE	REPRESENTATIVE	POSITION
Level Crossing Working Group	Godwin Camilleri	Manager Level Crossings Improvement Program
Level Crossing Working Group	Don Esplin	Senior Policy Officer
Level Crossing Working Group	Chris Lees	Manager ALCAM
Maldon-Dombarton Feasibility Study Project Reference Group	Simon Hunter	Acting Director Freight and Ports Strategy
Maldon-Dombarton Feasibility Study Project Reference Group	Simon Hunter	Acting Director Freight and Ports Strategy
Ministerial Taskforce Blayney-Cowra-Demondrille Rail Line	Joanna Quilty	Deputy Director General Policy and Planning
National Heavy Vehicle Regulator Project Management Group	Daniel Kicuroski	Manager National Regulatory Policy
Northern Strategy Freight Corridor Steering Committee	Rodd Staples	Deputy Director General Transport Projects
NSW Transport and Logistics Workforce Advisory Group (TLWAG)	Joanna Quilty	Deputy Director General Policy and Planning
NSW Transport and Logistics Workforce Advisory Group (TLWAG)	Dimi Rigas	Acting Principal Policy Officer National Policy
NSW Transport and Logistics Workforce Advisory Group (TLWAG)	Matthew O'Neill	NSW TLWAG Program Manager
SMART Infrastructure Facility	Les Wielinga	Director General
Standing Committee on Transport (SCOT) Standing Sub-Committee - Security	Kate Foy	Director Operations Coordination
Standing Committee on Transport (SCOT) Standing Sub-Committee - Security	Greg Nott	Principal Manager Security and Emergency Management
Standing Committee on Transport (SCOT), Standing Sub-Committee - Productivity and Efficiency	Dimi Rigas	Acting Principal Policy Officer National Policy
Standing Committee on Transport (SCOT), Standing Sub-Committee - Network Performance	Dimi Rigas	Acting Principal Policy Officer National Policy
Standing Committee on Transport (SCOT), Standing Sub-Committee - Safety	Joanna Quilty	Deputy Director General Policy and Planning
State Aviation Working Group	Joanna Quilty	Deputy Director General Policy and Planning
Steering Group to oversee the Joint Study on Aviation Capacity for the Sydney Region	Les Wielinga	Director General
Sydney Airport Corp Ltd (SACL)/NSW Government Agencies Workshop	Les Wielinga	Director General
Taxi Advisory Group	Barbara Wise	Director Compliance, Schemes and Community Transport
Transforming Sydney MOU Steering	Les Wielinga	Director General
Transport Data Action Network	Tim Raimond	Director Bureau of Transport Statistics
UITP (International Association of Public Transport)	Elizabeth Zealand	Deputy Director General Transport Coordination

Appendix 3: Equal Employment Opportunity (EEO)

DEPARTMENT OF TRANSPORT		TRENDS IN THE REPRESENTATION OF EEO GROUPS		
EEO Group	Benchmark / Target	Percentage of total staff		
		2009	2010	2011
Women	50.0%	54.1%	53.5%	53.0%
Aboriginal people and Torres Strait Islanders	2.6%	1.2%	1.1%	0.9%
People whose first language was not English	19.0%	16.6%	23.8%	20.4%
People with a disability	N/A	5.0%	4.8%	4.9%
People with a disability requiring work-related adjustment	1.5%	2.2%	1.7%	1.4%

SYDNEY METRO		TRENDS IN THE REPRESENTATION OF EEO GROUPS		
EEO Group	Benchmark / Target	Percentage of total staff		
		2009	2010	2011
Women	50.0%	0.0%	52.0%	52.4%
Aboriginal people and Torres Strait Islanders	2.6%	0.0%	0.0%	0.0%
People whose first language was not English	19.0%	0.0%	12.9%	10.6%
People with a disability	n/a	0.0%	0.0%	0.0%
People with a disability requiring work-related adjustment	1.5%	0.0%	0.0%	0.0%

DEPARTMENT OF TRANSPORT		TRENDS IN THE DISTRIBUTION OF EEO GROUPS		
EEO Group	Benchmark	2009	2010	2011
Women	100	87	86	86
Aboriginal people and Torres Strait Islanders	100	n/a	n/a	n/a
People whose first language was not English	100	97	97	97
People with a disability	100	n/a	n/a	92
People with a disability requiring work-related adjustment	100	n/a	n/a	n/a

SYDNEY METRO		TRENDS IN THE DISTRIBUTION OF EEO GROUPS		
EEO Group	Benchmark	2009	2010	2011
Women	100	0	87	n/a
Aboriginal people and Torres Strait Islanders	100	0	0	0
People whose first language was not English	100	0	n/a	n/a
People with a disability	100	0	0	0
People with a disability requiring work-related adjustment	100	0	0	0

As an EEO initiative, the Department took part in the Ready, Willing and Able Strategy. As part of this strategy the Department of Human Services sets targets for organisations to permanently employ through disability employment providers a minimum of five additional people with a disability each year over 2010-11 and 2011-12.

In consultation with Disability Employment Service providers, the Department of Transport met this target with the employment of five people with a disability at various locations, including CBD, Parramatta, Wollongong and Newcastle.

Appendix 4: Multicultural and Services Programs

The Department of Transport as a provider of services to the community of NSW has a range of print media available in different languages accessible on the agency's internet site, transport.nsw.gov.au in fulfilment of the objectives of multicultural policies and services.

A key communication and information source about Transport in NSW is available through the Transport Info 131500 service and includes access to multilingual transport information with feedback facilities in at least 16 different languages.

The Transport NSW Driver Authority Manual includes procedures to ensure documents submitted in languages other than English can be considered when issuing Driver Authorities.

Appendix 5: Disability Plan

OUTCOME AREAS	TARGETS	ACTUAL PERFORMANCE	COMMENTS/HIGHLIGHTS REGARDING PERFORMANCE
Identifying and removing barriers to services for people with a disability	Ensure a disability awareness module is included in employee induction programs and promote general staff awareness of disability and access issues	Disability awareness modules for induction programs have been implemented by all transport agencies	Disability awareness training is currently being updated with a view to developing a consistent, multi-modal training program
	Review communication channels suitable for persons with a disability and incorporate the results of the review in the development of a new integrated customer relations management system	Achieved	A centralised complaints system is in place through Transport Infoline 131500 by telephone (131500); TTY (Teletypewriter) telephone (1800 637 500) and website 131500.com.au
	Increase the availability of Wheelchair Accessible Taxis (WATs)	As at 1 June 2011, there are 817 WATs in NSW, an increase of 71.3% since 2005	In April 2011, the gap in response times between standard and WATs was 3.55 minutes
	Provide hearing loops in infrastructure (where required)	Partially achieved	100% of RTA motor registries have hearing loops installed. 83% of attended CityRail stations have hearing loops at the booking office. Transitway buses have hearing loops installed at stops
Providing information in a range of formats that are accessible to people with a disability	Ensure implementation of new information systems across a range of modes and transport tasks improves information accessibility for people with disabilities	Passenger Information Review Group convened	
	Provision of accessible information on websites	All agencies to provide information on their respective websites in accessible formats	The 131500 Transport Info website complies with Web Content Accessibility Guidelines issued by Office of Information Technology
Using government decision-making, programs and operations to influence other agencies and sectors to improve community participation and quality of life for people with a disability	Use contracts and incentives to increase accessible transport by private operators	Introduction of new bus contracts that require compliance with the <i>Disability Discrimination Act</i> (DDA) Transport Standards and a preparation of Action Plans. A range of incentives in place to increase the number wheelchair accessible taxis, particularly in non-metropolitan areas	As at 1 June 2011 there were 817 WATs in NSW, comprising 11.7% of the total taxi fleet in NSW
	Ensure that all new retail concessions at railway stations, ferry wharves and transport interchanges are accessible	Achieved	

OUTCOME AREAS	TARGETS	ACTUAL PERFORMANCE	COMMENTS/HIGHLIGHTS REGARDING PERFORMANCE
Making government buildings and facilities physically accessible to people with a disability	Compliance with DDA Transport Access Standards	Increased percentage of public transport services are accessible All new infrastructure works comply with the relevant disability standards	As at 31 March 2011, 45% of timetabled bus services in the Sydney metropolitan area were accessible and 51% of timetabled bus services in the outer metropolitan area were accessible As at the end of May 2011, 127 CityRail stations across the CityRail network are independently wheelchair accessible, with further stations to be upgraded in the future As at the end of May 2011, many Countrylink stations provided some form of access to the platform for people using wheelchairs. An audit is currently underway to assess the accessibility of Countrylink stations
	Review pedestrian strategies and State Road network standards to improve the quality of the road environment for pedestrians with mobility impairments	All new infrastructure works comply with the relevant disability standards	
	Undertake access audits as part of Asset Management Plans and make changes where necessary	All corporate offices are accessible	
	Improve destination signage and voice announcements on rail stations	Partially achieved	100% of CityRail passengers have access to audio information via digitised voice announcements or long line public address 85% of CityRail passengers have access to improved electronic visual destination information on stations Liverpool-Parramatta Transitway incorporates electronic destination signage
	Reduce the gap between the platform and train	Work continues	
	Provide access to portable boarding ramps on all CityRail station platforms	Achieved	127 CityRail stations across the CityRail network are independently wheelchair accessible, with further stations to be upgraded in the future
	Examine access for people with disabilities at pedestrian level crossings	Pedestrian level crossing design standards have been amended following consultation with and tests by disability peak groups of an improved design	
	All new transport infrastructure projects to have accessible destination signage and/or voice announcements	Achieved	Liverpool-Parramatta Transitway incorporates electronic destination signage and Transitway buses have hearing loops installed at shops
Assisting people with a disability to participate in public consultations and apply for, and participate in, government advisory boards and committees	Ensure consultation is carried out with the disability community for the consideration of information, infrastructure and other initiatives being progressed by transport agencies	Establishment of the Accessible Transport Consultative Group, with representatives from Government, peak disability groups and industry	

Appendix 6: Overseas travel by the Department of Transport officers

OFFICER NAME	DATE	DESTINATION	PURPOSE
Brendan Nugent	September - October 2010	Canada	To attend Transportation Association of Canada's (TAC) Conference
Chris Lees	January - February 2011	New Zealand	To attend Australian Level Crossing Assessment Model (ALCAM) Committee
Messrs Sing, Donis, Harb, Roushani, Siebert, Lafciski, Donohoe, Murphy (NSW Public Works)	February - March 2011	New Zealand	To assist in Urban Search and Rescue Response to the Christchurch Earthquake
Greg Nott	March 2011	England	To attend International Working Group on Land Transport Security

Appendix 7: Move to Lee Street

The Department of Transport moved into the 18 Lee Street, Chippendale, office at the end of 2010. The Department has significantly benefited from the new building and improved office space. The move has allowed staff to come together at one site, leading to greater efficiencies for people that regularly work together and previously were located in separate offices.

To support the consolidation of office space, the 227 Elizabeth Street and 321 Kent Street offices closed in December 2010 with staff moving to Lee Street.

Appendix 8: Government Information (Public Access) Act 2009

The Freedom of Information Act was repealed on 30 June 2010 and the new *Government Information (Public Access) Act* (GIPA Act) commenced on 1 July 2010.

The purpose of the GIPA Act is to provide greater transparency in government agency operations and decision making, particularly those areas that have a direct impact on the community. The GIPA Act:

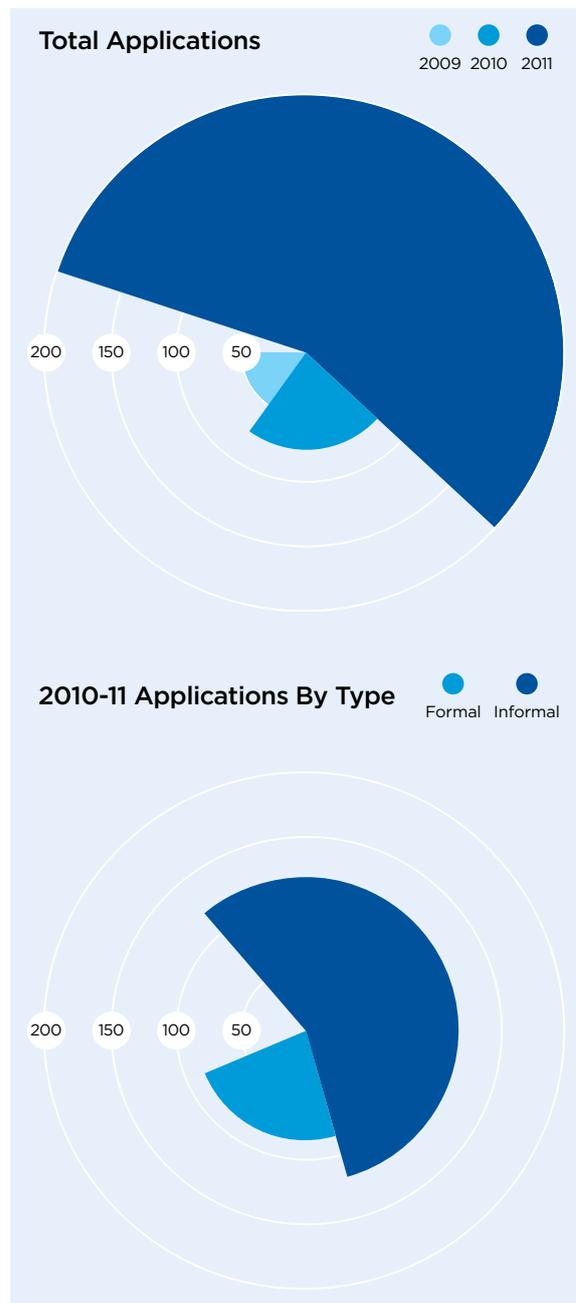
- creates new rights to information that are designed to meet community expectations of more open and transparent government
- encourages government agencies to proactively release government information.

The new Act provides for two types of applications – formal and informal. Formal applications are written and must include an application fee. They are generally for requests for large amounts of information or for complex matters. Informal applications are usually received by email or telephone and involve small, simple requests for information.

Comparison with previous reporting period

The Department of Transport received 78 formal applications in the 2010-11 reporting period compared with 77 in the previous year. During the current period there were also approximately 120 informal applications received.

There was only one request for review submitted to the Information Commissioner as a result of a determination by the Department, compared to five requests for review in 2009-10 under the Freedom of Information Act. The Department of Transport has not had any matters submitted to the Administrative Decisions Tribunal for review since 2008-09.



Statistical information

This statistical information is set out in accordance with the provisions of the GIPA Act. The statistical information shown in the following tables is based on formal applications only.

Government Information (Public Access) Application – Annual Report

Schedule 2 Statistical information about access applications to be included in annual report

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	9	4	4	4	0	1	0	4
Members of Parliament	2	1	2	0	0	1	0	8
Private sector business	3	0	0	0	0	0	0	2
Not for profit organisations or community groups	0	0	1	0	0	0	0	0
Members of the public (application by legal representative)	1	2	0	0	1	1	0	0
Members of the public (other)	3	1	1	1	0	2	0	1

* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Government Information (Public Access) Application – Annual Report

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	2	1	1	0	1	0	0	1
Access applications (other than personal information applications)	16	7	7	5	0	5	0	14
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

* A **personal information application** is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Reason for invalidity	No of applications
Application does not comply with formal requirements (section 41 of the Act)	9
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	9
Invalid applications that subsequently became valid applications	6

Government Information (Public Access) Application – Annual Report

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	8
Executive Council information	0
Contempt	0
Legal professional privilege	1
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

* More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

	Number of occasions when application not successful
Responsible and effective government	1
Law enforcement and security	0
Individual rights, judicial processes and natural justice	3
Business interests of agencies and other persons	4
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	53
Decided after 35 days (by agreement with applicant)	1
Not decided within time (deemed refusal)	19
Total	73

Government Information (Public Access) Application – Annual Report

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
Total	0	0	0

* The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Effect of functions on members of the public

The functions of the Department of Transport have an effect on members of the public through the provision of policy advice and services. These services include the accreditation, compliance and enforcement activities for bus, taxi and hire car operations, implementing government policies, providing specialist policy advice on roads, bus, rail and ferry transport, delivering effective passenger transport information and specialised services such as policy development and co-ordination across a range of transport functions to serve the people of NSW.

Categories of documents held by the Department

A list of all policy documents of the Department of Transport are published on the Department's website transport.nsw.gov.au. Categories of documents include policy documents, internal administrative documents, and policy and planning documents, which assist the Minister for Transport and Minister for Roads.

Accessing and amending documents

Documents may be accessed in several ways, including via the internet at transport.nsw.gov.au.

Applications under the GIPA Act and privacy enquiries should be directed to the Information Unit on:

T (02) 8202 3768

E gipa@transport.nsw.gov.au

or in writing to:

Principal Manager, Information
Department of Transport
PO Box K659
Haymarket NSW 1240

Appendix 9: Privacy Management Plan

Section 33(3) of the *Privacy and Personal Information Protection Act 1998* (PPIPA) requires NSW Government agencies to report on privacy compliance issues and to provide statistical details of any Internal Review carried out under Part 5 of the PPIPA.

In compliance with the provisions of the PPIPA and the *Health Records and Information Privacy Act 2002*, the Department of Transport has a Privacy Management Plan and has appointed a designated privacy officer. The Privacy Management Plan is available on the website at transport.nsw.gov.au. The Privacy Officer's contact details are as noted above under the section headed *Government Information (Public Access) Act 2009*.

Privacy reviews

During 2010-11 the Department of Transport was not involved in any reviews of decisions made relating to the use or release of private information.

Appendix 10: Legal change

Substantive changes to legislation administered by the Minister for Transport in 2010-11.

Acts

Transport Administration Amendment Act 2010
(Commenced 1 July 2010)

Amending the Transport Administration Act to establish Transport NSW and its functions, establishing the office of Director General of Transport NSW and Ministerial responsibility for the agency, establishing executive offices with responsibility for other transport authorities, establishing the Transport Advisory Council and related matters.

The name of the organisation was changed from Transport NSW to the Department of Transport on 3 April 2011 by the *Public Sector Employment and Management (Departments) Order 2011*.

Regulations

Passenger Transport Amendment (Taxi Licensing) Regulation 2010
(Commenced 2 July 2010)

Prescribing fees and criteria for the issue of annual taxi-cab under the Passenger Transport Act.

Passenger Transport Amendment (Authorised Officers and Persons) Regulation 2010
(Commenced 19 November 2010)

Providing that staff of the Independent Transport Safety Regulator are able to be appointed as authorised officers under the Passenger Transport Act and that staff of the State Transit Authority Division are a class of persons to whom the Director General's functions can be delegated under the Passenger Transport Act.

Judicial decisions

There have been no significant judicial decisions during the reporting period.

Appendix 11: Land disposal

There was no land disposal during the reporting period

Appendix 12: Payments to consultants

DEPARTMENT OF TRANSPORT		CONSULTANTS OVER \$30,000
Name of Consultant	Purpose	\$'000
Parsons Brinckerhoff	Sydney City Centre Access Study	410
Booz & Company (Aust) Pty Ltd	Sydney Ferries Procurement Strategy	296
Manidis Roberts	Operations Coordination Precinct Planning	226
Futurestep (Australia) P/L	Recruitment Management	185
Manidis Roberts	Operations Coordination Incident Management	184
Booz & Company (Aust) Pty Ltd	Evaluation of CBD Intersection Markings	140
Price Waterhouse Coopers	Transport Economic Appraisal Comparative Report	138
Booz & Company (Aust) Pty Ltd	Evaluation of Mobile Police Traffic Team	136
Booz & Company (Aust) Pty Ltd	Cost Benefit Analysis Blayney-Cowra	112
Sinclair Knight Merz Pty Ltd	Botany Road Corridor Action Plan	109
The Tipping Point Institute P/L	Strategic Options & Towards Sector Presentations	98
Glenn Smith Management Services	Establishing Business Services Group	86
Lerula Pty Ltd	Rolling Stock PPP Project	78
GHD Pty Ltd	Sydney Light Rail Extension Study	72
Utility Services Corporation Ltd	ERP Option Evaluation	60
Booz & Company (Aust) Pty Ltd	Upper Parramatta River Accessibility Study	54
ABS	Establishing Bureau of Transport Statistics	53
Trustees for Dowling Family Trust	OHS Governance Assurance Project	50
Norton Crumlin & Associates	Leadership Team Development Sessions	48
Taylor Nelson Sofres Australia P/L	Services for Moderation of Online Forum	44
Manidis Roberts	Transport product & scoping project	43
Fyusion Asia Pacific Pty Ltd	Integrated Ticketing Project	38
Occupational Health Professionals	Monitor Cases advice	37
City Plan Services	Mode Interchange Services	36
Peter Gregory Masonwells	Reporting & Payroll Transition project	33
Ernst & Young	Financial Due Diligence	30
DEPARTMENT OF TRANSPORT		CONSULTANTS UNDER \$30,000
Name of Consultant	Purpose	\$'000
17 engagements		160
Total		2,956

Appendix 13: Funds granted to non-government community organisations

HACC & CTP PAYMENT TO NON-GOVT COMMUNITY ORGANISATION SAP REPORT BY GL 13900 & 14000			
			FINANCIAL YEAR 2010-11
Text	Amount \$ HACC	CTP Amount \$	HACC & CTP Total \$
Aboriginal Culture & Resource Centre (ACRC) Blue Mountains	61,939.68		61,939.68
Accessible Bridge Services Inc	311,387.93		311,387.93
Albury Community Transport (Kalianna Enterprises Incorporated)	542,364.22	24,885.64	567,249.86
Auburn Community Transport (Baptist Community Services - NSW & ACT)	263,894.92	68,163.64	332,058.56
Awabakal Newcastle Aboriginal Cooperative Ltd	185,844.51		185,844.51
Bankstown Community Transport Inc	1,324,492.44		1,324,492.44
Bathurst Community Transport Group Incorporated	447,902.76	73,839.12	521,741.88
Batlow Community Transport Service Incorporated	64,373.89	12,945.24	77,319.13
Bega Valley Community Transport Service Incorporated	289,531.07	35,437.04	324,968.11
Blacktown Community Transport Inc	980,827.81	51,495.82	1,032,323.63
Bland Community Transport (Wyalong & District Community Transport Group Inc)	101,014.72		101,014.72
Blind and Vision Impaired Support Group (NSW Far North Coast) Inc		8,729.16	8,729.16
Broken Hill Community Transport (Far West HACC Services Inc)	246,675.42	20,834.14	267,509.56
Bungree Aboriginal Association Inc	199,804.22		199,804.22
CareWays Community Services Inc	97,679.36	17,702.30	115,381.66
CareWest Incorporated	230,986.31		230,986.31
Cessnock Community Transport Inc	310,253.65	162,857.52	473,111.17
Clarence Community Transport Incorporated	933,122.60	89,550.16	1,022,672.76
Coalfields Neighbour Aid and Transport Service Inc	287,852.26		287,852.26
Coastwide Community Transport Ltd	1,557,670.67	37,220.72	1,594,891.39
Coffs Harbour, Bellingen & Nambucca Community Transport Incorporated	1,058,884.73	143,495.98	1,202,380.71
Community Transport (Central Coast) Incorporated (Wyang Community Transport)	1,351,534.39	29,540.80	1,381,075.19
Community Transport Port Stephens Ltd	505,062.44	91,879.36	596,941.80
Community Transport Warren Inc (Warren Community Transport)	164,708.69		164,708.69
Community Wheels Incorporated	1,082,371.02	124,845.92	1,207,216.94
Cowra Information & Neighbourhood Centre Inc	95,127.87	43,554.04	138,681.91

HACC & CTP PAYMENT TO NON-GOVT COMMUNITY ORGANISATION
SAP REPORT BY GL 13900 & 14000

FINANCIAL YEAR 2010-11

Text	Amount \$ HACC	CTP Amount \$	HACC & CTP Total \$
Disabled Alternative Road Travel Services	347,614.08		347,614.08
Dubbo Neighbourhood Centre Inc	338,066.05	12,017.80	350,083.85
Dungog & District Neighbourcare Incorporated	260,495.83	9,240.30	269,736.13
Gandangara Transport Services Limited	635,359.63		635,359.63
GREAT Community Transport Inc	1,115,705.86	72,471.64	1,188,177.50
Gwydir HACC Services Incorporated	173,097.11	18,927.68	192,024.79
Harden Community Transport (Murrumburrah-Harden Flexible Care Services Inc)	41,516.15	3,171.28	44,687.43
Hastings Macleay Community Transport Service Inc	1,062,582.35	13,408.28	1,075,990.63
Holdsworth Street Community Centre Inc	289,945.30		289,945.30
Hornsby Ku-ring-gai Community Aged/Disabled Transport Service Inc	697,344.91		697,344.91
Inner West Community Transport Inc	826,827.64		826,827.64
Intereach NSW Incorporated	340,999.59	61,373.76	402,373.35
Inverell HACC Services Incorporated	176,609.88	7,522.58	184,132.46
Lake Cargelligo & District Care For The Aged Association Inc	108,010.73	7,673.48	115,684.21
Lake Macquarie Community Transport (Mercy Community Services)	1,122,060.01	87,746.60	1,209,806.61
Lane Cove Meeting House Association Inc	52,847.03		52,847.03
Leichhardt Community Transport Group Incorporated	790,996.12	66,969.24	857,965.36
Lithgow Community Transport (Translinc Inc)	232,571.22	33,405.28	265,976.50
Liverpool District Combined Senior Citizens Progress Association Inc		28,853.32	28,853.32
Lockhart & Districts Community Services Incorporated	124,121.10	12,353.16	136,474.26
Lower North Shore Community Transport Inc	573,204.46	36,764.12	609,968.58
Maitland Community Care Services Incorporated	637,399.56	68,799.56	706,199.12
Manly-Warringah Pittwater Community Transport Inc	696,608.34	40,404.18	737,012.52
Manning Valley & Area Community Transport Group Incorporated	1,006,027.01	126,135.96	1,132,162.97
Narrabri Home & Community Care Incorporated (Namoi Community Transport)	137,981.90		137,981.90
Newcastle Community Transport Group Inc	888,181.94		888,181.94
Northern Illawarra Neighbour Aid Incorporated	95,022.66	14,214.34	109,237.00

HACC & CTP PAYMENT TO NON-GOVT COMMUNITY ORGANISATION
SAP REPORT BY GL 13900 & 14000

FINANCIAL YEAR 2010-11

Text	Amount \$ HACC	CTP Amount \$	HACC & CTP Total \$
Northern Rivers Community Transport Incorporated	1,138,448.40	80,343.66	1,218,792.06
Northern Rivers Social Development Council		89,059.64	89,059.64
Ourcare Services Inc (Singleton Community Transport)	274,936.93		274,936.93
Oxley Community Transport Service Incorporated	434,244.09	103,409.60	537,653.69
Parkes and District Neighbourhood and Information Centre Incorporated	222,447.39	47,254.72	269,702.11
Peak Hill Community Bus Committee Inc	21,040.83		21,040.83
Randwick-Waverley Community Transport Group Inc	978,674.43		978,674.43
Ryde-Hunters Hill Community Transport Association Inc	577,216.89		577,216.89
Rylstone District Care and Transport	128,132.04		128,132.04
Scotland Island Residents Association Incorporated		15,914.52	15,914.52
Shoalhaven Community Transport Service Incorporated	771,546.01	171,257.48	942,803.49
South East Neighbourhood Centre Incorporated	276,643.00		276,643.00
South Sydney Community Transport Incorporated	881,296.35	72,875.56	954,171.91
South West Community Transport Incorporated	2,456,735.23	21,766.70	2,478,501.93
Southern Highlands Community Transport Inc	683,698.39	79,715.80	763,414.19
St George Community Transport Project Inc	1,121,068.48	42,808.50	1,163,876.98
Sutherland Shire Community Transport Incorporated	936,339.74	31,813.56	968,153.30
Tenterfield Home and Community Care Committee Inc (Tenterfield & Glen Severn Community Transport)	232,448.61		232,448.61
TransCare Hunter Limited	432,587.53	135,396.28	567,983.81
Tweed, Byron Ballina Community Transport Project Incorporated	1,472,625.46	76,620.68	1,549,246.14
Upper Clarence Valley Health and Welfare Council Inc	6,879.17		6,879.17
Wagga Wagga Community Services (Baptist Community Services - NSW & ACT)	228,748.67		228,748.67
Weddin Community Services Incorporated	114,087.28	12,554.40	126,641.68
Wee Waa and District HACC Association Incorporated		47,984.28	47,984.28
Western Region Community Transport Forum Inc	20,665.09		20,665.09
Western Sydney Community Forum		161,120.54	161,120.54
Young Community Transport Service Incorporated	124,577.70	15,530.16	140,107.86
	38,655,103.75	2,963,855.24	41,618,958.99

Appendix 14: Research and development

Listed below is a summary of completed research, as well as continuing research and development activities undertaken by the Department of Transport's Bureau of Transport Statistics (BTS) to 30 June 2011.

Primary research

- Household Travel Survey: This continuous survey provides comprehensive information on the travel patterns of residents of Sydney, Newcastle and Illawarra, which is used to inform transport planning and policy, and monitor NSW State Plan targets for public transport mode share.
- Customer Satisfaction Surveys: BTS conducted this annual survey on customer satisfaction on train, bus and ferry services across the Sydney network for the first time in 2010-11. The survey aims to track public transport satisfaction levels for key service attributes over time.
- Sydney Cycling Survey: The BTS, working with the RTA, commissioned Sinclair Knight Merz to develop and undertake a survey to measure cycling performance against the NSW State Plan target. The survey also collected information on the community's cycling participation and perceptions toward cycling.

Model development

- Population Segmentation Forecasting Model: BTS engaged Deloitte Access Economics to develop forecasting models with scenario functionality to inform the Population Synthesiser sub-model of the Strategic Travel Model (STM). The new model allows long-term small area population forecasts to be estimated by several socio-demographic characteristics.
- Strategic Travel Model (STM) 3: BTS worked with RAND Europe to improve STM 2 with updated parameters in order to separately model park and ride, and, kiss and ride access modes to rail.

Other research

- BTS collaborated with the University of Wollongong SMART Infrastructure Facility to develop a prototype agent-based land use and transport model. The model is designed to facilitate strategic insight into the complex interaction of transport, land use and liveability factors to better inform evaluation of new transport infrastructure and service planning options.
- Economic benefits of infrastructure: The BTS worked with the University of Sydney to investigate the use of a combination of land use/transport forecasting models with computable general equilibrium models to evaluate the wider economic impacts of significant transport infrastructure investments.

Research and development activities have led to the production of a range of publications and statistical products:

- 2009-10 Household Travel Survey – Key Indicators for Sydney, 2011 Release
- 2009-10 Household Travel Survey Summary Report, 2011 Release
- TransFigures – Freight Movements in Sydney
- Public health perspectives on Household Travel Surveys: Active travel between 1997-2007 (BTS co-authored article published in American Journal of Preventative Medicine).

Australian Transport Research Forum (ATRF) Conference Papers:

- Analysis of Journey to Work travel patterns in Sydney
- Creating public transport networks for strategic transport modelling from electronic timetable data
- Comparison of Trip and Tour analysis of Sydney Household Travel Survey data
- Why are young people driving less? Trends in licence holding and travel behaviour.

Appendix 15: Management and activities

The Department of Transport is committed to the ongoing continuous development and implementation of effective policies and procedures to provide an effective governance framework, including appropriate internal controls and assurance systems.

To support governance, the following frameworks are being developed to support the governance of functions, processes and activities within the Department of Transport and also oversight and monitor activities within the transport cluster. These frameworks are:

- Transport Enterprise Risk Management Framework
- Audit Management Framework
- Corruption Control Framework.

The Frameworks comply with directions within the Treasury Circular TC 09/08 Internal Audit and Risk Management Policy and Treasury Policy and Guidelines Paper 09-05 Internal Audit and Risk Management.

In parallel, a risk and audit software system is being introduced to promote the management and communication of risks and audit activities throughout the cluster.

Transport Enterprise Risk Management (TERM) Framework

The TERM Framework is based on the requirements Australian/New Zealand Standard AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines. The Framework represents the best fit to establish enterprise risk management across the diverse services in the transport cluster. The TERM has been established recognising that all individual agencies have their own processes and systems are responsible for the management of their risks.

Audit Management Framework

The Audit Management Framework is being developed in accordance with the International Standards for the Professional Practice of Internal Auditing and has an effective linkage with the TERM and the Corruption Control Frameworks. The Audit Universe and Planning has been compiled in consultation with key stakeholders throughout the transport cluster. The Audit Plan is being delivered via a panel of expert suppliers.

Corruption Control Framework

The Corruption Control Framework comprises the Corruption Control Policy, Strategy and Plan. It aims to prevent, detect and respond to corruption and wrongdoing within the Department, in alignment with other transport cluster entities.

As part of this Framework, the Department is updating its policies and procedures to comply with recent amendments to the *Public Interest Disclosures Act 1994*. These changes improve the protections available to public officials when reporting certain types of wrongdoing, i.e. corruption, maladministration, serious and substantial waste and breaches of the *Government Information (Public Access) Act 2009*. It also includes requirements of agencies to report to Parliament and the Ombudsman on the processing of reports under this Act from January 2012.

The Department continues to use the Treasury Managed Fund for its insurance purposes.

Appendix 16: Human Resources

During the reporting period Human Resource activities have supported the transitional process of realigning the current structure towards the establishment of an integrated transport authority. This will ensure that there is a focus on the key policies and priorities and the highest standard of service for the community

As part of the transition, project teams, with representatives from across the transport portfolio have been established to determine the shape of each of the six new divisions including Customer Experience, Freight and Regional Development, Planning and Programs, Policy and Regulation, Transport Projects and Transport Services.

Recruitment for the roles of the Deputy Directors General for the six core divisions has commenced.

Throughout this process Human Resource services to the current Department of Transport staff has continued to be maintained.

The following is a summary staffing population table representing staff by employment category.

DEPARTMENT OF TRANSPORT REMUNERATION LEVEL OF SUBSTANTIVE POSITION	2011 ACTUAL				2011 ESTIMATED				
	TOTAL STAFF (MEN & WOMEN)	RESPONDENTS	MEN	WOMEN	ABORIGINAL PEOPLE & TORRES STRAIT ISLANDERS	PEOPLE FROM RACIAL, ETHNIC, ETHNO-RELIGIOUS MINORITY GROUPS	PEOPLE WHOSE LANGUAGE FIRST SPOKEN AS A CHILD WAS NOT ENGLISH	PEOPLE WITH A DISABILITY	PEOPLE WITH A DISABILITY REQUIRING WORK-RELATED ADJUSTMENT
>\$0 - < \$39,670	3	100.0%	33.3%	66.7%	0.0%	0.0%	0.0%	66.7%	0.0%
\$39,670 - < \$52,104	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$52,104 - < \$58,249	7	71.4%	0.0%	100.0%	0.0%	20.0%	20.0%	20.0%	0.0%
\$58,249 - < \$73,709	91	78.0%	19.8%	80.2%	1.4%	26.8%	22.5%	5.6%	1.4%
\$73,709 - < \$95,319	120	63.3%	43.3%	56.7%	1.3%	19.7%	22.4%	1.3%	1.3%
\$95,319 - < =\$119,149	89	85.4%	53.9%	46.1%	0.0%	31.6%	28.9%	6.6%	2.6%
>\$119,149 (Non SES)	129	77.5%	67.4%	32.6%	1.0%	15.0%	14.0%	5.0%	1.0%
>\$119,149 (SES)	14	57.1%	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	453	74.8%	47.0%	53.0%	0.9%	21.4%	20.4%	4.9%	1.4%

SYDNEY METRO REMUNERATION LEVEL OF SUBSTANTIVE POSITION	2011 ACTUAL			2011 ESTIMATED					
	TOTAL STAFF (MEN & WOMEN)	RESPONDENTS	MEN	WOMEN	ABORIGINAL PEOPLE & TORRES STRAIT ISLANDERS	PEOPLE FROM RACIAL, ETHNIC, ETHNO-RELIGIOUS MINORITY GROUPS	PEOPLE WHOSE LANGUAGE FIRST SPOKEN AS A CHILD WAS NOT ENGLISH	PEOPLE WITH A DISABILITY	PEOPLE WITH A DISABILITY REQUIRING WORK-RELATED ADJUSTMENT
>\$0 - < \$39,670	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$39,670 - < \$52,104	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$52,104 - < \$58,249	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$58,249 - < \$73,709	1	100.0%	0.0%	100.0%	0.0%	100.0%	100.0%	0.0%	0.0%
\$73,709 - < \$95,319	2	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$95,319 - < =\$119,149	1	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
>\$119,149 (Non SES)	16	81.3%	62.5%	37.5%	0.0%	15.4%	7.7%	0.0%	0.0%
>\$119,149 (SES)	1	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	21	76.2%	47.6%	52.4%	0.0%	16.5%	10.6%	0.0%	0.0%

Provision of payroll services

The Department continues its service partnership arrangement for the provision of payroll services with ServiceFirst, however in line with government policy a transport shared services framework is being developed that will also include the provision of payroll services for the transport portfolio. Transport Shared Services (TSS) will provide standardised, cost effective, transaction processing and value adding processes as defined and measured by benchmarks set on a whole of government basis.

Development opportunities

During the current transition to the new organisational structure, development opportunities have continued to be made available to staff from within the Department and also across the transport portfolio. Many of these opportunities have involved departmental and portfolio staff further developing their skills in working on the project teams to define the new organisational structure.

Financial assistance and study time

The Department of Transport continues to provide staff with access to financial assistance for undertaking independent studies that have a relevance to their employment and/or career. Further to this staff are provided with access to study time as provided under the Crown Employee's (Conditions of Employment) Award.

Recruitment

The Department of Transport continues to recruit, although limited by the transition and realignment of functions across the portfolio into the Department of Transport, in adherence to the principles of merit selection. Recruitment is undertaken in accordance with the requirements of the Public Sector Employment and Management Act 2002 and in accordance with directives issued from time to time from the Department of Premier and Cabinet.

SES administration

Following the Statutory and Other Officers Remuneration Tribunal determination SES Officers in Transport NSW with effect from 1 October 2010, an assessment of each of the SES officer's performance during the review period was undertaken. The review included consideration of the officer's individual performance agreement and their contribution to achieving the organisation's goals and objectives. Following this review and assessment process, each of the officers was awarded the allowable four per cent increase as provided in the Statutory and Other Officers Remunerations Tribunal determination.

Industrial relations policies and practices

The Department of Transport industrial relations policies and procedures align with the requirements of the Department of Premier & Cabinet for public service departments.

Awards enterprise agreements

The following Department of Transport industrial instruments continue to remain in place, The Department of Transport Officers Employment conditions Agreement No 2548 of 1998, the Memorandum of Understand and the Crown Employees (Public Service Conditions of Employment) Award, 2009.

Communication and consultation

The Department of Transport has a consultative mechanism in place through the Joint Consultative Committee (JCC) in accordance with the Department of Premier & Cabinet Consultative Arrangements.

Movements in salaries, wages and allowances

Staff of Transport NSW employed under the provisions of the Crown Employee's (Conditions of Employment) Award were granted a four per cent increase in remuneration effective from 9 July 2010 as provided in the Crown Employee's (Salaries) Award 2008. The increase of four per cent comprised a centrally funded component of 2.5 per cent and savings derived at Agency level comprising 1.5 per cent.

Industrial Relations Commission

During the reporting period there were no industrial disputes in the Industrial Relations Commission.

Appendix 17: Transport Shared Services

The establishment of a shared services division for the transport portfolio commenced in July 2010 following the release of the 'Blueprint for Corporate and Shared Services in the NSW Government' issued by the Department of Premier and Cabinet.

Transport Shared Services (TSS) Division is being established to deliver transactional, functional and value-added services to all transport central divisions and operating entities.

Services delivered include: Finance, Payroll, Human Resources, Information Technology, Procurement, Records Management, Workers Compensation, Facilities and Fleet Management and Information Management.

TSS has taken a collaborative approach through engaging a wide range of staff, stakeholders and customers and have developed and embedded a set of core values for all staff.

TSS is still being established and have partnered with CapGemini to build TSS into a high performing business.

The following provides an overview of the achievements and progress of main projects undertaken for building and transitioning to a shared services model:

- Agreed scope of services to be provided in consultation with the operating agencies and in line with the Department of Premier and Cabinet Blueprint.
- Baseline project to measure pre-shared services staffing levels, budget, service level arrangements and deliverables.
- Assignment of 1,057 full-time employees from the operating agencies into the Department of Transport to deliver agreed base line services.
- 'Current state' workshops held to determine the current level and scope of services provided.
- 'Future state workshops' held with TSS and agency staff to develop a way forward for best-practice shared services.
- Business planning, communications and change management planning.
- Development of the future TSS organisation structure, detailed design and business case to Department of Premier and Cabinet and NSW Treasury is underway

Delivering business as usual services for the transport portfolio is the main objective for TSS during this period of change.

Appendix 18: Payment of accounts

DEPARTMENT OF TRANSPORT PAYMENT OF ACCOUNTS AGED ANALYSIS AT THE END OF EACH QUARTER	CURRENT (WITHIN DUE DATE)	LESS THAN 30 DAYS	BETWEEN 30 DAYS AND 60 DAYS OVERDUE	BETWEEN 60 DAYS AND 90 DAYS OVERDUE	MORE THAN 90 DAYS
Quarter	\$'000	\$'000	\$'000	\$'000	\$'000
September	3,754				
December	791				
March	3,441				
June	4,065				

SYDNEY METRO PAYMENT OF ACCOUNTS AGED ANALYSIS AT THE END OF EACH QUARTER	MONTH	CURRENT (WITHIN DUE DATE)	LESS THAN 30 DAYS OVERDUE	BETWEEN 30 DAYS AND 60 DAYS OVERDUE	BETWEEN 60 DAYS AND 90 DAYS OVERDUE	MORE THAN 90 DAYS OVERDUE
Quarter		\$'000	\$'000	\$'000	\$'000	\$'000
1st	Jul - Sep 2010	144	-	-	-	-
2nd	Oct - Dec 2010	380	-	-	-	-
3rd	Jan - Mar 2011	237	-	-	-	-
4th	Apr - Jun 2011	14	-	-	-	-

Appendix 19: Time for payment of accounts

DEPARTMENT OF TRANSPORT TIME FOR PAYMENTS OF ACCOUNTS (AMOUNTS PAID ON TIME WITHIN EACH QUARTER)			TOTAL ACCOUNTS PAID ON TIME	TOTAL PAYMENTS
Quarter	Target %	Actual %	\$'000	\$'000
September	100	99.8%	2,050,838	2,055,144
December	100	99.2%	2,040,484	2,057,588
March	100	99.0%	2,064,769	2,086,147
June	100	99.6%	2,513,525	2,524,802
				8,723,681

There were no instances in 2010-11 where the the Department of Transport was charged interest.

TIME FOR PAYMENTS OF ACCOUNTS (AMOUNTS PAID ON TIME WITHIN EACH QUARTER)				TOTAL ACCOUNTS PAID ON TIME	TOTAL PAYMENTS
Quarter	Month	Target %	Actual %	\$'000	\$'000
1st	Jul - Sep 2010	100	93.2%	7,248	7,775
2nd	Oct - Dec 2010	100	94.9%	6,915	7,283
3rd	Jan - Mar 2011	100	93.9%	4,686	4,992
4th	Apr - Jun 2011	100	98.5%	7,172	7,281
				26,021	27,331

There were no instances in 2010-11 where Sydney Metro was charged interest for the late payment of accounts.

Appendix 20: Risk management and insurance activities



Internal Audit and Risk Management Disclosure for the 2010 – 2011 Financial Year

I, Les Wielinga, am of the opinion that the Department of Transport (DoT) has internal audit and risk management processes in place that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 Internal Audit and Risk Management Policy.

I am of the opinion that the Audit and Risk Committee for DoT is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09-08.

The Chair and Members of the Audit and Risk Committee are:

Name	Term Commences	Term Finishes
Mr Jon Isaacs (Chair)	27 November 2009	26 November 2012
Ms Gerry Brus	19 November 2009	18 November 2011
Ms Joanna Quilty	20 November 2009	1 July 2011

I have established a co-sourced internal audit service delivery model after giving due regard to the following factors:

- the size of the department, in terms of both staffing levels and budget
- the complexity of the department's core business
- the risk profile of the department's operations
- the viability of alternative service delivery models and the ability of the Department to attract and retain suitable staff, including professional staff for in-house service delivery, and experienced contract managers for out-sourced service delivery
- the overall cost of alternative service delivery models, including the salaries and overheads of in-house professional staff, and the costs of contract management and delivery for outsourced service delivery
- the capacity of alternative service delivery models to deliver flexibility in the internal audit work-plan.

These processes provide a level of assurance that enables the Executive of DoT to understand, manage and satisfactorily control risk exposures.

Les Wielinga
Director General
Department of Transport

04.08.11

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ABN 11 370 995 518

Internal Audit and Risk Management Disclosure for the 2010-2011 Financial Year

I, Rodd Staples, am of the opinion that Sydney Metro has internal audit and risk management processes in place that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 Internal Audit and Risk Management Policy.

I am of the opinion that the Audit and Risk Committee for Sydney Metro is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09-08.

The Chair and Members of the Audit and Risk Committee are:

Name	Term Commences	Term Finishes
Mr Jon Isaacs (Chair)	27 November 2009	26 November 2012
Ms Gerry Brus	19 November 2009	18 November 2011
Ms Joanna Quilty	20 November 2009	1 July 2011

I have established a co-sourced internal audit service delivery model after giving due regard to the following factors:

- The size of the authority, in terms of both staffing levels and budget
- The complexity of the authority's core business
- The risk profile of the authority's operations
- The viability of alternative service delivery models and the ability of the authority to attract and retain suitable staff, including professional staff for in-house service delivery, and experienced contract managers for out-sourced service delivery
- The overall cost of alternative service delivery models, including the salaries and overheads of in-house professional staff, and the costs of contract management and delivery for outsourced service delivery
- The capacity of alternative service delivery models to deliver flexibility in the internal audit work-plan.

These processes provide a level of assurance that enables the Executive of Sydney Metro to understand, manage and satisfactorily control risk exposures.

Rodd Staples
Delegate, Sydney Metro



Appendix 21: Disclosure of controlled entities

The Department of Transport for the purpose of financial reporting had the following controlled entities for which it prepared consolidated financial statements as at 30 June 2011:

- Rail Corporation
- Roads and Traffic Authority and its division
- Country Rail Infrastructure Authority
- Transport Construction Authority
- State Transit Authority and its division
- Sydney Ferries
- Public Transport Ticketing Corporation
- Sydney Metro.

Each of the entities provides transport services and while the consolidated financial statements provide the financial results of the group, each entity will also publish separate financial statements as at 30 June 2011.

Appendix 22: Disclosure of subsidiaries

The Department of Transport had no subsidiaries as at 30 June 2011.

Appendix 23: Occupational Health and Safety (OHS)

Key initiatives in OHS include progressing those achievements derived from the earlier Working Together Strategy of 2005-2008. A significant step forward comes with the engagement of a Safety Manager for the Department and the refocusing of the consultation model in accordance with the requirements of the OHS Legislative requirements.

The role of the Safety Manager will focus on the development of the Strategic Plan that builds on current achievements and systems whilst identifying opportunities for key future objectives that are aligned with the Working Together – Public Sector Workplace Health and Safety and Injury Management Strategy 2010-2012. Importantly, this will focus on fostering an environment that both promotes and educates staff and management in OHS principles and safe workplace practices and responsibilities.

The Department, in supporting staff and their families, provides free of charge access to Davidson Trahaire Corpsych, the provider of an Employee Assistance Program. The program is available state-wide for confidential counselling and referral where appropriate to other services.

In November 2010, the organisation's OHS Management System was audited for compliance by Stephen Dowling of HR Optimization. The Audit provided a benchmark in which key elements were identified.

In April 2011, an OHS Manager was engaged as part of the Department of Transport's increased commitment towards health safety and wellbeing of staff.

An extensive OHS Systems review was conducted during May 2011, identifying areas where improvements could be undertaken.

Audits of high risk activities engaged within the Department offices were undertaken along with key recommendations. A series of rolling safety inspections and meetings of the Department branches (Newcastle, Wollongong and Parramatta) were undertaken during the June 2011 period. These OHS inspections and meetings conducted resulted in a number of recommendations and actions.

A principal action flowing from these inspections was the development of an improved means for the identification of hazards and risks. A new risk assessment tool was implemented utilising the principles and guidelines embedded within the latest Risk Management Standard; AS/NZS ISO 13000:2009.

This assessment tool helped to distil the key OHS risks for the organisation allowing for the adoption of a more effective means to control and monitor risks. The OHS Risk Assessment will be reviewed on a regular basis that includes input from the OHS Committee.

In line with building Transport for NSW, a new OHS Management System will be developed to support the organisation. The OHS Management System will be completed by the end of July 2011. An organisation-wide roll out of the system will be undertaken during August 2011. Inductions and training into the system will capture all staff.

Under NSW OHS legalisation, consultation is a key element which seeks to engage stakeholders in a process of identification and control of risks. During May and June 2011 a series of meetings were held with a view of constituting a new and more expanded OHS Committee. Focus group meetings were undertaken to engage stakeholder views. These meetings sought both staff and management's responses towards augmenting the present consultative arrangements. Building upon these meetings, a new OHS Committee is expected to be formed by August 2011. The new committee will provide a more effective avenue towards meeting the safety needs of not only staff but for Transport for NSW as a whole.

OCCUPATIONAL HEALTH & SAFETY 2010-11	
No. of work-related injuries occurring in the period	6
No. of journeys to and from work injuries (outside the workplace) occurring in the period	9
No. of work-related illnesses occurring in the period	1
Total weeks lost due to workplace-related injuries or illnesses occurring in the period	11.84
Total weeks lost due to journey to and from work injuries* (outside the workplace) occurring in the period	4.56
No. of worker's compensations claims (from a workplace injury) lodged in the period	5
No. of worker's compensations claims (from journey to and from work injury outside the workplace) lodged in the period	4
No. of prosecutions reported during the period	0
Prosecutions under the OH&S Act during the period	0

Appendix 24: Annual report costs and availability details

The Department of Transport Annual Report was produced and designed in-house.

The Annual Report is designed as a website document (PDF) able to be printed if required by individual users. To access this Annual Report and previous years' Annual Reports please go to transport.nsw.gov.au.

There were 260 copies of this report printed. The pages of this report are printed on Mega Recycled Silk FSC 50 per cent post consumer waste and 50 per cent FSC certified fibre.

The cost of producing and printing this report was \$9,000.

Appendix 25: Implementation of price determinations

Buses

Metropolitan and Outer Metropolitan Buses

- The Independent Pricing & Regulatory Tribunal of NSW (IPART) determines maximum fares for buses in Sydney, Newcastle, Wollongong, the Blue Mountains, Central Coast and the Hunter, including services provided by the State Transit Authority and private bus operators.
- In December 2010, the former government decided not to implement the IPART-determined fare increase for metropolitan and outer-metropolitan bus services as MyZone was introduced only eight months previously.

Rural and Regional Buses

- IPART determines maximum fares for rural and regional buses under Section 28J of the Passenger Transport Act 1990. There are two fare scales in operation in rural and regional NSW: a country town fare scale applies to bus services operated in towns with a population greater than 7,500 and a rural fare scale applies to all other rural and regional bus services.
- In December 2010, IPART determined that maximum fares for rural routes would decrease by 10 per cent and maximum fares for country town routes would increase by 2.4 per cent. This determination came into effect on 2 January 2011.

CityRail

- IPART determines maximum fares for CityRail services provided by Rail Corporation NSW.
- In December 2010, the former government decided not to implement the IPART-determined fare increase for CityRail services as MyZone was introduced only eight months previously.

Private Ferry and Stockton Ferry Fares

- The Director General approved fare increases from January 2011 of up to 2.6 per cent for slow ferry services, and up to 2.1 per cent for fast ferry services, in accordance with IPART's recommendation of December 2010. These arrangements applied to regulated services provided by seven private ferry operators in Sydney Harbour, on the Central Coast and in the North Coast.
- No changes were made to the Stockton ferry fare in line with IPART's recommendation that there should be no change.
- The Director General approved a 1.9 per cent mid-year fare adjustment for fast ferry services as recommended by IPART to take effect from 1 July 2011, reflecting the impact of increases in the cost of fuel. This impacted on two services in Sydney Harbour and one Palm Beach service.

Appendix 26: Acts administered by the Minister for Transport

The following Acts were administered by the Minister for Transport as at 30 June 2011:

- *Air Navigation Act 1938*
- *Air Transport Act 1964*
- *Broken Hill to South Australian Border Railway Agreement Act 1968*
- *Civil Aviation (Carriers' Liability) Act 1967*
- *Glenreagh to Dorrigo Railway (Closure) Act 1993*
- *National Rail Corporation (Agreement) Act 1991*
- *Parking Space Levy Act 2009*
- *Passenger Transport Act 1990*
- *Rail Safety Act 2008*
- *Railway Construction (East Hills to Campbelltown) Act 1983*
- *Railway Construction (Maldon to Port Kembla) Act 1983*
- *Transport Administration Act 1988* (except parts, jointly with the Minister for Roads, and parts, the Minister for Ports and Waterways, until 3 April 2011, then parts by the Minister for Roads and Ports)

Appendix 27: Credit card certification by Director General

The Director General has certified that credit card usage in the Department of Transport in 2010-11 was in accordance with Premier's Memoranda and the Treasurer's Directions.

Appendix 28: Agreements with the community relations commission

There has been no requirement for an agreement specified by the Community Relations Commission.

Appendix 29: Exemptions

In 2010-11 the Department of Transport sought and received NSW Treasury approval for the following exemptions from the Financial Reporting Code:

- Budget information is not required for the Department of Transport's consolidated financial statements.
- Inclusion of a separate line item for 'maintenance' in the Department's consolidated statement of comprehensive income, on the condition that 'employee related maintenance expenses' continue to be included as part of 'employee related expenses' in the statement of comprehensive income, with a separate reconciliation to 'total maintenance', including 'employee related maintenance' in the notes, as required by TPP 10-1 and TPP 06-6 Guidelines for Capitalisation of Expenditure on Property, Plant and Equipment.
- Inclusion of separate line items for 'employee benefits' and 'other provisions' in the Department's consolidated statement of financial position.

Appendix 30: Waste reduction

The Department of Transport have a number of initiatives in place to ensure we meet the requirements of the NSW Waste Reduction and Purchasing Policy.

All photocopy and printing paper purchased for general use is made up of 80 per cent recyclable content which exceeds the quantity mandated by government. A variety of recycling bins are present throughout offices to ensure staff has many options when disposing of paper.

The Department of Transport's head office at Lee Street, Chippendale, Sydney implemented a single bin paper system to increase the amount of recyclable materials leaving the building. In April 2011 all waste bins were removed from desks and replaced with a paper recycling bin. Centralised waste and commingle recycling bins were placed around the floors to encourage the maximum amount of items be placed in recycling bins.

The Lee Street building has increased its National Australian Built Environment Rating System (NABERS) rating to 4.5 stars, up from 3.5 the previous year.

During the year long relocation to Lee Street, every opportunity was made to reuse the existing fit-out which meant a minimal amount of new furniture was purchased. Excess workstations have been put aside for re-use and redundant components recycled for scrap. Other excess furniture has been reused by other agencies.

Other programs such as mobile phone and toner recycling continue to operate. Procurement of stationery is centralised to ensure sustainable products are purchased when appropriate.

Appendix 31: Major assets

The Department of Transport physical assets consist of office leasehold fit-outs, computer equipment and systems and office furniture. The Department leases its motor vehicles and office space.

In addition, the Department also reports in its financial statements the NSW Government's

emerging interest in the Ultimo Pyrmont Light Rail, the extension to the Light Rail system and the funding of new buses under the Metropolitan and Outer Metropolitan Bus System Contracts. The funding of these buses is deemed to be finance leased assets.

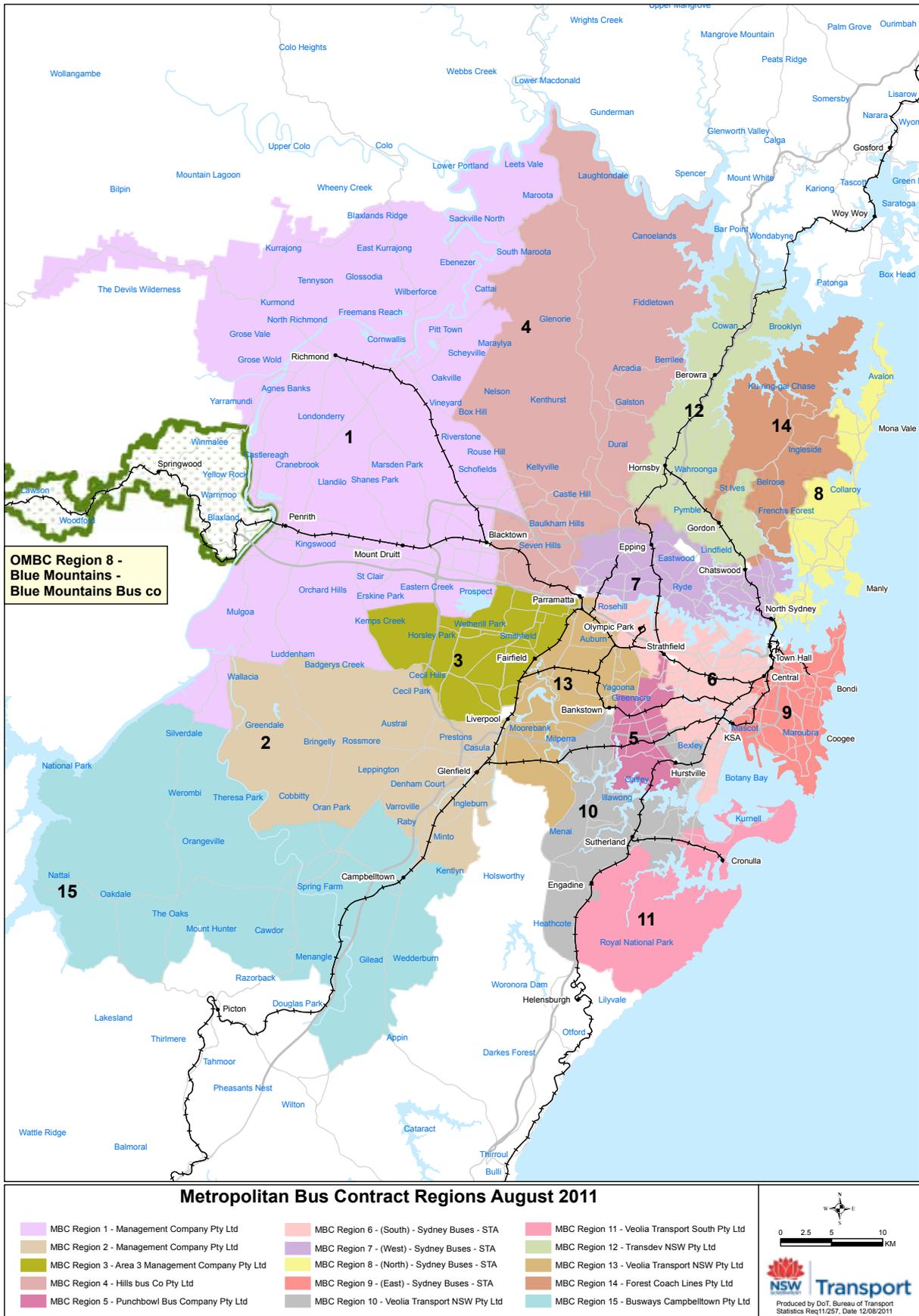
Appendix 32: Compliance index

This index lists the legislative requirements set out in the NSW Treasury checklist for public sector annual reporting, and the pages on which the relevant information can be found.

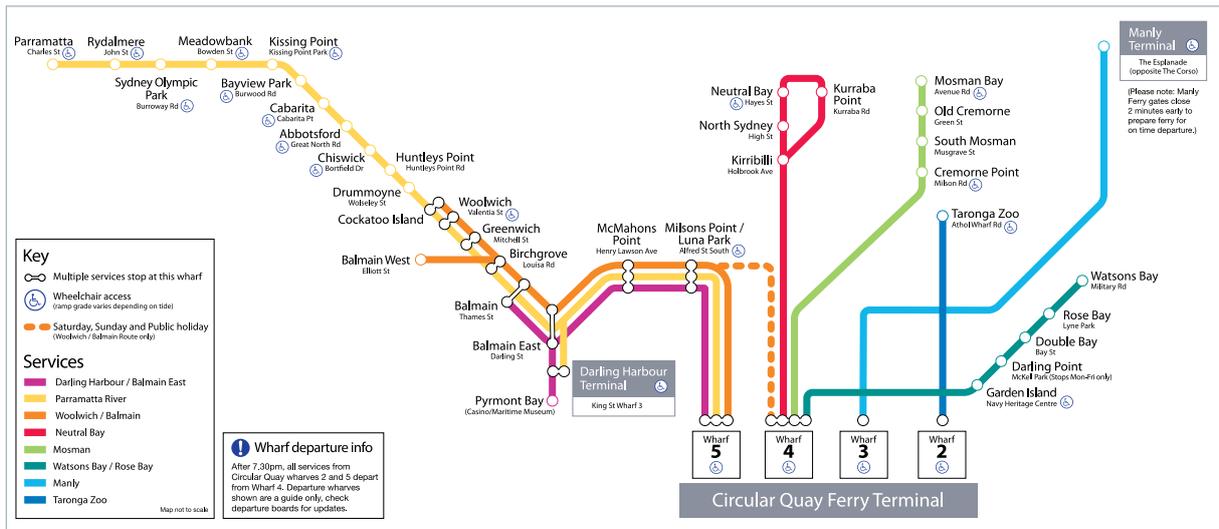
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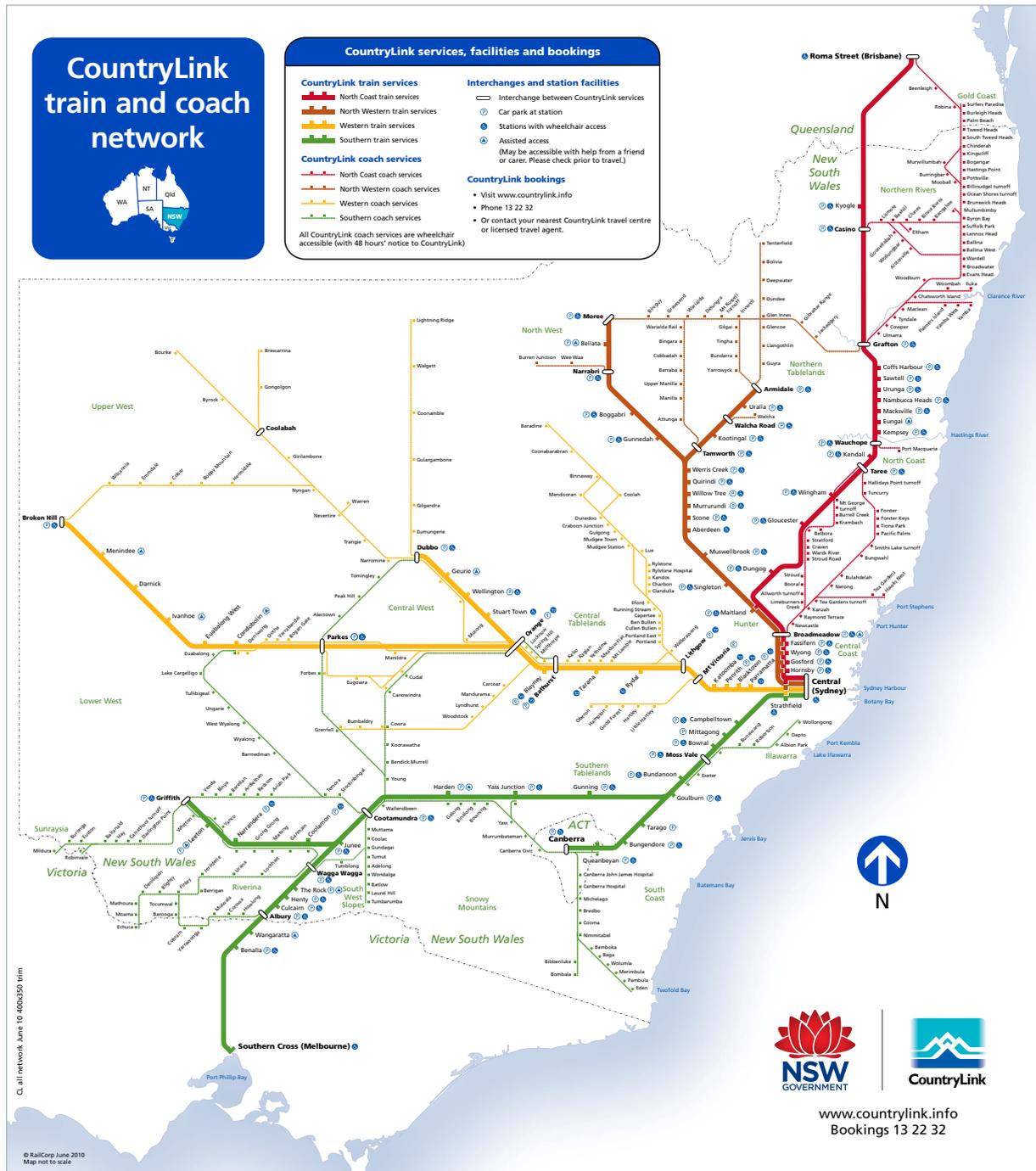
Appendix 33: Bus contract region map



Appendix 35: Sydney Ferries network map



Appendix 36: CountryLink network map



A blue rectangular sign with a yellow circular logo at the top containing a stylized train icon. Below the logo, the text "North Sydney" is written in white. The sign is mounted on a metal pole.

North Sydney

A low-angle, slightly blurred photograph of a city street at dusk. A white and blue bus is moving across the frame. Pedestrians are walking on the sidewalk. A woman in the foreground is talking on a mobile phone. A building with a glass facade is visible in the background.

Contact
details ▶

Contact Department of Transport

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www.131500.com.au

24 hour traffic information line 132701

Incident reporting hotline 131700

www.livetraffic.com

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NEWCASTLE OFFICE		
Ground Floor, 239 King Street, Newcastle NSW 2300 PO Box 871, Newcastle NSW 2300	Toll Free 1800 049 983 02 4929 7006	02 4929 6288
WOLLONGONG OFFICE		
Level 6, NRMA Building, 221-229 Crown Street, Wollongong NSW 2500 PO Box 5215, Wollongong NSW 2500	Toll Free 1800 049 961 02 4224 3333	02 4226 4117
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BUREAU OF TRANSPORT STATISTICS		
18 Lee St Chippendale NSW 2008 PO Box K659 Haymarket NSW 1240	02 8202 3868	02 8202 3890

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Central West Level 2, 140 William St, Bathurst NSW 2795	02 6339 4910	02 6339 4949
Far West c/- NSW Industry & Investment, Ground Floor, 32 Sulphide Street, Broken Hill NSW 2880 PO Box 786, Broken Hill NSW 2880	08 8087 7050	08 8088 5100
Hunter 239 King Street, Newcastle NSW 2300	0408 679 202	02 4929 6288
Illawarra Level 6, 221-229 Crown St, Wollongong NSW 2500	02 4224 3324	02 4226 4117
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Orana c/- Sport and Recreation, 167 Brisbane Street, Dubbo NSW 2830 PO Box 2913, Dubbo NSW 2830	02 6884 6626	02 6884 7812
Riverina / Murray Premier's Department, Level 2, 76 Morgan Street, Wagga Wagga NSW 2650 PO Box 2460, Wagga Wagga NSW 2650	02 6926 8620	02 6921 4654
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