



Transport
for NSW



ANNUAL
REPORT
2012-13

LETTER TO MINISTERS FROM THE ACTING DIRECTOR GENERAL

The Hon. Gladys Berejiklian
Minister for Transport

The Hon. Duncan Gay
Minister for Roads and Ports

Parliament House
Macquarie Street
Sydney NSW 2000

Dear Ministers

I am pleased to submit for presentation to Parliament the Annual Report for the Department of Transport for the financial year ended 30 June 2013.

The Annual Report for the Department of Transport includes the Annual Report for Transport for NSW for the financial year ended 30 June 2013.

The Annual Reports have been prepared in accordance with the *Annual Reports (Departments) Act 1985* in respect of the Department of Transport and the *Annual Reports (Statutory Bodies) Act 1984* in respect of Transport for NSW. Inclusion of the Annual Report in respect of Transport for NSW is authorised by section 3L of the *Transport Administration Act 1988*.

Yours sincerely



Tony Braxton-Smith
Acting Director General
Department of Transport





Contents

Acting Director General's Overview	2
Transport Advisory Board 2012-13 Annual Report	4
What Transport for NSW does	5
<i>NSW 2021</i>	6
NSW Long Term Transport Master Plan	7
<i>Connections:</i>	
2012-17 Corporate Plan	8
Management and structure	9
Operational performance	
TfNSW reports its operational performance against the five strategic themes of its Corporate Plan:	
Planning and financing the transport system of the future	12
Maintaining transport assets	23
Improving transport services and operations	26
Growing the transport system	56
Developing the transport businesses of the future	61
Financial statements	66
Appendices	302
Index	413
Contact details	415

Acting Director General's Overview



In 2012-13 Transport for NSW began delivering on the actions that will produce the integrated transport system essential for the economic and social development of NSW.

To support the NSW Government's 10-year strategic plan, NSW 2021, a series of strategic foundations were laid for the Transport cluster.

The NSW Long Term Master Plan was released, along with a number of subsidiary, more detailed planning documents, including Sydney's Rail Future and Sydney's Light Rail Future.

A plan to modernise Sydney's ferries, Sydney's Ferry Future, was released and modal strategies are underway for buses cycling and walking. All share the goal of providing an integrated and enhanced transport system for NSW.

In 2011, freight and logistics contributed \$58 billion, or 13.8 per cent, to the NSW Gross State Product. Freight volumes are expected to almost double by 2031, making efficient and effective

freight movement vital to the performance and growth of the NSW economy.

To support this, a draft Freight and Ports strategy, which focuses on three strategic action areas – network efficiency, network capacity and network sustainability – was released in November 2012.

Delivering customer improvements

We continue to put the customer first by ensuring the transport system is planned and designed around their needs and expectations.

The integrated electronic ticketing system, Opal, will significantly improve customer convenience. Successful trials began on ferry services, then on specific lines and stations on the rail network.

Customers now have real-time transport information at their fingertips through real-time bus and train apps. Their launch was a massive success, with more than one million downloads recorded since their release.

In 2012-13 TfNSW continued to drive customer service improvements through new service agreements with its public sector transport operating agency partners.

After a competitive tendering process, four new metropolitan bus contracts were awarded to implement higher standards of customer service and deliver significant operational savings.

Much planning and collaboration across the Transport cluster has prepared for the imminent launch of the 2013 customer timetable in October, which for the first time has been centrally designed by TfNSW around customer needs.

With its introduction, existing rail infrastructure will be fully used to deliver more train services and reduced journey times. Importantly, the timetable also improves connections between modes, aligning services so that customers will experience more seamless journeys.



Growing the transport system

Critically, funding for transport infrastructure was assisted with the \$5 billion lease of Port Botany and Port Kembla to a private consortium.

This revenue will contribute to large road infrastructure projects such as WestConnex, the Bridges for the Bush program and the Pacific Highway and Princes Highway upgrades.

WestConnex will be Australia's largest transport and urban revitalisation project. The 33 kilometre motorway will provide a link between Sydney's west and the Port Botany and Sydney Airport precinct. The project aims to ease congestion, create jobs and connect communities.

After more than 50 years of construction, duplication of the Hume Highway between Sydney and Melbourne was completed with the opening of the Holbrook bypass in August 2013.

Linking the nation's two largest State capitals, the Hume Highway is arguably Australia's most significant major highway. Stretching more than 800 kilometres, the completed highway provides a safer and more efficient trip for travellers and road freight between Sydney and Melbourne.

Construction also continued on the duplication of the Pacific Highway between Sydney and the Queensland border.

As at 31 July 2013, 368 kilometres of four-lane divided road were completed, about 50 kilometres are under construction and the remaining sections of two-lane highway are being prepared for major work.

About 56 per cent of the final highway length is now four-lane divided road.

Considerable progress was made in building vital infrastructure to extend the rail network and meet increasing demand.

Work on the South West Rail Link surged ahead, with six kilometres of track laid. The line is set to open to customers in 2015.

Significant progress has also been made in planning for and building Australia's first fully-automated rapid transit system, the North West Rail Link.

The project is on track and on budget. With high-tech customer safety and security features, it will deliver eight new railway stations to Sydney's growing north-west.

During 2012-13, the first of three major contracts were awarded, to build 15 kilometre twin tunnels. The North West Rail Link is expected to be open to customers by the end of 2019.

We look forward to working with transport stakeholders across the state to deliver better services to our customers.



Tony Braxton-Smith
Acting Director General

Transport Advisory Board 2012-13 Annual Report

The Transport Advisory Board was established under the *Transport Administration Act 1988*.

Its formation was announced jointly by the Minister for Transport and the Minister for Roads and Ports in June 2012. Members appointed by the NSW Government for an initial term of three years are:

- M A (Tim) Besley
- Paul Forward
- Brendan Lyon
- Andrea Staines.

The former Director General of TfNSW, Les Wielinga, was also a member of the Transport Advisory Board for 2012-13.

The Board brings together a range of expertise, spanning transport operations and policy, economics, finance and broad experience in both business and public administration.

The functions of the Board are to:

- provide advice to the Ministers on matters referred by them to the Board; and
- provide advice to TfNSW on matters it refers to the Board.

During 2012-13, the Transport Advisory Board met seven times. Its first meeting was in August 2012, followed by meetings in November 2012, February 2013, and monthly thereafter until June 2013.

The Minister for Transport, the Hon Gladys Berejiklian, attended the Board's first meeting on 30 August 2012, and the Minister for Roads and Ports, the Hon Duncan Gay, attended the Board's November 2012 meeting. Both Ministers attended the Board's June 2013 meeting.

The Board's approach has been to focus on a series of in-depth briefings on the various services provided by the State's complex public transport and roads network. The Board has considered a wide range of issues, including:

- The NSW Long Term Transport Master Plan
- TfNSW Corporate Plan
- Budgets and financial performance
- Rail sector reforms
- Rail futures
- Freight and Ports strategy
- Major public transport projects

- Workforce plans
- Customer service improvements
- Collaboration with tertiary institutions on education and research projects.

The Board is developing a comprehensive work program to deal with issues that arise from its consideration of the various aspects of the NSW Long Term Transport Master Plan.

The Board has also commenced a process of engagement with Infrastructure NSW and in response to a request from the Ministers will seek to broaden this activity to include other relevant organisations in both the public and private sectors.

Board members noted with regret the retirement of the Director General, Les Wielinga. His leadership, dedication and determination will be missed.

M A Besley AC
Chairman

What Transport for NSW does

The Department of Transport

The Department of Transport is the principal department in the NSW Transport cluster.

It is the main source of advice on portfolio matters to the Minister for Transport and the Minister for Roads and Ports. This includes the performance of agencies within the Transport cluster. This advisory role includes undertaking high-level policy functions.

Transport for NSW

Transport for NSW (TfNSW) was formally established on 1 November 2011 and has assumed coordination, funding allocation, policy and planning and other non-service delivery functions for the transport system.

This followed the NSW Government's announcement that a new, integrated authority would be established to ensure coordinated planning and policy across all modes of transport and to drive integrated service delivery.

TfNSW develops regulations, policies and legislation to ensure that transport is delivered to a high standard, meets community needs, protects assets and public money, minimises environmental impact, and drives improved community safety.

The transferring of policy and planning enables operators of transport services to focus on providing the highest standard of services to their customers.

TfNSW manages an annual multi-billion dollar transport budget and in partnership with the transport operating agencies, more than \$104 billion in assets. Funding is provided for public bus, rail, roads, ferry and community transport services and related infrastructure.

TfNSW also funds concession schemes such as the School Student Transport Scheme, the Private Vehicle Conveyance Scheme and the Taxi Transport Subsidy Scheme.

- › 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
- › Funding for these transport modes
- › Moving people safely, moving freight efficiently, providing transport infrastructure, licensing public transport drivers and accrediting operators.

NSW 2021

NSW 2021 is the NSW Government's 10 year strategic business plan.

NSW 2021 sets priority areas for action and guides NSW Government resource allocation in conjunction with the NSW Budget. The plan includes 32 Goals and more than 180 targets that aim to rebuild the economy, return quality services, renovate infrastructure, restore accountability to government and strengthen local environment and communities.

The Government has committed through *NSW 2021* to deliver an efficient and effective transport system that delivers significant benefits to the community and businesses by reducing the time it takes to travel around Sydney and across NSW.

Transport for NSW is the lead agency for delivering the following *NSW 2021* goals and measures:

Goal 7 – Reduce travel times (private and public transport)

- Coverage of real time information on motorways
- AM and PM peak hour travel speeds in kilometres per hour on 100 road corridors
- Average unplanned incident clearance time on principal transport routes for 98 per cent of incidents
- Number of major incidents that take longer than four hours to clear
- Increase in the frequency of services as evidenced by revised public transport timetables
- Number of services that meet scheduled travel times.

Goal 8 – Grow patronage on public transport by making it a more attractive choice

- Percentage of peak CityRail trains arriving at Central Station within five minutes of scheduled time for suburban services and within six minutes for intercity services
- Percentage of timetabled bus services in the Sydney area which commenced their trip on time
- Percentage of actual ferry services operated by Sydney Ferries which commenced their trip on time
- Proportion of peak hour journey by public transport across various regions
- Proportion of journeys to work by public transport in the Sydney Metropolitan Region
- Modal share of bicycle trips made in the Greater Sydney region, at a local and district level
- Modal share of walking trips made in the Greater Sydney region, at a local and district level.

Goal 9 – Improve customer experience with public transport services

- Customer satisfaction measures
- Percentage of public transport services with accessible and accurate real time traveller information.

Goal 10 – Improve road safety

- Number of fatalities per 100,000 population.

TfNSW also contributes to:

Goal 19 – Invest in critical infrastructure

- Percentage of State Roads with a 'good' road smoothness where surface 'roughness' is less than 4.2 IRI (International Roughness Index)

- Total proportion of containers transported by rail through Port Botany, including import, export and empty containers
- Proportion of import, export and empty containers transported by rail through Port of Newcastle and Port Kembla.

Implementing NSW 2021

There are various mechanisms to implement *NSW 2021*.

Localised plans have been put in place through an extensive consultation process to help TfNSW focus on the transport outcomes that matter most in different communities. Baseline reporting has been established to outline what success looks like and how success will be measured. This promotes accountability throughout the organisation.

TfNSW planning and performance management systems in particular, ensure that it and its people are accountable for delivering on specific components of the plan. Performance is publicly reported online so the NSW community can track TfNSW's progress, and tabled in the NSW Parliament in an annual *NSW 2021* performance report.

These processes ensure that TfNSW is clear about how it is contributing to the NSW Government's vision for transport, and there is transparency in the way that TfNSW measures and reports its performance.

NSW 2021 will be reviewed periodically in consultation with the community, and TfNSW will work to improve its targets over time as more accurate and nationally comparable measures become available.

NSW Long Term Transport Master Plan

The NSW Long Term Transport Master Plan was released in December 2012.

The Plan brings together all types of transport across all regions of the State into an integrated system that puts the customer first.

It sets a clear direction for transport in NSW for the next 20 years, outlining a strategy to integrate, grow, modernise and manage the transport system.

The actions outlined in the Plan focus on linking transport planning to land use planning and preserving transport corridors, delivering high quality, efficient services and investing in infrastructure to meet future demand.

A number of actions are already underway: to grow patronage on public transport, enhance rail freight movement and improve the efficiency and capacity of the road network. These include the North West Rail Link, South West Rail Link, and Northern Sydney Freight Corridor and the Pacific and Princes Highway upgrades.

A series of Regional Transport Plans, together with precinct and modal plans, are being rolled out following the release of the Master Plan. These Plans will provide a greater level of detail for specific modes or for specific locations.

The first of these more detailed Plans have been released.

Sydney's Light Rail Future details how light rail built through the Sydney CBD to Randwick and Kingsford aims to reduce

congestion and revitalise the city, by significantly boosting capacity and reliability.

The 12 km light rail project will link Circular Quay and Central via George Street, the Moore Park sporting and entertainment precinct, the University of NSW and Prince of Wales Hospital at Randwick.

It will offer a simple, user-friendly way to travel between key destinations and benefit commuters travelling from the South East suburbs to the CBD for work, shopping and entertainment.

Sydney's Rail Future was released in June 2012. It is a long term plan to increase the capacity of Sydney's rail network through investment in new services and upgrading of existing infrastructure to improve the customer experience.

Sydney's Ferry Future, released in May 2013, outlines short and long term initiatives to maximise the current ferry network and ensure the planned investment in infrastructure and services will continue to attract more customers in the future.

The Plan builds on the progress already made including:

- Improving ferry service levels
- Franchising Sydney Ferries and bringing in a new operator to improve customer service
- Introducing Opal electronic ticketing

- Delivering wharf upgrades under the \$770 million Transport Access Program including at Neutral Bay, Rose Bay, Balmain Thames Street and Huntleys Point.

In line with leading international examples of modern transport planning, Transport for NSW will adopt a range of actions to ensure that the Master Plan is delivered efficiently and effectively.

TfNSW will strengthen transparency by continuing its extensive community engagement and customer consultation program throughout the five years of the planning cycle, and improving the quality and regularity of public reporting. To achieve this, the NSW Government has committed to report against the Plan's progress each year and update the Plan every five years.

The plan focuses on:

- Improving operational efficiencies
- Introducing network efficiencies
- Completing a new rapid transit system
- Developing a second Sydney Harbour crossing, and
- Continuing capacity increases to the southern sector.

Connections: 2012-17 Corporate Plan

Connections, the Transport for NSW Corporate Plan for 2012-17, outlines the strategic direction of the agency and how it contributes to high level NSW Government goals.

Connections directly links with government priorities, such as *NSW 2021*, and is supported by internal business plans that link to performance management systems.

This aligned approach to planning ensures that TfNSW is able to measure and monitor progress on how its goals are being delivered.

One year on, TfNSW is continuing to implement and deliver the strategies and activities in *Connections* and is on track to continue to deliver high level NSW Government goals and objectives.

Strategic themes

Five broad strategic themes are outlined in *Connections*. Each contains strategies and supporting activities that describe some of the important initiatives that TfNSW will deliver:

1. Planning and financing the transport system of the future
2. Maintaining transport assets
3. Improving transport services and operations
4. Growing the transport system
5. Developing the transport businesses of the future.

Purpose

TfNSW's purpose is:

To make New South Wales a better place to live, do business and visit, by managing and shaping the future of the whole transport system.

Values

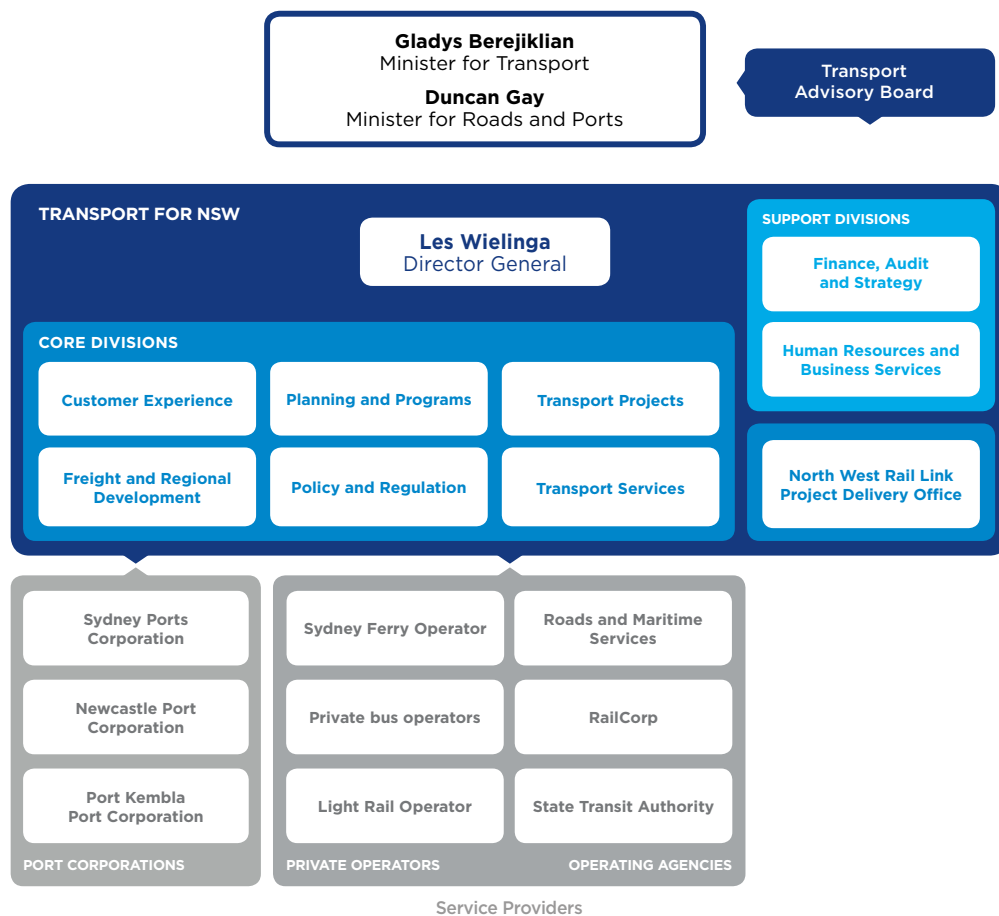
TfNSW's values define the character of the agency and guide its decision making and behaviour.

They are the standards it sets for interactions with its customers, the community and stakeholders; the way that its people work with each other every day; and the principles TfNSW expects to see upheld by its partners in the Transport cluster.

TfNSW's values are:



Management and structure



*Two new and separate entities, Sydney Trains and NSW Trains, began operating on 1 July 2013.

Job Descriptions

Director General

- 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 Transport for NSW and operating agencies on the strategic direction of their organisation, the direction of reform, investment and the resolution of commercial, customer service and performance issues
- Promote the overall safety and security of the NSW transport system
- Oversee the planning, maintenance and delivery of transport infrastructure and services to the benefit of the people of NSW and to support the social and economic needs of the State
- Guide the prioritisation, procurement and delivery of integrated solutions for transport infrastructure across NSW to cater for population and economic challenges and to build a sustainable future
- Provide expert advice to the Premier and Portfolio Ministers on strategies and policies to further the objectives of the Government for the delivery of transport services.

Deputy Director General Customer Experience

- Build the evidence base of customer and stakeholder insights to inform customer-centric policy, planning and service delivery
- Establish customer-based performance standards and measures based on customer insights

- Direct communications programs to engage with customers, stakeholders and staff
- Develop and implement transport brand strategies that reflect the core value proposition of transport products and services
- Coordinate the provision of advice to Ministers to enable them to fulfil Parliamentary obligations and respond to correspondence
- Analyse trends in customer feedback to inform thinking about service improvements
- Manage the systems that give customers the information they need to access and navigate the transport system
- Sponsor and provide guidance on key service improvement programs and major projects across the Transport cluster.

Deputy Director General Planning and Programs

- Identify transport needs and develop strategic corridor and detailed network transport plans including the NSW Long Term Transport Master Plan, Regional Transport Plans, city access strategies and modal strategies
- Deliver an integrated approach to transport planning, funding and delivery in NSW
- Ensure the customer experience is central to transport planning and program outcomes
- Determine investment priorities for transport infrastructure including the Transport Access Program
- Collect, analyse and present transport statistics and conduct modelling to provide an evidence-base to support effective decision-making.

Deputy Director General Transport Projects

- Drive the planning, construction and delivery of current infrastructure projects
- Promote safety in all aspects of infrastructure delivery
- Employ sustainable practices, innovation and excellence in design and delivery of a quality product
- Ensure value for money for stakeholders through the effective and efficient delivery of transport infrastructure
- Ensure best practice business systems exceed customer and stakeholder expectations.

Deputy Director General Policy and Regulation

- Drive customer focused strategic policy for the transport portfolio
- Shape NSW's contribution to the national transport agenda
- Drive integration and simplification of regulatory and legislative instruments
- Engage with industry and key stakeholders on policy reforms
- Deliver policy reforms to improve services, access and safety for customers and industry.

Deputy Director General Freight and Regional Development

- Develop a NSW Freight and Ports Strategy
- Develop strategic planning for key freight precincts including ports and intermodal terminals to support regional development
- Identify private sector investment opportunities
- Develop a freight evidence base
- Monitor and benchmark freight performance

- Establish relationships with key industry stakeholders
- Provide a central point of contact for freight customers and the freight industry to raise issues and concerns
- Develop freight policy and manage reform
- Ensure that State marine pollution response arrangements are effective
- Regulate the port safety operating framework
- Identify the urban and regional freight network
- Ensure that economic analysis supports freight business cases and funding submissions
- Provide expert advice on the regulation for freight movements of dangerous goods, and of emissions and noise
- Establish a Bureau of Freight Statistics
- Review port access arrangements
- Coordinate key commodity chains.

Deputy Director General Transport Services

- Develop and improve service plans for rail, bus and ferry services, including timetable specification
- Develop the rail Standard Working Timetable for passengers and freight
- Coordinate service plan delivery and timetable integration across all transport modes
- Purchase rail, bus, ferry and light rail services and develop associated contracts
- Develop community transport agreements and strategies
- Develop agreements with transport agencies and other government departments to enable close working relationships and delivery of the NSW Government's goals for the transport sector
- Manage and monitor contract/ agreement compliance

- Benchmark and drive improvements in service performance
- Coordinate service activities such as incident management, special events, security and emergency management, interchange/ precinct management and transport operational improvements
- Manage ticketing services, including purchase of integrated electronic ticketing services, management of passes, concessions and subsidy schemes, and revenue protection strategies
- Manage the country rail network.

Chief Financial Officer

- Provide strategic finance services across the portfolio
- Ensure priority programs and projects are resourced, funded and supported
- Deliver ongoing day to day finance and economic services so that the operating divisions can deliver their business objectives
- Set the TfNSW corporate planning strategy and measure its performance against results
- Strategic and business planning
- Develop best practice audit and risk processes that focus on improving performance.

Executive Director Human Resource and Business Services

- Lead business and commercial management of human resources, Information and Communication Technology, and legal services across the transport cluster
- Drive organisational efficiency through the development, implementation and continuous improvement of business systems and processes for the best provision of services, systems and projects

- Drive a wide range of strategic projects and initiatives to continue to progress the overall reform agenda to maximise operational effectiveness and efficiency across the cluster
- Drive the reform of internal legal services in the portfolio to improve efficiencies and value for money, including the provision of external expert legal services by a portfolio-wide legal panel
- Provide strategic HR program across the cluster
- Lead consolidation and optimisation of the provision of shared services to the transport cluster that ensures compliance and supports core business outcomes
- Ensure the capability of the workforce to meet organisational demands and requirements
- Lead the implementation of governance frameworks for Transport for NSW and the operating agencies to comply with best practice risk management and legislative requirements.

Project Director North West Rail Link

- Lead the development of the North West Rail Link, including:
 - project definition
 - customer product requirements
 - identification of delivery strategy
 - tender and award of major construction contracts
 - planning approvals
 - land acquisition
 - construction and delivery of an integrated transport and land use product.

Operational performance

Planning and financing the transport system of the future

Transport for NSW recognises that planning is the foundation for good investment, from maintaining its assets and delivering services for customers, to growing the transport system to meet future travel needs.

It plans for and finances the transport system from an integrated, whole-of-transport perspective. Over the next five years, critical decisions in transport planning will be made and these will shape the future of Sydney and regional NSW.

TfNSW will produce high quality, evidence-based plans that will influence the way people travel, where they choose to live and how they will access employment, services and education.

It will work towards a genuine understanding of the needs and expectations of its customers, and use these insights as a crucial input to the way it plans and delivers transport. It will develop innovative and sustainable ways of financing the transport system of the future. This includes investigating a range of commercial options, pricing mechanisms and partnerships to ensure that funding is available to maintain and operate the current network, and deliver the program of capital works identified in transport planning.

NSW Long Term Transport Master Plan

The NSW Long Term Transport Master Plan was released in December 2012 after a year of development. The result was an integrated, long term plan for transport that is the NSW Government's 20-year vision for the delivery of a world-class public transport, roads and freight network to the State.

The NSW Long Term Transport Master Plan was well received by operators, industry, customers and the community.

The release of the draft NSW Long Term Transport Master Plan had been followed by more than 60 briefings across NSW of stakeholders that included Regional Development Australia and Regional Organisations of Councils. Discussions on the draft were also held with Master Plan Advisory Groups. More than 460 comments were received and reviewed to inform the final plan.

After the Plan was finalised and published in December, TfNSW began implementing the 220 actions and 26 supporting plans.

It has:

- Determined accountability for each of the actions across the Transport cluster
- Integrated the Plan's actions into Business Plans, and
- Established systems to capture progress and report upon each of the actions.

TfNSW has also made significant progress in delivering on this 20 year plan by:

- Completing seven actions, and
- Commencing and making progress on more than 80% of the actions, and completing five of the supporting plans. The remainder are to be completed in 2013-14.

The seven actions completed are:

- 46** Plan for long term ferry service, fleet and infrastructure improvements to match population and travel growth
- 145** Reform funding and governance of Port Botany
- 173** Update the Disability Action Plan
- 178** Develop a boating safety strategy
- 180** Improve rail safety [through the development of a rail safety regulatory framework]
- 181** Develop a coordinated Transport Environmental and Sustainability Policy Framework
- 214** Create a NSW Community Road Safety Fund.

The plans completed include:

- Sydney's Ferry Future
- Sydney's Light Rail Future
- Sydney's Rail Future
- Road Safety Strategy
- Environmental and Sustainability Policy.

Sydney's Rail Future

Late in June 2012, the NSW Government announced its plans for the future of Sydney's rail network, Sydney's Rail Future.

It includes:

- Completing the North West Rail Link, including converting the line between Chatswood and Epping to rapid transit, single-deck, high-frequency services. This line will be run by a private operator
- A second heavy rail crossing to be built under Sydney Harbour for a new CBD rail line to link the North West to the CBD, unclogging the CBD and Western Line and a new rapid transit service from the north through the CBD to the south
- New CBD railway stations on the new line to ease congestion at existing stations such as Wynyard and Town Hall
- Enhancements to existing infrastructure and technology, including Automatic Train Operation, which improves the way trains accelerate and brake at stations - allowing more trains on the line
- Completing the South West Rail Link, and
- More services across the network starting from October 2013 as part of a new timetable.

TfNSW will work with Sydney Trains and NSW Trains and private industry to drive these strategies.

Sydney's Ferry Future

Sydney's Ferry Future was released in May. It sets out short, medium and long term initiatives to get the most out of the ferry network today and invest in the infrastructure and services needed to attract more customers in the future.

Actions include improved services, vessel procurement, and wharf upgrades. Work has begun on acquiring vessels and modernising wharves. A new ferry timetable will be implemented to provide more frequent services along the Parramatta River and to Rose Bay. There will also be better synchronisation with buses, creating a more integrated public transport network.

Sydney's Light Rail Future

Sydney's Light Rail Future was released in December 2012. It defined the strategy for light rail in the short and medium term. It committed to extending the Inner

West Light Rail by 5.4km and building a new light rail to the CBD and South East.

Sydney's Light Rail Future will reduce buses in the CBD by 180 in the morning's busiest hour. When combined with bus network changes this number will increase to 220, and contribute significantly to reducing congestion caused by buses entering and travelling along CBD streets.

The CBD and South East Light Rail was announced in December. This \$1.6 billion new light rail network will connect the city to the south eastern suburbs. The light rail will extend from Circular Quay to Central Station via George Street then continue southwards to Moore Park via Surry Hills. At Moore Park the line will split and connect to Randwick via Alison Road and High Street and to Kingsford via Anzac Parade. TfNSW is undertaking design and planning for this project and the Environmental Impact Statement is on target for public exhibition at the end of 2013. A number of the supporting plans were progressed.



An artist's impression of light rail at Sydney's Martin Place

Sydney City Centre Access Strategy

TfNSW continued developing the Sydney City Centre Access Strategy, consistent with the NSW Long Term Transport Master Plan, 10 regional transport plans and walking and cycling plans.

The strategy will support the State Government's *NSW 2021* target of increasing public transport usage to Sydney CBD.

The development of the strategy includes the redesign of the bus network and traffic management in the CBD to integrate with the future light rail.

It will deliver integrated transport outcomes that meet the future needs of all customers in the CBD including those travelling by heavy rail, light rail, buses, private vehicles, service vehicles, taxis, ferries, or on foot or cycling.

Draft NSW Freight and Ports Strategy released

A Draft Freight and Ports Strategy was released by TfNSW in November.

Its release came after 12 months of strategy development that involved extensive consultation with industry to understand challenges that range from choke points on the rail network to unnecessary red tape affecting heavy vehicle movements.

The draft strategy is outcome focused. It highlights 17 specific deliverables within three strategic action areas: network efficiency, network capacity and network sustainability.

More than 80 submissions were received commenting on the Strategy; the majority supporting the strategic direction.

After feedback is collated, a final Freight and Ports Strategy will be released in the second half of 2013.

NSW Freight Advisory Council established

TfNSW established the NSW Freight Advisory Council.

It provides expert advice to the Minister for Roads and Ports and to TfNSW on strategic issues affecting efficiency and productivity within the freight industry.

Members of the Council in 2012-13 were: The Hon Duncan Gay, MLC – Minister for Roads and Ports; Rachel Johnson – Deputy Director General, Freight and Regional Development, TfNSW; Ron Finemore AO – Executive Chairman, Ron Finemore Transport; Tony Haggarty – Managing Director, Whitehaven Coal; Maurice James – Managing Director, Qube Logistic Holdings; John Mullen – Chief Executive Officer, Asciano; Nicolaj Noes – Managing Director, Maersk Australia; Blair Price – General Manager Wood Panels, Carter Holt Harvey; and Alison Watkins – Chief Executive Officer / Managing Director, Graincorp.

Bureau of Freight Statistics established

The Bureau of Freight Statistics created by TfNSW is the first of its kind in Australia. It is dedicated to analysing and providing freight data within the NSW Government.

Transport infrastructure and services budget

A record \$14.6 billion NSW Budget allocation was made for investment in public transport and roads.

Funding was obtained for the following key transport priorities in 2013-14:

- \$806 million for the ongoing delivery of the North West Rail Link
- \$353 million to continue progress of the South West Rail Link
- \$314 million for the Northern Sydney Freight Corridor Program, a joint Federal and NSW governments initiative to improve capacity and reliability of freight trains and make commuter services more reliable
- \$67 million to complete the Inner West Light Rail Extension, providing a 5.6 km light rail service connecting the inner west through to Dulwich Hill
- \$75 million towards the new CBD and South East Light Rail linking the Sydney central business district with Randwick and Kingsford, and
- \$105 million to progress Wynyard Walk, which will provide a pedestrian link between Wynyard Station and Barangaroo.

NSW Ports refinancing

TfNSW was a member of the transaction team that provided strategic leadership and oversight of the transaction process leading to the successful leasing of Port Botany and Port Kembla.

This followed a six-month competitive bidding process.

The leasing is the largest ever NSW Government transaction in terms of proceeds. There was a financial return of more than \$4.31 billion from the Port Botany transaction package and \$760 million from Port Kembla.

Support was provided to NSW Treasury throughout the transaction. This included detailed and responsive advice regarding Port Botany and Port Kembla's



This bridge is part of the incomplete Maldon-Dombarton rail line

characteristics, capabilities and land-side freight network interactions.

Expert input was also given for developing responsibility arrangements for critical port functions such as safety and marine pollution response.

The 99-year leases of State-owned Port Kembla and Port Botany, including the Enfield and Cooks River logistics centres delivered net proceeds of around \$4 billion to be invested in the NSW Government's infrastructure fund, Restart NSW.

The proceeds will allow to be built projects such as the WestConnex motorway, the largest ever NSW urban transport project.

The 33km WestConnex includes capacity improvements on existing roads and new sections of motorway combining to better link Sydney's west with its international gateways at Sydney Airport and Port Botany.

The proceeds will also deliver Bridges for the Bush - a program to replace or upgrade bridges at 17 locations around NSW - and upgrades to the Princes and Pacific Highways.

Moorebank intermodal terminal precinct

TfNSW continues to engage with the Commonwealth on the development of an intermodal terminal at Moorebank, in south western Sydney.

It is planned that the terminal will handle container traffic from interstate rail freight and Port Botany. Some 90 per cent of containers to and from Port Botany have their origin and destination within Greater Sydney.

It is forecast that Australia's freight requirements in 2020 will be double what they were in 2006. Without new rail freight handling capacity, more pressure will be put on Sydney's road network increasing urban congestion.

It is estimated that 3,300 truck movements a day will be taken off Sydney's roads between Port Botany and Moorebank by shifting freight to rail.

The Commonwealth Government established the Moorebank Intermodal Company Limited to oversee remediation of the site. It will also manage tenders to design, build and operate the terminal. The Moorebank Intermodal Company advertised for companies to submit Registrations of Interest on 22 May 2013. These closed on 12 June.

TfNSW also continues to engage with Sydney Intermodal Terminal Alliance (SIMTA) on its proposal. SIMTA is a joint venture of national freight company Qube Logistics and Aurizon, which manages a national network of intermodal terminals.

TfNSW regards development of an intermodal terminal at Moorebank as essential to supporting the *NSW 2021* target of doubling the proportion of container freight movement by rail through NSW ports by 2020.

Port Botany Landside Improvement Strategy

The NSW Government approved the transfer of the Port Botany Landside Improvement Strategy from Sydney Ports Corporation to TfNSW.

This will allow TfNSW to build on the success of the strategy of improving road freight efficiency in and around Port Botany. TfNSW will introduce measures to deliver improved coordination with rail.

TfNSW is establishing a Cargo Movement Coordinator in late 2013 to better coordinate and plan the activities of participants in the cargo transport chain at Port Botany and Port Kembla.

Maldon to Dombarton Rail Link

Last August, the Commonwealth Government announced \$25.5 million in funding to TfNSW to complete the planning and detailed design of the Maldon to Dombarton Rail Link.

During the 1980s the NSW Government partially constructed a freight rail line between Maldon in the Southern Highlands and Dombarton near Port Kembla. This included significant earthworks such as major cuttings and embankments and the installation of ballast. A bridge and tunnel portals were also partially built.

Work was suspended in 1988.

During 2010–2011, a feasibility study was done on completing the link. This resulted in the \$25.5 million Federal Government contribution to prepare detailed designs (including civil, structural, geotechnical and track works) for its future construction.

The project would involve laying 35 km of standard gauge track connecting Port Kembla directly to the Main South Line near Picton. It would also include three passing loops, new bridges over the Nepean and Cordeaux Rivers and one of Australia's longest tunnels.

Contracts for engineering and operations, environmental consultants and cost planning services have been awarded. Detailed design work to progress the project to the construction stage is to be completed by July 2014.

Cowra Lines

An examination is being made of the potential viability of sustainable freight operations on the currently suspended Blayney-Demondrille rail lines - including the Koorawatha-Greenethorpe line.

TfNSW is working with the Blayney, Cowra, Harden, Weddin and Young Councils on the project involving the lines, known collectively as the Cowra Lines.

During 2013 a Memorandum of Understanding was executed between TfNSW and the Councils. It identifies the roles and obligations of the parties and the agreed processes for obtaining information and developing optimal governance arrangements required for TfNSW to prepare an Expressions of Interest for the Cowra Lines.

TfNSW plans to test the level of commercial interest in the Cowra Lines through an Expression of Interest process.

Casino to Murwillumbah Transport Study

The Casino to Murwillumbah Transport Study investigated the current and future transport needs of people living and working in the Casino to Murwillumbah area in north-eastern NSW. It also evaluated potential connections to the South East Queensland public transport network.

The study, released in April, included an investigation of the feasibility, benefits and costs of reinstating services on the 130km Casino-Murwillumbah Rail Line, which has been unused since 2004.

The study recommended that improvements to bus services to key destinations would more effectively help residents' access health, education and social services.

Freight rail noise management

The TfNSW Strategic Noise Action Plan provides a platform to identify, investigate and where possible, resolve freight rail noise issues for the community.

The Strategic Noise Action Plan will have a significant impact on customers who live near freight rail corridors across NSW. It brings together a range of new and existing initiatives. It is focused on reducing existing rail noise and ensuring that noise from future rail developments is minimised.



Minimising freight train rail noise is a high priority

The Plan emphasises reducing rail noise at its source, including using innovative lubrication and noise monitoring technology to tackle the issue of 'wheel squeal'. There will be close collaboration with the rail industry on research and development into making trains quieter. The plan draws together and builds on research under the Rail Co-operative Research Centre program.

A Rail Noise Steering Committee guides the delivery of actions to address freight rail noise. It consists of representatives of TfNSW, the Environmental Protection Agency, Department of Health, Department of Planning and Infrastructure, The Australian Rail Track Corporation and rail agencies.

The committee has endorsed the Strategic Noise Action Plan.

NSW Rail Access

TfNSW began a review of NSW Rail Access. This was to ensure effective and efficient use of the NSW rail network by freight and passenger services. It is also to ensure that it supports the NSW economy into the future.

By 30 June 2013, 13 submissions were received on a public discussion paper for assessment.

National Transport Reform Agenda

The Standing Council on Transport and Infrastructure brings together Commonwealth and State Ministers with responsibility for transport and infrastructure. It also includes the Australian Local Government Association. It is advised and supported by the Transport and Infrastructure Senior Officials' Committee on all non-infrastructure priorities.

The key issues on the national transport agenda in 2012-13 were establishing national regulators for heavy vehicles, rail and maritime, and heavy vehicle charging and funding reforms.

National heavy vehicle charging and investment reform

The Heavy Vehicle Charging and Investment Reform is addressing low infrastructure service standards and increasing road freight productivity. This would be achieved by providing better access for heavy vehicles and improving investment decision making.

Its Heavy Vehicle Charging and Investment Project Board, on which TfNSW is represented, is overseeing development of the proposed reforms.

The Board consists of senior Federal and State government officials, the Australian Local Government Association, the National Transport Commission, an industry representative and an independent Chair.

National heavy vehicle registration charges

In March 2012, the National Council on Transport and Infrastructure agreed to amend heavy vehicle registration charges. This was to address a number of industry concerns and ensure that heavy vehicles continue to pay their share of the cost of providing and maintaining roads.

In July 2013 NSW implemented the 2013 Annual Adjustment for heavy vehicle registration charges.

Registration assistance package for heavy vehicles

In July 2012 the NSW Government announced an industry assistance package of full or partial rebates of the national charges on selected heavy vehicle trailers. The changes were implemented in September 2012, with a stamp duty exemption for new heavy vehicle trailers from October.

The concessions assisted operators adversely affected by increases in heavy vehicle registration charges implemented in July 2012.



More efficient B Triple trucks are getting more access to NSW roads

High productivity vehicle access - Hume Highway

The NSW Long Term Transport Master Plan proposes a pilot of Higher Productivity Vehicles (HPVs) along the Hume Highway as an option for addressing the growing freight task. The Hume Highway is NSW's most heavily used road corridor.

TfNSW and VicRoads are currently assessing the costs and benefits of allowing HPVs to travel between Sydney and Melbourne. The business case is considering issues that include infrastructure requirements, industry needs, and social and environmental impacts. The business case is expected to be completed in the second half of 2013.

B triple access - west of the Newell Highway

In May 2012 the Standing Council on Transport and Infrastructure agreed to a single national modular B-triple truck specification.

This will give modular B-triples access to the current road train network on the same basis as Type 1 road trains. This is a significant productivity enhancement for the heavy vehicle sector.

The NSW Government in October 2012 implemented these enhancements for modular B-triple vehicles west of the Newell Highway.

Additional access to the Newell Highway will be permitted after appropriate safety assessments.

NSW Road Safety Strategy

The NSW Road Safety Strategy supports the NSW Government's *NSW 2021* target of 4.3 fatalities per 100,000 of population.

The theme of the strategy is "working towards vision zero". Key areas of focus include: NSW Safer

Roads Program, elevating road safety across all areas of the network from design, construction and maintenance, greater focus on serious injuries, engagement with local government, vulnerable road users, road safety technologies and post-crash response.

Safer Roads

The NSW Road Safety Strategy expanded the NSW Safer Roads Program with an annual investment of \$36 million for 2013-14 and 2014-15. The program comprises: route safety reviews, pedestrian safety works, motorcycle safety works, run-off road/head-on crash treatments and local government road review and safety works.

Reviews of the Kings Highway and Appin Road were done as part of the route safety reviews. Programs of safety works are being finalised for 2013-14.

NSW Motorcycle Safety Strategy

A NSW Motorcycle Safety Strategy was released after extensive consultation with the motorcycling community. It was developed in response to the increasing number of motorcycles on the roads and over-representation in road crashes.

Its features include a \$3 million program to review and provide targeted safety works on motorcycle routes, specific communications, and a lane filtering trial in the Sydney CBD.

NSW Speed Camera Strategy

The NSW Speed Camera Strategy was released in June 2012. It detailed speed camera operations in NSW and the expansion of mobile speed cameras, red light speed cameras and point-to-point heavy vehicle enforcement.

The Community Road Safety Fund began operating on 1 May 2013. Money generated from speed camera detected fines is specifically allocated to road safety measures.

In July 2012 the NSW Government released the first annual NSW speed camera performance review. It evaluated the effectiveness of mobile speed cameras, red light speed cameras, point-to-point camera enforcement and fixed speed cameras. It found that they reduced road trauma. Cameras not demonstrating a clear road safety benefit were reviewed.

Road safety websites

In June 2013 TfNSW launched a new road safety website, roadsafety.transport.nsw.gov.au. It provides enhanced road safety information. It also features improved road safety data and complements the Safer Roads NSW website, saferroadsnsw.com.au.

The Safer Roads NSW website gives the community a voice about road safety initiatives, including speed zones, speed signs and speed cameras. It allows suggestions for locations for speed cameras and reviews of speed zones.

By 30 June 2013 there had been 630 submissions about speed cameras and 547 about speed zones.

Breakdown Safety Strategy

TfNSW and stakeholders developed a NSW Breakdown Safety Strategy released in September 2012.

This was followed in December by the release of a Breakdown Safety Glove Box Guide. It provides motorists with safety advice during a vehicle breakdown or when passing someone whose vehicle has broken down.

In March 2013 the Minister for Roads and Ports introduced the Road Transport Amendment (Obstruction and Hazard Safety) Bill 2013. It will ensure courts take into account the presence of obstruction and hazards on a road, such as a broken down or crashed vehicle, when determining whether a person has committed a driving offence.

Breakdown safety was also promoted at the 2013 Sydney Royal Easter Show, with more than 50,000 safety vests and guides distributed to visitors. The guide is now being distributed with registration renewals.

Road rules

In November 2012, the NSW Government implemented changes to the NSW Road Rules to bring them more in line with States on its borders. Changes to national road rules included minor amendments and tightening of existing rules, including those affecting mobile phone use.

In response to community feedback about keeping up to date with road rules changes, TfNSW held the inaugural Road Rules Awareness week in February to help road users refresh their knowledge of the road rules. TfNSW also published the top 10 misunderstood road rules.

Remaking the Ports and Maritime Administration Regulation

Amendments to the Ports and Maritime Administration Regulation allowed Sydney Ports Corporation to implement a new pricing structure for passenger cruise liners visiting Sydney Harbour.

This will better reflect the requirements placed on facilities by the cruise industry.

From 1 July 2013, the Sydney Ports site occupation charge was based on the actual number of passengers

recorded in the ship's inward manifest, per 24-hour berthing slot, for all cruise ships utilising the passenger terminals in Sydney Harbour.

The \$20 per passenger charge will allow greater investment in much-needed cruise infrastructure.

Marine Pollution Response Training

The National Plan has been developed to combat sea pollution by oil and other noxious and hazardous substances and TfNSW is responsible for managing it in NSW.

This includes providing State-wide training to ensure compliance with NSW's obligations under the National Plan. During the year, 16 training sessions were held, while TfNSW staff also attended an Australian Maritime Safety Authority training course. In addition, 12 annual exercises were conducted along the NSW coast.

The annual State marine pollution response exercise, 'Exercise Bherwerre' was held in December. This exercise tested the emergency arrangements in place for responding to a major oil spill incident.

Around 100 people attended the event, including representatives from 28 NSW Government agencies and Federal and Territory bodies.

Boating safety initiatives

The boating sector and the 1.8 million people who go boating each year will benefit from safety initiatives. They highlight responsibilities and promote a culture of boating safety on NSW waterways. The safety initiatives for 2012-13 particularly focused on personal responsibility. They include:

- The most comprehensive lifejacket awareness campaign ever in NSW which ran from December 2012 to Easter 2013. It supported behavioural change about wearing lifejackets
- A paddle craft safety education package was developed to communicate safety regulations and requirements. It includes a DVD, online content and supporting print material with expert advice from Paddle NSW
- The Georges River and Botany Bay Boating Safety Plan was released in January



Major effort is going into making boating safer

- The draft Sydney Harbour Boating Safety Plan was released for public comment. Submissions are being considered
- A Safe Boating Education and Communications Strategy 2012-15 was finalised. Actions linked to the Strategy are being delivered.

Wharf Access Policy

NSW Government's Maritime Policy Agenda requires a consistent wharf access policy for managing access to Sydney Harbour commuter ferry wharves.

A draft position paper was released in March 2013 for public comment. Submissions generally supported proposals for introducing a Commuter Wharf Permit Scheme and retaining the Wharf Booking System for access to charter wharves. The submissions also confirmed the industry's preference for longer term access agreements at the key commercial wharves of Circular Quay 6 and the eastern side of Manly Wharf.

It is expected that the new Wharf Access Policy will be finalised and implemented by the end of 2013.

Environmental Policy Framework

TfNSW completed and launched its Transport Environment and Sustainability Policy Framework. It uses an outcomes based approach to improve environmental sustainability performance in the Transport cluster.

The framework involves public reporting of environment and sustainability performance indicators, targets and an action plan. It is available from transport.nsw.gov.au.

NSW Maritime Advisory Council

The NSW Maritime Advisory Council is the peak advisory group that provides advice and makes

recommendations to the Minister for Roads and Ports on maritime matters, including safety and infrastructure priorities.

During 2012-13 it endorsed a number of key reforms, including the establishment of the Government's Maritime Policy Agenda. The Council provided valuable input into the design and delivery of initiatives in the Policy Agenda, including TfNSW's lifejacket awareness campaign, boating safety plans for the Georges River and Sydney Harbour, and various red tape reforms.

Sydney Harbour Boat Storage Strategy

The NSW Government's Maritime Policy Agenda included developing a waterway-by-waterway plan to ensure boat storage capacity meets forecast demand, commencing with Sydney Harbour.

Consultation on the Sydney Harbour Boat Storage Strategy closed in May 2013 with 15 submissions. The draft Strategy was strongly supported, but it was noted that boat storage growth targets can only be achieved through planning system reforms. The final Strategy will be released by the end of 2013.

Work has begun on similar strategies for the remainder of NSW.

Disability Action Plan

In December 2012 the Minister for Transport launched the 2012-17 Disability Action Plan. This was developed by TfNSW in consultation with the Accessible Transport Advisory Committee. It comprises representatives of NSW's peak disability and ageing organisations.

The Plan is the first integrated disability action plan for the whole of transport - public transport,

private transport and roads. It includes 152 actions to be taken over the next five years to improve accessibility of transport.

The Plan's six key issues are:

- How TfNSW builds a transport network that is accessible to all customers and increases compliance with the Commonwealth Disability Discrimination Act 1992 and accompanying disability standards
- How it can reduce transport disadvantage for people with disability through targeted concessions, support programs and projects and initiatives that improve access to transport in local communities
- How it can improve the journey experience of customers through improved information, convenience and services
- How it engages with people with disability to understand what they need from TfNSW's services
- How it improves partnerships with local councils and other areas of government to ensure that there are no unnecessary barriers, and
- How it provides additional employment opportunities for people with disability.

2012/13 Grain Harvest Season mass exemption

To manage the NSW grain harvest, an exemption under the Road Transport (Mass, Loading and Access) Regulation 2005 was applied State wide. It allowed grain trucks to operate at Concessional Mass Limits from 29 November 2012 to 31 January 2013. It excluded grain movements to ports or major urban areas.

The exemption was well received by the grain industry. It allowed grain trucks to carry masses above the General Mass Limits from farms to secure storage. This delivered more productivity and efficiency with less truck movements, while complying with NSW mass limits.

The grain industry supports a future NSW high productivity transport management scheme and has offered cooperation in its development.

Asset Divestment Program

TfNSW established an Asset Divestment Program to manage surplus Epping to Chatswood Rail Link properties in a socially and financially responsible manner.

Its objectives are to achieve positive environmental, social and economic outcomes with value adding initiatives for the properties. These include leasing and refurbishing existing buildings, development of infrastructure, master planning and sub-division before eventual sale of the properties.

The program currently includes eight sites at Parramatta, Chatswood, Macquarie Park, Roseville and North Ryde.

In May, TfNSW tenders were called for specialist services to survey land boundaries and topography, and identify any underground utility services.

Transport assistance reviewed

In 2012-13 TfNSW reviewed the administration of the extensive subsidy and concession schemes it provides throughout NSW to eligible school and tertiary students and people with a disability.

The review identified opportunities for substantial improvements to enhance the experience of

concession and subsidy scheme customers while ensuring greater value for money.

Simpler processes will make it easier and quicker for customers to find out about and apply for travel concessions and subsidies.

TfNSW will plan and implement the improvements between 2013-15, focusing on simplifying and speeding up the determining of transport concessions and delivering pass and concession products to eligible customers.

Walking initiatives

Development began on Sydney's first 20-year strategy aimed at promoting walking and identifying priorities.

Investments continued in pedestrian and bridge projects to improve safety: a bridge over Epping Road at Epping Boys High School was completed.

Additional safety and accessibility improvements for pedestrians included completing a program that

replaced with safer options pedestrian crossings without signals traversing multi-lane State Roads.

Work was done with local councils to upgrade pedestrian facilities at traffic signals in town centres.

Walking-related infrastructure projects were allocated more than \$19 million in the NSW Budget.

Cycling initiatives

TfNSW began work on a 20-year cycling strategy for Sydney. It will set the framework and priorities for future investment in the city's bicycle network.

The NSW Government matched council expenditure to deliver more than 100 local cycleway projects in more than 70 local government areas across NSW.

Support was also given to local cycling encouragement initiatives, such as NSW Bike Week.

In the 2013-14 NSW Budget more than \$33 million was allocated to cycling-related projects.



A 20 year cycling strategy is being developed

Macquarie Park Transport Management Association

The NSW Government, City of Ryde, businesses and institutions in the Macquarie Park area have established the first Transport Management Association in NSW. It promotes efficient and sustainable travel to Macquarie Park. The Association's programs will expand the travel choices available to businesses, their staff, customers and visitors, and reduce local congestion.

Macquarie Park is one of the fastest growing employment centres in the Sydney Metropolitan Region, expected to grow from 45,000 to 61,000 jobs in the next 20 years. The NSW Government is contributing \$750,000 over three years from 2012-13 to the establishment and commencement of programs. This funding is equally matched by City of Ryde and supplemented by membership fees from participating organisations.

Funded expenditure

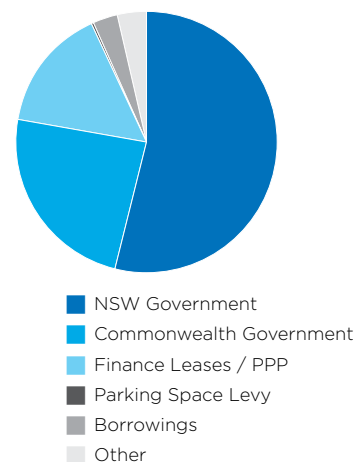
In 2012-13, funded expenditure on transport totalled \$13.8 billion. Included in this amount is operating expenditure of \$7.6 billion funded by a combination of Government subsidies, farebox and other retained revenues.

Capital works expenditure was \$6.2 billion. State Government funding was provided for a wide range of transport infrastructure projects including the North West Rail Link, South West Rail Link, road upgrades and a contribution to the Transport Access Program. Federal funding contributed to a number of State road projects and the Northern Sydney Freight Corridor rail project.

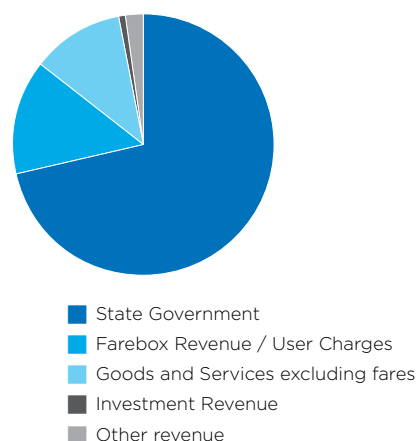
Government and private buses were recognised as deemed finance leases under the bus service contracts, both for replacing older vehicles and growing the services provided. Commuter wharf upgrades were funded from the Waterways Fund. The delivery of new Waratah rail carriages continued to be funded via a finance lease through a Private-Public Partnership. Parking Space Levy funds contributed towards the Inner West Light Rail Extension.

These graphs illustrate the sources of funds in 2012-13.

Source of funds - Capital



Sources of funds - Operating



Maintaining transport assets

Transport for NSW is responsible for managing transport infrastructure and assets valued at more than \$104 billion.

This makes it one of the largest asset holders in Australia, a role that requires it to protect and preserve these facilities so they continue to serve the community.

Maintaining current assets is TfNSW's first priority for the allocation of resources. Assets require ongoing maintenance because of the inevitable wear and tear that occurs when they are used, and because they are the critical foundations for delivering services.

Safe and reliable assets enable TfNSW to deliver quality transport services for customers, contributing to a better way of life and more economic opportunities in NSW.

By assessing roads and railways, and the vehicles, vessels and rolling stock that TfNSW operates, from a customer's perspective and with a whole-of-transport approach, it is able to prioritise investment and ensure that the transport system performs at an optimal level.

TfNSW will work to improve the way it plans and delivers its maintenance programs and projects to provide value for money for the community, while ensuring that its services are operating reliably and safely for its customers.

Lidcombe to Granville Corridor Upgrade Program

The Lidcombe to Granville Corridor Upgrade Program is upgrading rail infrastructure in the Lidcombe to Granville rail corridor, one of the busiest in the Sydney metropolitan network.

The program will improve network reliability and capacity, and provide more efficient and reliable access to

and from maintenance and stabling facilities. This upgrade will support increased growth in rail patronage and the safe running of the new generation, fully air-conditioned Waratah trains.

The Auburn Junction Project involves removing redundant track, upgrading existing track, replacing

overhead wiring and upgrading track drainage. Novo Rail Alliance is delivering the project on behalf of TfNSW. Commissioning is scheduled for June 2015.

The Clyde Junction Project is in development and involves the upgrade of signalling infrastructure, installation of combined services routes, turnout renewal works and the installation of a new turnout. Commissioning is scheduled for December 2016.

The Lidcombe to Granville Corridor Upgrade is scheduled for completion in 2017.



Work continues apace at Auburn Junction

Country Regional Network

TfNSW has a 10 year contact with John Holland Rail to operate and maintain the Country Regional Network. It began in January 2012 and is designed to deliver greater value for money and improved customer service.

The NSW Country Regional Network is made up of 2,386 km of operational rail lines and 3,126 km of non-operational lines. It supports, in addition to passenger services, customers transporting coal, grain, cotton, minerals and containerised freight to domestic and export markets. Over 3.25 billion gross tonne kilometres were recorded over the network during the year.

TfNSW maintains a rolling 10-year Total Asset Management Plan to deliver the sustained operation of the network and support customers' needs. The plan for the next five years is focused on replacing timber sleepers and timber bridges. This is central to improving the reliability of the network.

The NSW Government funds the bulk of the costs of operating and maintaining the network, with \$177 million allocated in 2012-13. This is indexed each year. Funding in 2012-13 was supplemented by some \$14 million in access charges and other revenue which was reinvested in the network.

Work on the freight and passenger lines included:

- Replacing 182,350 timber sleepers with modern steel sleepers
- Laying out 43,803 tonnes of crushed metal ballast across the network
- Resurfacing of 515 km of track
- Replacing or upgrading of 26 rail bridges and culverts, and

- Completing the prestressing and welding of 39 km of track.

Work on grain lines included:

- Replacing 79,820 timber sleepers with modern steel sleepers
- Laying out 24,318 tonnes of ballast across the network
- Resurfacing of 277 km of track
- Replacing or upgrading of 19 rail bridges and culverts, and
- Completing the prestressing and welding of 60 km of track.

Assets

- Transport Cleaning Services, a specialist cleaning subsidiary company to attack graffiti and rubbish on trains and at stations, was introduced during the second half of 2012-13. Independent verification showed improved cleanliness of carriages from March to June, assisted by targeted cleaning and graffiti removal.
- Fleet availability met the requirements of the timetable on average for the year.
- Rolling stock failures and issues were the greatest cause of peak period incidents over the year. However, RailCorp made steady improvement in the most common fault types: key rolling stock areas of traction, brake and indicators, and control and monitoring systems.
- Track condition has been maintained and is better than annual target.
- Safety critical routine maintenance inspections were completed according to schedule.

Train order working system

In 2012-13, a century-old manual system used to manage the movement of trains around the network was replaced with a modern, computerised Train Order Working System.

This has provided greater efficiency and reliability for train operations.

To improve the efficiency of the grain transport task, the last 57km section of track from Armatree to Coonamble was re-railed with heavier rail, ballasted and resurfaced.

Culverts were replaced and level crossings upgraded. This now allows freight customers to use mainline locomotives from grain terminals on the Coonamble line all the way to the port. This will help attract more freight onto rail and ease pressure on the road system.

The Country Regional Network achieved a good safety scorecard with contract operator John Holland Rail achieving a Lost Time Injury Frequency Rate of 2.98.

The Medical Treatment Injury Frequency Rate was 5.95.

Other measures meeting or favourably exceeding targets included level crossing accidents and near misses, derailments, and passenger train delays. The results reflect a progressive improvement in asset condition and continued focus on operational safety.

Rail network maintenance program

Investment in the condition of the rail corridor and infrastructure reduced rail incidents, resulting in the delivery of better on-time running and safer and more reliable rail services for customers.

RailCorp's corridor renewal program included track reconstruction, new overhead wiring, signalling and control systems. Major track reconstruction was completed on the North Shore, Richmond Branch Line, South, Eastern Suburbs and South Coast lines.

Road maintenance delivery

Roads and Maritime Services continued detailed planning to outsource the delivery of road maintenance and other minor improvement works in the Sydney region to complement the existing long-term maintenance contract already operating in North Sydney. During 2012-13 extensive planning work and industry consultation was carried out and a Request for Proposal for new long-term contracts in the south zone and west zone of Sydney was released in June. In regional areas, Roads and Maritime Services worked with 78 rural councils currently carrying out the maintenance of sections of state road under Road Maintenance Councils Contract arrangements.

Level Crossing Improvement Program

The Level Crossing Improvement Program funds upgrading of priority railway crossings, safety awareness and enforcement campaigns, and promotes new technologies to improve level crossing safety.

The TfNSW 2012-13 program funded \$7.5 million of level crossing safety improvements. These included:

- Level crossing upgrades at Wingham, Macksville, Manildra, Goolgowi, Mogriguy and Gilgandra
- 31 minor works level crossing safety improvements
- The NSW-wide 'Pearly Gates' railway level crossing education campaign, launched in regional NSW. The campaign began in early June 2013 with promotional events at Tamworth and Orange.
- Four level crossing enforcement campaigns were held, two in the Hunter Valley and one each in North West NSW and Illawarra, and
- In 2012-13 TfNSW also implemented a new funding agreement with rail and road infrastructure agencies. It provides a more equitable allocation of risks between TfNSW and its infrastructure partners.

Improving transport services and operations

Transport for NSW is committed to improving services and operations by making the best use of the existing transport system, and tailoring its services to the needs of its customers.

Its priorities include encouraging more people to use public transport by increasing the reliability and frequency of services, enhancing the quality and availability of travel information, providing integrated ticketing across modes and improving the cleanliness, comfort and ease of access.

TfNSW will also focus on supporting the productive movement of freight within and through NSW and ensuring that all modes of transport work together to enable seamless journeys for its customers.

It values the safety of its customers. In NSW there is a high standard of safety in transport but there is always more that can be done to provide a safer transport experience. TfNSW will continue to maximise the safety and security of its whole transport system by upgrading dangerous sections of regional and metropolitan roads, implementing new enforcement programs, rewarding good drivers, better training young drivers and encouraging safer travel behaviour on roads, waterways and public transport.

It will also safeguard the environment from the impact of transport, including encouraging cleaner vehicles and vessels; working with industry to reduce the incidence and impact of noise, emissions and spills; working with local communities to protect natural and cultural heritage; and encouraging the use of sustainable transport modes such as cycling and walking.

Customers take a shine to OPAL



In December, TfNSW began introducing a new integrated electronic ticketing system, which customers access using an Opal card. The system makes travelling an easier and more convenient experience for customers.

The Opal card is being rolled out progressively across ferry, train, bus and light rail services between December 2012 and 2015.

Opal is a smartcard, similar in size to a credit card that customers keep permanently. It allows them to pay for their travel on ferries, trains, buses and light rail. Instead of buying a paper ticket, customers load value onto their Opal card through a range of convenient options.

To use an Opal card, customers tap on at a card reader at the start of their trip and tap off at the end. The electronic ticketing system will automatically calculate the fare and deduct it from the value stored on the card.

In 2015, 40 ferry wharves, more than 300 train stations and more than 5,000 buses and light rail will have Opal equipment operating in Sydney, the Hunter, Central Coast, the Illawarra, Southern Highlands and Blue Mountains.

Introducing a new ticketing system is a large and complex project that requires testing and customer trials. TfNSW considers the trial approach is the best way to capture feedback from customers and transport operators to ensure the further implementation is successful.

On 7 December, the first customer trial of Opal card and some customer services began on the Neutral Bay ferry route. On 8 April, the customer trial was extended to the Manly ferry service.

A trial website, opal.com.au, went online in June.

The Opal customer trial began on trains on 14 June on the City Circle and stations to Bondi Junction. By March 2014, it will include stations from Milsons Point to Chatswood, Redfern to Strathfield, Strathfield to Hornsby, Strathfield to Liverpool via Regents Park, Epping to Chatswood, Chatswood to Wyong and along the Western Line to Emu Plains and Richmond.

By 30 June 2013, some 10,000 Opal cards had been ordered by customers.

Customer benefits of using Opal include:

- No queuing for tickets
- Customers will be able to automatically load value on to their Opal card from their bank account or credit card
- Customers will only pay for travel used
- When Opal is fully rolled out, customers will be able to travel on ferries, trains, buses and light rail with one card
- A daily travel cap of \$15 from Monday to Saturday. On Sundays customers will pay no more than \$2.50 for unlimited travel
- Weekly travel reward – after eight paid journeys in a week, customers travel for free for the rest of the week
- Off-peak train fares. There will be a further discount of 30 per cent for all journeys taken before or after the weekday morning and afternoon peaks, as well as all day on weekends. For the customer trial, this will be if customers tap on outside 7.00am – 9.00am and 4.00pm – 6.30pm on weekdays. More detail about off-peak times for the remainder of the transport network will be released as the Opal rollout progresses, and
- Where customers make several trips on the same mode of transport, with changes of less than 60 minutes, they will pay only for a single journey.

Transport Access Program

In April 2012 the NSW Government announced a new Transport Access Program to deliver accessible, modern, secure and integrated transport infrastructure where it is needed most. This includes station upgrades, better interchanges, ferry wharf upgrades and commuter car parks. The Transport Access Program is expected to cost more than \$770 million over four years.

To date, 115 projects have either been delivered or are underway.

In 2012, more than \$270 million of work was announced under the Program for improvements at more than 60 locations. This includes building nine new commuter car parks, providing more than 1200 additional car spaces at train stations across the rail network.

Projects opened to the public in the reporting period include:



The Transport Access Program delivered a new look Cardiff Station

Project Name	Location	Sub-program
Beecroft (minor upgrade)	Beecroft	Station Upgrades
Central (minor upgrade)	Central	Station Upgrades
Coffs Harbour (minor upgrade)	Coffs Harbour	Station Upgrades
Gosford (minor upgrade)	Gosford	Station Upgrades
Guildford (minor upgrade)	Guildford	Station Upgrades
Ivanhoe (minor upgrade)	Ivanhoe	Station Upgrades
Marrickville (minor upgrade)	Marrickville	Station Upgrades
Minor Station Upgrades	n/a	Station Upgrades
Mittagong (minor upgrade)	Mittagong	Station Upgrades
Neutral Bay Wharf	Neutral Bay	Interchanges
Neutral Bay Wharf	Neutral Bay	Ferry Wharf Upgrades
North Strathfield	North Strathfield	Commuter Car Parking Program
Penrith (minor upgrade)	Penrith	Station Upgrades
Rockdale (minor upgrade)	Rockdale	Station Upgrades
Rose Bay Wharf	Rose Bay	Ferry Wharf Upgrades
Gerringong	Gerringong	Easy Access
Mount Druitt	Mount Druitt	Commuter Car Parking Program
Punchbowl (minor upgrade)	Punchbowl	Station Upgrades
Windsor	Windsor	Easy Access
Wollongong (minor upgrade)	Wollongong	Station Upgrades
Albion Park	Albion Park	Easy Access

Project Name	Location	Sub-program
Albion Park	Albion Park	Interchanges
Balmain Thames Street Wharf	Balmain	Ferry Wharf Upgrades
Hamilton	Hamilton	Easy Access
Jannali	Jannali	Easy Access
Newtown	Newtown	Station Upgrades
Singleton	Singleton	Easy Access
Sydenham	Sydenham	Easy Access
Unanderra	Unanderra	Station Upgrades
Arncliffe	Arncliffe	Interchanges
Auburn	Auburn	Interchanges
Austinmer	Austinmer	Easy Access
Campsie	Campsie	Interchanges
Cardiff	Cardiff	Station Upgrades
Cronulla Station - Conversion of RailCorp Staff car parking	Cronulla	Interchanges
Greta	Greta	Easy Access
Huntley's Point Ferry Wharf	Huntley's Point	Ferry Wharf Upgrades
Milsons Point Wharf	Milson's Point	Interchanges
Normanhurst	Normanhurst	Interchanges
Rose Bay Wharf	Rose Bay	Interchanges
Scone	Scone	Easy Access



The Waratah train fleet introduction has been the most successful ever for metropolitan commuters

Waratah train fleet

The Waratah train fleet is the next generation of suburban passenger trains, designed to provide customers with improved comfort, security, safety and accessibility.

The first Waratah train entered revenue service on 1 July 2011, followed by a further nine trains by 30 June 2012 and another 35 trains (a total of 45 sets available for passenger service) by 30 June 2013.

It has been the fastest and smoothest deployment of a new Sydney train fleet.

The fleet is being acquired under a NSW Government Public Private Partnership (PPP) contract between Sydney Trains and Reliance Rail. It was established in late 2006 to build and maintain 626 new Waratah carriages, the largest ever

single procurement of trains in Australia. It will result in about half of Sydney Trains' current fleet being replaced.

In the past year, significant progress was made on key infrastructure projects and staff training to support the deployment of the new Waratah trains.

This included completing secure transitional stabling for the non-air conditioned trains being retired and the new trains at the Enfield Marshalling Yard, track upgrades at Auburn and Sulphide Junction (near Cardiff, NSW), as well as a train disposal facility at Chullora for the non-air conditioned trains which are being retired.

The Waratah PPP project also involves the completing of more than 20 infrastructure projects, new fleet management technology, change management and training.

The PPP contract includes the delivery of:

- 78 eight car sets (626 carriages) and maintenance for 30 years, with an option to extend the contract to include another 20 sets
- A new maintenance facility at Auburn with capacity for 1000 cars, and
- Four crew training simulators.

The Waratah fleet is maintained at Reliance Rail's purpose-built Auburn Maintenance Centre, which opened in mid-2010.

New Sydney Trains and NSW Trains service contracts

Two new and separate entities, Sydney Trains and NSW Trains, began services on 1 July 2013. They did so under Rail Service Contracts developed by TfNSW during 2012-13. The contracts are performance based agreements.

They set out the roles and responsibilities of TfNSW, Sydney Trains, NSW Trains and RailCorp.

Research by TfNSW across metropolitan and regional NSW passenger rail customers showed they could be categorised into two main groups:

- Those who travel within the greater Sydney area and typically on relatively shorter train trips, and
- Those who travel intercity and in regional areas and typically over longer distances.

The research revealed differences in their train travel needs and how they prioritise different service elements.

The formation of Sydney Trains and NSW Trains will allow focus on developing rail services in response to the different needs and priorities of the two customer groups. In particular, the formation of NSW Trains will give regional NSW customers a greater voice in their passenger rail services.

New rail service contracts between TfNSW and RailCorp now include:

- The role of the new Transport Officers and their revenue protection activities
- The progressive rollout of the new electronic ticketing system, Opal
- The introduction of the Assets Standards Authority, the new role of Authorised Engineering Operations (AEOs) and the requirement for Sydney Trains to be an AEO
- How access to the metropolitan network will be negotiated and managed for third party customers, particularly freight operators, and



Sydney Trains began operation on 1 July 2013.



Wynyard Walk will be a stylish connection between Wynyard Station and Barangaroo

- How the North West Rail Link development will interface with Sydney Trains.
- Fostering cooperation and collaboration between all of TfNSW, Sydney Trains, NSW Trains and RailCorp.

The Rail Service Contracts were developed with the objectives of:

- Ensuring the continued provision of safe, reliable rail services to the people of NSW by the new Sydney Trains and NSW Trains entities
- Clarifying the roles and responsibilities of Sydney Trains and NSW Trains, plus those of TfNSW, including those transferred to TfNSW from RailCorp, and residual RailCorp as the current asset owner Supporting the NSW Government's announced rail reform initiatives and the achievement of its sought outcomes
- Furthering continuous improvement and focus on improving the customer experience, performance, efficiency and value for money, and

Wynyard Walk

A \$154 million design and construct contract was awarded to Thiess Pty Ltd in September for Wynyard Walk, a world-class, fully accessible pedestrian link between Wynyard Station and the developing CBD western corridor.

This followed a competitive tender process.

Wynyard Walk will allow pedestrians to move from Wynyard transport hub to the Barangaroo waterfront in about six minutes, avoiding steep inclines and road crossings.

It will cater for current and future demand for the Wynyard transport hub, including for the Sydney Harbour foreshore Barangaroo development.

Wynyard Walk will have capacity for 20,000 pedestrians per hour, ready for the influx of workers and visitors when Barangaroo is fully developed. Barangaroo is expected to accommodate up to 23,000 office workers and attract up to 33,000 visitors per day.

The high-profile project marked a number of milestones following the award of the contract.

These include pedestrian improvement works in nearby York and Margaret streets, closure of the tunnel between Wynyard Station and Kent Street to allow construction to begin, and the start of demolition of two buildings on Clarence Street.

The final design released of the Western Portal entrance to Wynyard Walk and of Napoleon Plaza demonstrated how the project will enhance an already important public space. It will provide an enjoyable experience for pedestrians, and a safe and welcoming meeting place.

Key features of the project include:

- A new western entrance to Wynyard Station to provide direct access to the station concourse
- A new 3.5 metre high by 9 metre wide underground pedestrian link from Wynyard Station to Napoleon Street, to the north of Westpac Plaza (some 180 metres long), and
- A bridge over Sussex Street, with lifts and escalators connecting to the Barangaroo development and the western CBD.

More taxis

In March 2013 Transport for NSW determined that 250 new peak availability taxi licences should be released in Sydney to improve taxi services for customers at high demand periods, especially late at night.

International Lifejacket Forum

The Office of Boating Safety and Maritime Affairs hosted an International Lifejacket Forum at the Australian National Maritime Museum in May 2013.

The Forum culminated with the signing of International Lifejacket Wear Principles by representatives of boating organisations from France, Canada, New Zealand, United Kingdom and Australia.

Kings Cross Management Plan

TfNSW led the transport element of the NSW Government's plan to clean up Kings Cross in response to violence and anti-social behaviour.

The plan includes the use of new technology, more transport services, a police blitz and extra police powers.

Transport measures included introducing extra bus services, security guards on taxi ranks and a pre-paid taxi trial.

By 30 June 2013 more than 20,000 customers had travelled on the new bus services and more than 75,000 had used the secure taxi ranks.

Removal of registration labels

Registration labels were no longer required for cars and other light vehicles from 1 January 2013. This reflected the use of new technology by the NSW Police Force.

It made registration easier for the owners of 5.5 million light vehicles.

The change includes all vehicles with a total weight of up to 4.5 tonnes – or 97 per cent of vehicles registered in NSW. Registration labels had been required since 1932.

Fair Go for Safe Drivers Scheme

TfNSW and Roads and Maritime Services introduced a Fair Go for Safe Drivers Scheme. It recognises and rewards safe driving by providing a 50 per cent discount on the licence renewal fee.

To be eligible for the discount customers must hold an unrestricted NSW driver or rider licence of any class which expired on or after 1 July 2012. They must also have no relevant offences recorded on their NSW driver licence for five years leading up to its renewal date.

By 30 June 2013, the discounts had been taken up by more than 250,000 NSW drivers.

Penalties, which include fines, demerit points and licence sanctions, have proven to be a strong incentive for drivers to obey road laws.

The Fair Go for Safe Drivers scheme complements them by rewarding drivers who drive safely and remain offence-free over a long period.

Transport concession improvements for tertiary students

Changes to the eligibility criteria for tertiary student travel concessions were announced in February.

Previously, transport concessions were only available to full time tertiary students attending day classes. They could not be employed.

Under the changes, other full-time university, TAFE and private college students are now eligible for transport concessions. They include students who are employed or otherwise receiving an income, those enrolled in evening classes and those undertaking postgraduate research at universities.

The new criteria reflect changes in how people now work and study.

NSW Mobility Parking Scheme review

A review was concluded during the year of the NSW Mobility Parking Scheme.

This was carried out by an independent advisory committee, chaired by an independent consultant. It included members from disability groups, health practitioners, road users and the wider community. It was established in February 2012.

In addition to reviewing the existing scheme, improvements were sought for the integrity of disability parking in NSW and increasing community participation of people with mobility disabilities.

A discussion paper and an online survey were developed for public consultations. Public forums and meetings with stakeholders were held across NSW.

The NSW Government is considering the committee's findings.

Flashing lights

Safety for children was improved when flashing lights were installed at 281 school zones during 2012-13.

Increased funding was announced in June to provide a set of flashing lights to every school in NSW by December 2015. It will increase from \$19.5 million to \$32.5 million.

By June 30, flashing lights had been installed at 1,153 school zones, or at more than one-third of schools in NSW.

New regional airline licences

In July 2012, TfNSW called on airline operators to register interest in applying for new air licences to connect Sydney Airport to regional NSW.

Regional air routes provide a crucial link for rural communities to access vital services and amenities in Sydney, as well as connecting families. There are 14 regulated routes and the licence period for these services expired in early 2013.

TfNSW offered licences with the aim of encouraging a competitive licensing process and attracting operators who will be committed to providing more frequent, reliable and customer-focused services for regional communities. Regional airlines can apply for both existing and new routes.

The new licences commenced in March 2013.



Air services linking Sydney and regional NSW are crucial. Picture courtesy: Regional Express

Making it safer for young drivers

A Safer Drivers Course was launched in July 2012, to reduce the road safety risks facing drivers under 25.

The combined theoretical and practical course is helping learner drivers identify situations that put them at greater risk. It helps them deliver low risk strategies for safer driving. The course was developed by a Board of Road Safety Experts and based on road safety research.

Research shows the most dangerous time for any young driver is the first six months after they begin driving independently on their P-plates.

To better prepare them for this danger period, the Safer Drivers Course is for learner drivers who have completed 50 logged hours of on-road experience. The course incorporates the latest research in young driver safety.

Up to 12 learner drivers spend three hours in a facilitated discussion assessing risks and safe driving behaviours. This is followed by a two-hour in-vehicle coaching session with another learner driver and a coach practicing low risk driving strategies. These include speed management, gap selection, hazard perception and safe following distances that helps them practice safe driving behaviours.

The Safer Drivers Course teaches learner drivers to be better prepared when they drive unsupervised on their provisional licences.

After completing the course, a learner receives 20 hours of credit in their log book, meaning they only need to complete 100 hours of supervised driving outside the course.

If they also have 10 hours of professional driving lessons, they receive a further 20 hours of credit on top of the 10 hours they drive during their lessons.

With the reduction in hours, the course also helps family members assisting new drivers to reach the required 120 log book hours.

At \$140, the Safer Drivers Course has been kept affordable for younger drivers. The Community Road Safety Fund subsidises the remaining cost.

More information can be obtained at: roadsafety.transport.nsw.gov.au



In addition to acquiring greater driving skills, young drivers taking the Safer Drivers Course get a reduction in required licence log book hours.

Youth trauma forum

TfNSW supported Westmead Trauma Services' 2012 BStreetSmart youth road safety forum. It educates young people about safer choices as drivers, riders and passengers.

Run over three days in August 2012, it was attended by more than 17,000 school students from 150 high schools.

Enhanced enforcement program

TfNSW provides the NSW Police Force with additional funding to enhance the level of high visibility police enforcement aimed at unsafe road behaviours. These include speeding and drink driving.

Operation Freeflow began in February 2012 and continued throughout 2012-13. This high profile enforcement program targeted motorways and freeways in Sydney. It also improved response time to incidents on these roads.

Each year, there are eight State-wide operations, six which are run during long weekends and holiday periods to coincide with double demerit point periods, and two targeting drink driving.

The enhanced enforcement program also supported seven major route police operations on the Pacific, Newell, New England, Great Western, Hume, Princes and Kings Highways.

In 2012-13 the program also funded the establishment of the Sydney CBD Motorcycle Response Team. This team targets road safety and congestion within the Sydney CBD.

TfNSW funded the fitting of Mobile Automatic Number Recognition in an additional 330 highway patrol vehicles in NSW. It assists in detecting unlicensed, suspended and disqualified drivers, as well as unregistered and uninsured vehicles. With the removal of registration labels in NSW, the technology will further support police in detecting unsafe drivers and vehicles.

Further, TfNSW worked with the NSW Police Force to begin branding of all marked highway patrol vehicles with high visibility markings and road safety messages.

Restricted licence pilot

Work in 2012-13 led to the launch in remote western NSW from 1 July 2013 of a restricted drivers licence pilot.

In the local government areas of Broken Hill, Walgett, Brewarrina, Bourke, Balranald and Hay, it allows learner drivers under 25 years old to apply for a restricted P1 provisional licence.

This permits them to drive to work, education and medical appointments.

National reciprocity

All licence conditions and restrictions that apply in NSW to both learner and provisional drivers and riders will also apply to them when they drive or ride in all Australian States and Territories. This includes their novice driver speed limits.

NSW will recognise the home licence conditions of interstate learner drivers and riders.

Bicycle safety and awareness

TfNSW joined with the Amy Gillett Foundation to increase awareness of cycling safety in NSW.

The campaign features targeted messages for both motorists and cyclists around safer interactions and respect on the road.

The campaign is an early initiative from the development of a draft Cycling Safety Strategy.

Amy Gillett was an elite Australian cyclist. She was fatally injured when a young driver lost control of her car and drove into six members of the Australian women's cycling squad as they trained in Germany in July, 2005.

Serious injuries research

TfNSW commissioned the University of NSW's Transport and Road Safety Research group to investigate the links between NSW crash data and hospital and Registry of Births Deaths and Marriages datasets.

The aim is to routinely match serious injuries in the hospital system and NSW crash data. It is estimated that some 26% of all injuries between 2001 and 2011 were deemed serious (admitted to hospital).

Further detailed analysis is underway of the newest serious injury dataset 2001-11. This will help the development of road safety programs.

Heavy vehicle safety

In January 2013 TfNSW released the Safety Technologies for Heavy Vehicles and Combinations Guide. It is to assist in purchases of safer heavy vehicles and after-market improvements.

Improvements to heavy vehicle design and safety features have made a proven contribution to reducing the number and severity of crashes involving heavy vehicles.

This Guide independently reviewed a wide range of crash avoidance and harm-minimising technology available on the market.

Improved vehicle standards

TfNSW established a Vehicle Standards Working Group in 2012 to assist in the development of NSW vehicle standards. The group comprises motoring enthusiasts, stakeholders and Government agencies.

In its first year it addressed issues such as the development of a new brake test for the certification of modified vehicles and individually constructed vehicles. This new process means less expense and red tape for vehicle modifications.

Clearways Strategy

Development of a Clearways Strategy for Sydney was announced in April.

TfNSW has been leading work on delivering road congestion responses. This includes the Clearways Strategy for Sydney, as well as longer term policy around parking.

Free photo cards for seniors and carers

Free photo cards are now available for NSW seniors and their carers who do not have a NSW driver's licence.

It means that 200,000 NSW residents on a Centrelink carers allowance or those with a NSW Seniors Card can receive a NSW Photo Card free. It previously cost \$48 for five years.

Applications can be made at any NSW Service Centre.

Roads incidents and fatalities

Provisional data for 2012-13 indicate there were 349 fatalities on NSW roads, 12 per cent fewer than the provisional figure for 2011-12. This is the lowest number for a financial year since these records began in 1936-37.

Analysis of the provisional fatal crash data for the financial year ending 30 June 2013 revealed that:

- Speeding was a factor in around 40 per cent of fatalities
- At least 16 per cent of fatalities were the result of a crash involving a driver or rider with a blood alcohol level above the legal limit
- At least nine per cent of people killed in motor vehicles were not wearing available restraints
- Driver fatigue contributed to around 20 per cent of fatalities, and
- At least four per cent of motorcyclists killed were not wearing helmets. Motorcyclists accounted for 16 per cent of all fatalities.

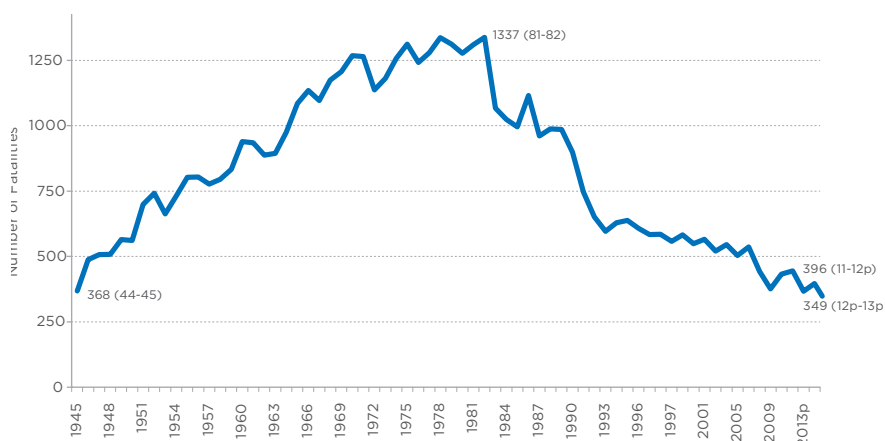
Since 2002, fatalities have decreased in NSW by 34 per cent, while fatalities for the rest of Australia have decreased by 19 per cent. Compared to the road toll improvements for the rest of Australia, it is estimated that NSW has saved 623 lives since 2002.

With 370 recorded fatalities in the 2012 calendar year (provisional figure as at 1 January 2013), NSW achieved the second lowest annual figure since 1932 (with 366 fatalities). The lowest annual figure since 1932 occurred in 2011 (with 364 fatalities).

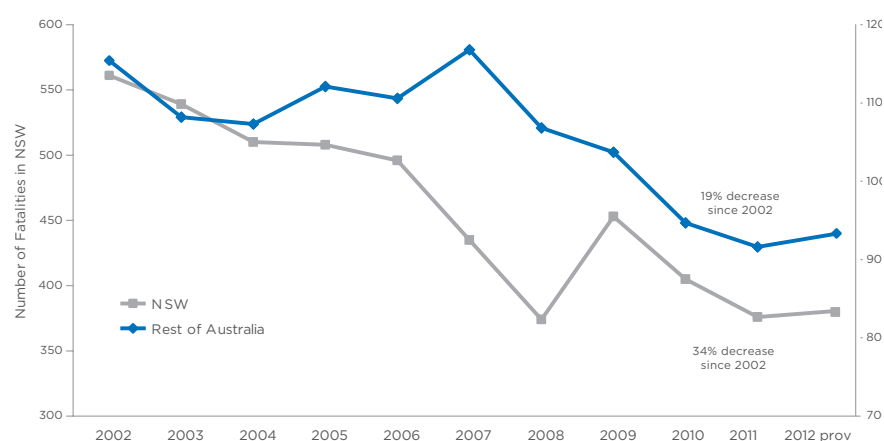
Trends in road fatalities

NSW compared to the rest of Australia 2002-2012 provisional.

Road fatalities, NSW 12 Months Ending June 1936-37 to 2012p-13p



Trends in Road Fatalities, NSW vs Rest of Australia, 2002 to 2012p



The NSW fatality rate per 100,000 population in calendar year 2012 was 5.1 (provisional figure), up slightly from 5.0 in 2011, the second lowest fatality rate since records began. The following table shows the comparison with fatality rates in other regions.

Fatality rates per 100,000 population in 2012

State/Country	Fatality rate per 100,000 population*
NSW	5.1
Australia	5.7
France	5.6
Italy	6.2
New Zealand	8.6
United States	10.6
Sweden	3.1
United Kingdom	2.8
Netherlands	3.2

* Provisional figures for NSW and Australia (as at 1 January 2013), Provisional figures for other jurisdictions sourced from EU published report, March 2013

The *NSW 2021* strategic plan outlines a primary road safety target of 4.3 per 100,000 population by 2016.

The NSW Road Safety Strategy targets align with the National Road Safety Strategy objective. This is a 30 per cent reduction in the number of fatalities and serious injuries from 2008 to 2010 baseline levels to be achieved by 2021.

Based on expected population growth (8.556 million by 2012) and a 30 per cent reduction in fatalities, the specific objective under the draft NSW strategy is to achieve 3.2 fatalities per 100,000 population by 2021.

Monorail removal

The last Sydney monorail service operated on June 30. Since the first passengers boarded in 1988, it provided an estimated 70 million passenger journeys, but it had reached the end of its economic life.

In March 2012 the NSW Government purchased Metro Transport Sydney, the company that owned Sydney's monorail and light rail. It announced the monorail would be removed to make way for the development of the new Sydney Convention, Exhibition and Entertainment Precinct in Darling Harbour. No interest had been shown in acquiring the monorail as an operating transport system.

More than 16,000 people rode the monorail on its final weekend of operation, during which more than \$70,000 in fares was collected. This was donated to five children's charities: Camp Quality, CanTeen, Make-A-Wish Australia, the Children's Hospital at Westmead and Youth off the Streets.

TfNSW is managing the decommissioning and removal of the monorail infrastructure.

After a competitive tender process, Metropolitan Demolitions Pty Ltd was awarded the contract to remove and recycle it. Some 95 per cent of 1500 tonnes of steel and 300 tonnes of concrete will be recycled.

Infrastructure to be dismantled and removed includes 3.6km of steel track, three stations, steel columns that support the tracks and station structures, the concrete bases of these columns, redundant electrical and other servicing infrastructure, and ticketing, signage and other equipment associated with monorail stations and the network. Work is expected to be complete by April 2014.

Two monorail carriages and 10 metres of track will be preserved in Sydney's Powerhouse Museum.

The project involves ongoing consultation with technical experts, community members and key stakeholders,

Digital Train Radio System

TfNSW has begun installing a Digital Train Radio System (DTRS) throughout the 1455 kms electrified rail network bounded by Kiama, Macarthur, Lithgow, Bondi Junction and Newcastle.

This project will see the installation of masts and other communication-related equipment at about 250 locations within the rail corridor and at more than 60 sites in tunnels.

UGL Infrastructure Pty Ltd has been contracted to design, construct, commission, and maintain the new network.

The DTRS uses the GSM-R standard (Global System for Mobile Communications – Railways) which is based on mobile phone technology. The system is widely used by major rail operators in Europe and Asia and is under development in countries including the United Kingdom, France, Austria and China.

In Australia, this system is also being installed on the Melbourne train network.

The DTRS will ensure that staff such as train drivers, train controllers, signallers and train guards on the electrified rail network are able to communicate with each other using the same system with the same technology.

Replacing the existing analogue train radio system with DTRS will fulfill a recommendation of the Special Commission of Inquiry into the Waterfall train accident to provide a common form of communication for railway staff.

Community and stakeholder consultation on sites continues across the network. Feedback is considered before construction at a site.



Sydney's monorail ended service on June 30 after 70 million customer journeys since 1988

Nine sites were completed in 2012-2013. The following activities enabled this:

- Sites placed on display
- Letters delivered to residents
- Council meetings
- Resident meetings
- Sites notified about imminent construction, and
- Pre-construction letters.

Automatic train protection

The safety of trains on the Sydney Trains metropolitan and NSW Trains intercity rail networks will be enhanced with an Automatic Train Protection Program.

It monitors a train's speed and position on the network and automatically intervenes or brakes to ensure safe operations.

In addition to delivering significant safety benefits to customers and rail staff, the program will help deliver faster and more reliable services - part of the NSW Government's strategy, Sydney's Rail Future.

The program will be rolled out in three stages:

- Installation on the four car Oscar intercity and Tangara trains and 600kms of track
- Installation on Waratah and Millennium trains, and
- Installation of equipment across the remainder of the electrified network.

Intercity ATP test trains have been commissioned and trackside installation has been completed between Gosford and Wyong. Trackside equipment has been

fitted between Berowra and Gosford and commissioning is underway.

Subject to the successful completion of these actions, it is expected that the first Oscar train fitted with ATP equipment will operate between Berowra and Wyong in 2015.

The program is expected to be completed by 2021.

Power supply upgrade

The upgrading of the power supply for Sydney's rail network continued throughout 2012-13. The program began in 2010 and is being rolled out progressively across the network.

The program is to ensure Sydney's rail network can meet expected power requirements to support future timetables and new generations of air conditioned fleet.

The program involves new electrical infrastructure and upgrades to substations, section huts, overhead wiring and feeders.

It includes:

- Traction supply upgrade for Waratah trains
- Central Station power upgrade
- Signal power supply upgrade
- North Eveleigh 11kV Relocation.

Customer Value Propositions

TfNSW continuously refines its understanding of what public transport customers need and expect, and what they value in transport services offered. These are known as Customer Value Propositions.

The TfNSW's core research-based Customer Value Propositions (CVPs) are:

- **Timeliness** - Services that run frequently, keep to their schedule and help customers get from A to B in a timely manner.
- **Systems and Efficiency** - A service that offers integrated tickets, efficient connections and effectively uses technology to make the journey more efficient and keep customers updated.
- **Reassurance** - A safe, clean environment on board and adequate shelter, lighting and personal security features in and around stations, stops and interchanges.
- **Comfort** - Services with easy access to stations and vehicles. On board, a clean, pleasant environment, with temperature controls, sufficient personal space and a comfortable seat when needed.

CVP-based insights were used in 2012-13 to inform thinking on the NSW Long Term Transport Master Plan, the Fixing the Trains program, Sydney's Rail Future, the North West Rail Link, the performance framework in new bus services contracts, Sydney's Light Rail future, and the roll-out of the Opal electronic ticketing system.

Developing the 2013 customer timetable

One of TfNSW's largest projects in 2012-13 was developing NSW's first fully integrated transport customer timetable. It will be implemented on buses, train and ferries on 20 October, 2013.

The new timetable will improve connections between transport modes, help to reduce overcrowding on trains, improve reliability and better match services with demand.

New wayfinding system trial

A trial of a new wayfinding and signage system was launched in May at Milsons Point and extended to Martin Place and Circular Quay in July.

The aim of the program is to present information to customers that is consistent across all transport modes, and that signage and service maps are easily understood.

There are more than 40,000 individual bus stops, train stations and ferry wharves on the NSW public transport network. A clear and integrated wayfinding system is required to help customers quickly and easily navigate between services and modes.

Existing directional signage such as entrance and exit signs were removed at the trial sites and replaced with new system examples.

International best practice suggests that simplified letters for modes can help customers better navigate

from one transport mode to another, such as the T for Train, B for Bus and F for Ferry that were tested.

The trial will be used to help find out to what degree the new signage improves a customer's wayfinding experience such as when entering and exiting a station or interchanging between public transport modes.

Customers at each site were encouraged to provide feedback about the trial.

Quiet carriages

Quiet carriages became a permanent feature for customers on three intercity train lines.

This followed supportive feedback from customers taking part in a trial of quiet carriages on the Blue Mountains, South Coast and the Newcastle and Central Coast lines

Quiet carriages are the front and rear cars of eight car trains and the rear car of four car trains.

Customers using a quiet carriage need to turn mobile phones to silent, move carriages to make a call or have a conversation, and keep the volume of headphones to a level where it cannot be heard by others.

A TfNSW survey found almost 90 per cent of respondents said travelling in quiet carriages had improved their overall experience, and they intend to continue to use them. Feedback to the 131500 line saw 77% support of the initiative from Blue Mountains Line customers and 85% from South Coast Line customers.



Trials of new wayfinding signage were initially held at Milsons Point ferry wharf

App happy customers

Since being released in late 2012, a range of Transport for NSW apps has received millions of real time information requests from customers to plan NSW public transport journeys.

The launch of bus real time apps in December 2012 was followed by real time apps for trains. By June 30, customers had downloaded 1.5 million apps and were using them to make an average 22 million requests for real time data each month.

Free 'lite' versions of apps are available or all features versions for a small cost. The apps are available from the iTunes Store, Google Play and Windows App Store.

It is a priority of TfNSW to harness new technology and give customers the information they want to improve their journeys.

This year:

- Apps-based information expanded from buses to trains, and information availability on both mass transit systems continues to be extended
- A new mobile alert service allows motorists to receive customised information about traffic conditions in NSW. It gives apps users personalised alerts about incidents on State roads
- Mobile phone and internet networks became available to deliver accessibility inside train tunnels on Sydney's City Circle Line, and
- A new app allows customers use their phones to register their vehicles.

Real Time bus apps

Each of three real time bus apps released in 2012 contains data spanning some 8,200 stops, more than 1,900 buses and almost 1,200 routes across Sydney.

Bus customers are helped by the apps to find the right nearby bus stop, where to buy a ticket, an estimate of when buses will arrive, maps, alerts and alternative transport cost comparisons.

One of the apps receives an average of over one million requests for real time bus data every week. Since being released, other apps have also been made available to customers that also include real time train information.



Real Time train apps

The apps provide real time train location information for trains on the Western, Bankstown, Inner West, Northern, Cumberland, Airport and East Hills, South and North Shore Lines as well as the Eastern Suburbs and Illawarra Line to Heathcote.

They deliver:

- Network maps
- Maps showing real-time locations of trains on the network and their destinations
- Real time locations of trains
- Predicted train arrival times
- Trip planning and timetable information
- Track work, cancellations and delays information
- The ability to save favourite routes and convenient stops
- The option to sort trips by time, cost and convenience
- Wheelchair accessibility information, and
- The ability to set a voice reminder to get off the train.

In touch in City Circle tunnels

Telecommunications carriers Optus, Telstra and Vodafone are installing more than 10km of cabling to provide reception for customers using mobile phones, tablets and laptops. The upgrade, delivers uninterrupted mobile coverage to an estimated 400,000 train customers a day.

Improved mobile phone reception was made available for the North Shore and Western Lines between Central Station and Chatswood earlier in 2012. The mobile communication enhancement is continuing on the Eastern Suburbs Line, with 18 kilometres of cable to be installed between Erskineville and Bondi Junction. It is scheduled to be completed in the 2013-14 financial year.

Live Traffic NSW

This mobile alert service allows motorists to customise information and delivers service alerts about traffic conditions in New South Wales.

For example, a phone could be set up in a phone cradle prior to starting the engine, with a 'home to work' route, with alerts scheduled every weekday at 6am. The apps send an alert to the phone about any incidents on this route.

The apps also include 'Driving Mode' and 'Passenger Mode' functions. 'Driving Mode' delivers short audio messages about nearby incidents; 'Passenger Mode' provides audio and text messages.

The latest traffic information is also available at www.livetraffic.com, which is updated 24 hours a day, seven days a week. There is also a Facebook page and two Twitter accounts – one for Sydney (@LiveTrafficSyd) and one for the rest of NSW (@LiveTrafficNSW).

iPhone rego renewals

A new iPhone app, NSW Rego, allows customers to check their motor vehicle registration details and renew it from their mobile devices.

It is an expansion of the online vehicle registration capability that has been available for more than 10 years. This is now used for more than half of motor vehicle renewals.

Customer information

More than 46 million requests for transport information were received as customers planned trips, checked timetables, viewed routes and

accessed ticket information. This is an increase of 25.44 per cent over the previous year.

Every second there were 1.48 requests for trip planning information from the Transport Info

131500 service. The 131500 website alone handled more than 33 million information transactions and produced more than 49 million trip plans and maps for customers.

	2010-11	2011-12	2012-13
Transport Info 131500 requests for public transport information			
131500 website sessions	27,718,301	31,213,771	33,110,249
Mobile website sessions	195,804	233,455	141,169
iPhone and Android app usage	309,480	3,825,586	11,641,393
VR calls resolved for public transport information	678,040	772,664	681,135
Calls to call centre	1,503,349	1,280,186	1,248,006
Total	30,404,974	37,325,662	46,821,952
Transport Info 131500 feedback			
Feedback emails	33,119	31,451	35,309
Feedback calls to call centre	90,658	96,059	97,659
Total	123,777	127,510	132,968

Buses get priority

Investment continued in technology and infrastructure to improve on-time running and monitoring of bus services.

The Public Transport Information and Priority System (PTIPS) was completed during 2013 with expansion to Newcastle. PTIPS data provides the location of buses and arrival predictions and is used to update the real time bus apps.

The additional real time data in the Newcastle area spans some 2500 stops, 177 buses, 28 regular routes and 144 school routes across the Newcastle Bus Network. The data on Blacktown Busways' services will cover 1674 transit stops, 128 buses, 36 regular routes and 52 school routes.

A further roll-out also occurred for North West Sydney and the Northern Beaches which spans over 3,000 transit stops, 640 buses and 700 regular and school routes.

TfNSW will continue to expand real time to customers' mobile phone apps.

PTIPS uses satellite technology to identify late running buses. It can communicate with traffic management system to give buses priority at traffic lights.

Landmark year for campaigns

TfNSW delivered 14 major advertising campaigns, specialist digital and social initiatives, and supporting and regional activities.

It managed major Road and Maritime Safety campaigns. This aligns with the aim to reduce deaths and injuries on roads and waterways



The Plan B campaign encouraged planning alternative transport instead of drink driving

using annual marketing programs that target high risk behaviour such as speeding, drink driving, fatigue and not wearing a seatbelt or lifejacket.

There were three large scale campaigns: Against drink driving - What's your Plan B?; Against driver mobile phone distraction - There's no excuse: get your hand off it; and Promoting lifejacket safety - A life Jacket never ruined a day on the water. Research showed all produced strong results.

- The 'What's Your Plan B?' campaign against drink driving, which first aired in August, empowered the young male target audience to understand they had real choices to drinking and driving.
- The 'Get your hand off it' campaign launched in June generated more than 350,000 YouTube views in the first two weeks. It sparked community conversation and State-wide media support.
- Launched in December 2012, 'A lifejacket never ruined a day on the water' was the first of its kind to run in NSW and will continue into the 2013/14 boating season.

A campaign was produced to promote increased speed enforcement programs. It is planned for launch later in 2013.

Continuing successful campaigns in 2012-13 included:

- The Don't Rush campaign focused on speeding.
- Railway crossing safety - The Don't Rush to the other side campaign
- The Authorised Restraint Fitting Stations campaign continued to promote getting child restraints fitted at an authorised fitting station.

Other campaigns included:

- The Point to Point cameras for Heavy Vehicles; School Zone safety; Motorcycle Cornering; Fatigue - Wake up; Double demerits, and The Clip every Trip rural male seatbelts campaign.

Maximising the value of customer feedback

TfNSW is developing a Customer Relations Management Improvement Program.

This is to ensure that a consistent, systematic management approach is taken across the Transport cluster to giving customers timely and effective responses to their feedback and complaints.

Based on guidance from the NSW Ombudsman, TfNSW is coordinating development and implementation of a common complaint handling standard.

This is together with a policy and management system that enables cluster-wide reporting, monitoring and analysis of trends in customer complaints. It will ensure customer feedback is used to improve service delivery.

Rail

Rail service improvements

TfNSW introduced changes to the rail network timetable in October 2012.

They provided 44 new services a week, including a new daily Bathurst to Sydney express service, 20 more services a week on the Eastern Suburbs and Illawarra Line, and 10 additional services per week at peak times on the Western Line. More carriages on selected services provided 7000 extra seats each weekend on the South Coast Line.

In 2012-13 work continued on a significant rewriting of the CityRail and CountryLink timetables. This will deliver widespread improvements on the rail network from October 2013.

Rail performance and patronage

This table shows performance of services operated by RailCorp under its rail services contract with TfNSW. It compares the level of service in 2012-13 with that in 2011-12 for a number of key performance indicators.

Performance Indicator	2011-12	2012-13	Change from 2011-12 to 2012-13
Passenger Journeys:			
CityRail	303,549,540	306,201,895	0.9%
CountryLink	1,996,941	1,849,241	-7.4%
Total Passenger Journeys	305,546,481	308,051,136	0.8%
Customer Complaints:			
CityRail	23,376	26,384	12.9%
CountryLink	3,091	2,652	-14.2%
Infrastructure ⁽¹⁾	2,755	2,157	-21.7
Total Customer Complaints	29,215	31,193	6.8%
Customer Complaints / 100,000 Passenger Journeys:			
CityRail	7.7	8.6	11.9%
CountryLink	154.8	143.6	-7.2%
Offences Against Persons / 1,000,000 Passenger Journeys	8.2	Not available until October	Not available until October
On-time running:			
CityRail ⁽²⁾	93.4%	94.2%	+0.8% points
CountryLink Train ⁽³⁾	62.1%	73.7%	+11.6% points
CountryLink Coach ⁽³⁾	91.7%	93.7%	+2.0% points
CityRail Peak Services Operated	99.6%	99.6%	No change

(1) Complaints about more general matters such as graffiti in the rail corridor

(2) These have not been adjusted for events outside the control of RailCorp which impact on train services

Customers

- CityRail patronage was 306.2 million, an increase of 0.9% on 2011-12.
- CountryLink patronage was 1.8 million, up 7.4% on 2011-12. Overall CountryLink load factor was 43.3%, slightly below target of 46% for the year.
- Total customer complaints increased 6.8% over the previous year. Complaints regarding CityRail increased substantially on 2011-12, but the number of complaints about CountryLink and infrastructure fell substantially. Increased complaints were related to on-time running, service

(including train air-conditioning, unscheduled changes, and quiet carriages) and facilities (including ticket vending machines, lifts and the sound quality of public address systems).

Reliability

- On-time running (OTR) of CityRail services was 94.2% which bettered both the target of 92% and 2011-12 year's result of 93.4%.
- OTR for CountryLink train services was 73.7%, below the target of 78%, but a significant improvement of almost 12% over 2011-12. Performances on the South line and the North West line were the most volatile, but both showed marked overall improvement over 2011-12.

The poor performance on these lines is partly due to track condition, which results in speed restrictions and increased journey times. RailCorp and the Australian Rail Track Corporation, which maintains most of this track, have worked closely to resolve these issues and reduce the impacts on CountryLink services.

- OTR for CountryLink coach services was 93.7%, better than both the target of 90% and 2011-12 year's result of 91.7%.
- CityRail operated some 99.6% of its planned peak services, with the numbers of peak service cancellations better than target.

Buses

Bus service performance and patronage

TfNSW manages the level and quality of bus services provided through contracts with bus operators.

There are 14 contract regions in the Sydney metropolitan area and 10 regions in outer-metropolitan areas (Newcastle, Wollongong, Central Coast, Blue Mountains, Lower Hunter). The Government-owned bus operator, the State Transit

Authority, is contracted to provide services in four of the Sydney regions and one of the outer-metropolitan regions; the remainder are provided by privately-owned bus operators.

The table below compares the level of service in 2012-13 with that in 2011-12 for a number of key performance indicators.

Performance of bus services under Sydney Metropolitan and Outer Metropolitan contracts

Performance Indicator	2011-12			2012-13			Change from 2011-12 to 2012-13		
	Private Bus Operators	STA	Total	Private Bus Operators	STA	Total	Private Bus Operators	STA	Total
Metropolitan Bus System Contracts									
Passenger Boardings ⁽¹⁾	49,289,271	154,133,698	203,422,969	51,895,861 ⁽²⁾	156,041,088 ⁽²⁾	207,936,949 ⁽²⁾	5.3%	1.2%	2.2
Complaints	13,028	26,694	39,722	10,692	26,287	36,979	-17.9	-1.5%	--6.9%
Complaints / 100,000 Boardings	26.4	17.3	19.5	20.6	17.3	16.85	-22.1%	-2.7%	-8.9%
Scheduled Bus Trips	3,500,119	4,797,675	8,297,794	3,580,336	4,803,458	8,383,794	2.3%	0.1%	1.0%
Accessible Bus Trips	1,699,698	2,330,177	4,029,875	2,059,872	2,462,552	4,522,424	21.2%	5.7%	12.2%
Bus Trips that are Accessible	48.6%	48.6%	48.6%	57.5%	51.3%	53.9%	+8.9% points	+1.7% point	+5.3% points
Passenger Boardings / Bus Trip	14.1	32.1	24.5	14.5	32.5	24.8	2.9%	1.1%	1.2%
On-time running ⁽³⁾	93.3%	90.8%	91.6%	94.7%	90.3%	92.1%	+1.4% points	-0.6% points	+0.5% points
Outer Metropolitan Bus System Contracts									
Passenger Boardings ⁽¹⁾	10,950,093	5,049,827	15,999,920	14,171,309 ⁽⁴⁾	4,824,305	18,995,614 ⁽⁴⁾	29.4%	-4.5%	18.7%
Complaints	2,379	1,466	3,845	2,741	1,607	4,348	15.2%	9.6%	13.1%
Complaints / 100,000 Boardings	21.7	29.0	24.0	19.3	33.3	22.9	-11%	14.7%	-4.8%
Scheduled Bus Trips	1,054,706	278,285	1,332,991	1,108,714	277,236	1,385,950	-0.4%	5.1%	4.0%
Accessible Bus Trips	577,162	159,478	736,640	664,442	178,218	842,660	11.8%	15.1%	14.4%
Bus Trips that are Accessible	54.7%	57.3%	55.3%	59.9%	64.3%	60.8%	5.2%	7.0%	5.5%
Passenger Boardings / Bus Trip	10.4	18.1	12.0	12.8	17.4	13.7	-4.1%	23.1%	14.2%

(1) Excludes boardings by children under the School Student Transport Scheme

(2) Passenger boardings in 2012-13 include all free shuttle bus routes. Previous figures only included selected shuttle bus routes. If this was adjusted, annual growth in 2012-13 for private bus operators would be 2.8%. STA would be -0.2% and overall growth would be 0.6%

(3) Measured by sample survey at commencement of bus trip

(4) Passenger boardings in 2012-13 include all free shuttle bus routes while previous figures only included selected shuttle bus routes. If this was adjusted, annual growth in 2012-13 for PBO would be 0.5% and overall growth would be -0.8%

The data in the table indicates both an increase in the number of services being provided and an increase in customer usage. Key points to note are:

- Overall the number of passenger boardings (private & STA) increased by more than 4.5 million from 2011-12 to 2012-13
- Passenger boardings across the regions operated by private bus operators increased by 5.3% from 2011-12 to 2012-13. The corresponding increase in STA passenger boardings was 1.2% which is indicative of the more established nature of the regions in which STA operates
- The number of bus trips provided increased by 86,000 from 2011-12 to 2012-13
- The number of bus trips that are wheelchair accessible increased by 492,000, and
- In the Sydney Metropolitan Area there was a marginal improvement in on-time running to 92.1% (below the government target of 95%).

Tenders for new metropolitan bus system contracts

In May 2012, the NSW Government announced that private bus operators would be required to competitively tender for \$1 billion of contracts to deliver bus services in the Sydney metropolitan area.

The performance-based contracts were designed to maximise customer service and value for money.

The tenders were staged over two rounds. In November, it was announced that four new Sydney Metropolitan Bus Service Contracts had been awarded in the first round.

They will result in an average annual savings of more than \$18 million. The contracts were awarded to:

Area	Contractor	Commenced
Penrith, Mt Druitt, St Marys, Richmond and Windsor region	Busways	7 October 2013
Liverpool, Fairfield and Holroyd region	Transit Systems Australia	14 October 2013
Berowra, Hornsby, Gordno and Chatswood region	Veolia Transdev	1 June 2013
Chatswood, Belrose, Terrey Hills and St Ives region	Forest Coach Lines	1 April 2013

The contracts are for five years, with a three year right of renewal subject to meeting performance standards.

The second round of tenders closed in May. They are for services in regions encompassing Liverpool, Glenfield, Ingleburn, Bringelly, Hoxton Park, Blacktown, Rouse Hill, Castle Hill, Dural, Parramatta, Lakemba, Mortdale, Punchbowl, Roselands, Campbelltown, Narellan and Camden.

The successful tenderers will be announced in the second half of 2013. They are to begin operating services between June and August 2014.

Bus service improvements

TfNSW invested \$31.7 million in 2012-13 for 66 new buses in the Sydney metropolitan area and three new buses in outer-metropolitan areas to cater for passenger growth on bus services.

TfNSW also invested \$67.7m in 2012-13 for 142 new buses in the Sydney metropolitan area and 58 new buses in outer-metropolitan areas to replace older buses. All new route buses purchased by bus operators in metropolitan and outer-metropolitan areas are air-conditioned and have a low floor, stepless entry to allow easy access by the elderly, disabled and passengers in wheelchairs.

In 2012-13, an additional 1,300 bus services per week were introduced by TfNSW across metropolitan and outer metropolitan Sydney.

Cahill Expressway bus diversion

To ease significant congestion, 60 morning peak buses from the Sydney's north-west were diverted to enter the city CBD via the Cahill Expressway from February.

Customers travelling beyond Market Street towards Railway Square can transfer to connecting routes at no extra cost. Diverting these services to operate via the Cahill Expressway has relieved congestion and has significantly improved the overall reliability of buses coming into the Sydney CBD from the north.

State Transit Authority – contract renewal and reforms

Approval was given in March 2012 for Transport for NSW to oversee a reform of the STA to transform it into an efficient, customer-focused operator.

Prior to this, STA had commenced a reform program aimed at identifying efficiencies and initiatives to improve services. TfNSW commissioned an independent benchmarking exercise to develop a plan to align STA with an optimum city bus operating model. The independent review incorporated STA's prior initiatives.

In late June 2013, TfNSW signed new five year contracts with STA, which commence from 1 July 2013. They are consistent with those recently awarded to private bus operators during a Tranche 1 tender process.

The contracts include performance targets and pricing mechanisms to support achievement of the reform program.

The five-year contract duration will assist in implementing the STA Reform Program prior to the next contract procurement.

The contracts based on the new standard Sydney Metropolitan Bus Service Contracts include:

- A comprehensive performance management regime, with key performance indicators focussed on customer service and safe operation of services
- Comprehensive reporting, and
- Payments based on patronage, and retention of charter and advertising revenue.

A depot and service optimisation project was begun in May 2013. It analysed and identified current depots that were best positioned to efficiently operate services. The project's objective was to reduce dead running costs and peak bus fleet requirements. Delivery of the project will realise a saving of some 40 peak hour buses.

New school buses in rural and regional NSW

During 2012-13, TfNSW funded the \$27.8 million purchase of 148 new school buses, to replace aged buses for use in rural and regional areas.

Double deck bus trial

A two-year trial of eight double deck buses began in August.

Busways started operating a double deck bus along the North-West T-Way, servicing Blacktown, Castle Hill, Glenwood, Rouse Hill, Riverstone, The Ponds and Schofields. Operations were later expanded from Mt Druitt to Blacktown.

In June, two Forest Coach Lines double deckers entered service from Terrey Hills to the city.

Five double deck buses operated by Hillsbus commenced operations in June from Castle Hill to the city via the M2 Motorway.



Double deck buses, now being trialled, can carry up to 110 passengers

Each double deck bus can carry up to 110 passengers, approximately twice the capacity of normal buses. They take up less road and depot space than bendy buses.

TfNSW will evaluate the operational and financial performance of the buses.

School Bus Safety Community Advisory Committee

In October 2012 the School Bus Safety Community Advisory Committee published its report, Inquiry into School Bus Safety in Rural & Regional NSW.

The Committee's report made 35 recommendations, which are being considered by the NSW Government.

The key recommendations were:

- Provide buses fitted with lap and sash seat belts for all rural and regional school student bus services operating outside lower speed urban environments – the report recommended that a phased roll out be completed within 10 years
- Eliminate school students standing on buses which travel on roads that are unsealed or have a speed limit of 80km/h or more outside urban areas – report recommended implementation no later than day one of term three of the 2013 school year
- Update the School Student Code of Conduct to place obligations on parents and students to wear seatbelts, and other programs to educate and develop safety awareness among stakeholders, in particular motorists who share roads with school buses, and
- Prioritise school bus routes and bus stops when infrastructure spending is being allocated.

The Committee included representatives from: BUS Action Group, NSW Country Mayors Association, Isolated Children's Parents' Association, Coffs Harbour Health Campus, NSW Centre for Road Safety, NRMA Motoring and Services, BusNSW, Council of Catholic School Parents NSW/ACT, Federation of Parents and Citizens' Associations of NSW, NSW Parents' Council Inc, and TfNSW.

Ferries

Franchising of Sydney Ferries

In July, Harbour City Ferries (HCF) - a partnership between Transfield Services and Veolia Transport Australia - took over the operation of Sydney Ferries.

This was done under a service contract with TfNSW designed to benefit customers with the best of private sector experience and management practices. Control of

key assets and strategic decisions will remain with the NSW Government.

The contract requires the operator to meet a number of performance benchmarks in key areas including safety, reliability and customer service.

The contract also delivers significant improvements in value for money for taxpayers.

Ferry performance and patronage

During 2012-13 TfNSW contracted Harbour City Ferries to provide Sydney Ferries services to Manly, on the Parramatta River and in the Inner Harbour.

In 2012-13 Harbour City Ferries met or exceeded all of the established benchmarks for the contracted Key Result Areas for On Time Running, Service Reliability and Reporting:

- Safety: There were five collisions and one significant incident reported by HCF. None caused



Sydney's ferries are vital for many commuters and an iconic experience for visitors

injuries to passengers or crew. Only two passenger injuries were recorded in the reporting period.

- On-time running: 99.1% of services ran on time, higher than the contract benchmark of 98.5%
- Service reliability: 99.9%, also higher than the contract benchmark of 99.5%.

- Reporting: HCF provided detailed reports and analysis of its operational performance every month to TfNSW in accordance with the contract requirements.

There was a record 14,943,173 passengers, up 1.18% over 2011-12.

HCF received an average of 4.1 complaints per 100,000 passenger journeys. The majority related to customer service, information issues

and full or overcrowded vessels. HCF is working with TfNSW to remedy these matters with:

- An additional 35 customer assistance officers
- Eight new Team Leaders
- New staff training for managing customer situations/responses, and
- Developing and distributing a Code of Conduct to all staff.

This table shows the performance of ferry services operated by Harbour City Ferries under contract to TfNSW. Key Result Area items are in bold.

Performance Indicator	2011-12	2012-13	Change from 2011-12 to 2012-13
Passenger Boardings	14,768,332	14,943,173	1.2%
Complaints	489	610	24.7%
Complaints / 100,000 Boardings	3.3	4.1	0.8
Scheduled Ferry Trips	173,329	174,029	0.4%
Service Reliability⁽¹⁾	99.9%	99.9%	No change
Passenger Boardings / Ferry Trip	85.2	85.9	0.8%
On-time running ⁽²⁾	98.8%	99.1%	0.3%
Significant incidents ⁽³⁾	0	1	1
Collisions and groundings ⁽⁴⁾	0	5	5
Passenger injuries ⁽⁵⁾	4	2	-2

(1) Scheduled ferry trips that operated after excluding service cancellations beyond the control of Sydney Ferries (for example, extreme weather)

(2) Adjusted to allow for events outside the control of Sydney Ferries

(3) Incidents involving loss of life, life threatening injury, injury to more than one person and/or damage that exceeds \$100,000 in value. Target= 0

(4) Max annual threshold = 15

(5) Max annual threshold = 16

Ferry service improvements

TfNSW completed a fundamental review of ferry services in Sydney Harbour.

From this review, a new timetable will be introduced in October 2013 with major changes for ferry customers, including more direct and frequent ferry services with reduced travel time for many customers. The timetable will introduce more than 50 new services per week across the network.

The new timetable will include:

- More frequent services to cater for demand at Abbotsford, Cabarita, Balmain, Darling Harbour, Cremorne Point, Mosman Bay, Double Bay and Rose Bay
- Simpler stopping patterns and easy to remember departure times, for example, 10 past the hour
- A shuttle service between Parramatta and Rydalmere in the peak on weekdays, with a connection to an express service to the city for wharves at the western end of the river
- Extra services stopping along the Parramatta River, with even more services provided on Sunday when demand is at its highest
- More frequent services to Cockatoo Island making it easier to visit this spectacular location
- More frequent services from busy Eastern Suburbs wharves, including an increase in Rose Bay commuter peak express services
- Additional bus connections that will make it easier for customers to access ferry services, and
- Ferries will no longer run from wharves with very low patronage at Bayview Park and Balmain

West – freeing up ferries to provide more frequent services and shorter journey times for commuters travelling along Parramatta River in peak periods.

As part of a complete overhaul of public transport timetables in October 2013, ferry services will be better aligned to bus services, providing customers to a more seamless transport experience.

Light Rail

New Light Rail Contract

The NSW Government purchased the Sydney Light Rail owner Metro Transport Sydney in March 2012. The group of companies was wound up on 29 April 2013 and the rights, liabilities and assets were transferred to MTS Holding Company Pty Ltd, a wholly owned subsidiary of TfNSW.

During 2012-13, TfNSW developed a new operations and maintenance contract with Veolia Transport Sydney (now branded Transdev) for the Sydney Light Rail network. This included the extension from Lilyfield to Dulwich Hill, or the Inner West Extension.

The new contract came into effect from 1 July 2013, with a term of two years, with an option of an extension of up to 12 months. This is to align it with tendering for the new CBD to South-East Light Rail, as it is intended that the successful consortium will commence operations on the existing light rail and Inner West Extension, while construction works commence for the light rail extensions.

The Transdev contract is performance-based on key performance indicators.

The Inner West Extension Project is planned to open in the first quarter of 2014.

During 2012-13 TfNSW also contracted with CAF Rail Australia Pty Ltd to maintain the existing Variotram fleet, and six new and four leased light rail vehicles.

Light Rail performance and patronage

On time running is not measured for Sydney Light Rail, which operates on a frequency basis. The target is for each service to run within one minute of planned service frequency.

Performance against the target improved in 2012-13 with the average deviation of 57 seconds. Incidents that affected operational performance included speed restrictions because of heat, mechanical issues and loss of electricity supply.

The reliability of Light Rail services is also measured. The target is 99.5% of the planned operating hours. For 2012-13:

Month-Year	Reliability	Average Deviation Minutes: seconds
Jul-12	99.75%	00:55
Aug-12	97.46%	01:12
Sep-12	99.58%	00:52
Oct-12	99.73%	00:54
Nov-12	99.62%	00:52
Dec-12	99.80%	01:02
Jan-13	99.58%	01:05
Feb-13	99.64%	01:00
Mar-13	99.66%	00:56
Apr-13	99.75%	00:54
May-13	99.30%	00:58
Jun-13	99.65%	01:00

Patronage

During 2012-13 there was a total of 4.151 million boardings.

Of this, My Zone ticket products (My Multi, Pensioner Excursion and Family Funday Sunday tickets) accounted for 53% of all ticket sales.

Customer feedback

Complaints increased in 2012-13 compared to 2011-12 although from a small base. Compliments fell marginally.

Service Complaint Category	2011-12	2012-13
Service	9	26
Graffiti		1
Track noise	6	2
Pricing		8
Misc.		1
Employee	6	9
Timetable		
Cleaning		1
Landscaping		2
Security		
Total Complaints	21	50
Total Compliments	13	12

Safety/Security

Police Transport Command

Responsibility for security and combating crime on all public transport continued to be moved to a dedicated Police Transport Command (PTC).

Security on public transport became the responsibility of the Command in May 2012. As at 30

June 2013, the PTC had 323 police officers and will have a full strength of 610 officers by December 2014.

Before security was assigned to the NSW Police Force, both security and revenue protection services were provided by RailCorp Transit officers and STA Revenue Protection officers.

The Police Transport Command is working closely with transport operators to share intelligence and information. Joint operations with Transport Officers are targeting crime, anti-social behaviour and fare evasion.

During 2012-13 the Command carried out operations directed at public safety with targeted and high-visibility policing.

Security and emergency management

TfNSW provides emergency transport coordination under the State Emergency and Rescue Management Act 1989 and the NSW Emergency Plan. The role includes the development of emergency plans and the coordination of the land, air and sea transport resources needed to support emergency response and recovery operations.

During extreme and catastrophic fire weather conditions in January 2013, TfNSW implemented state-wide contingency plans to manage and coordinate emergency transport logistics and public information.

Exercises were carried out during the year to test capabilities and identify opportunities for improvement in both security and emergency management.

Customer security outcomes were improved through conducting crime prevention audits at transport

precincts. Security assessments were also conducted for the Wynyard Walk project, the Inner West Light Rail extension and the North West Rail Link. The assessments identified opportunities to use design to minimise the possibility of crime and improve customers' safety.

Revenue protection

Since mid-May, new customer service focused Transport Officers have been providing revenue protection services across the transport network. They work with the Police Transport Command to combat fare evasion. All 150 Transport Officers are expected on the network by the end of 2013.

Many former RailCorp Transit Officers and State Transit Authority Revenue Protection Officers were recruited and retrained to be new Transport Officers.

Transport Management Centre

The Transport Management Centre (TMC) monitors and manages the NSW road network 24 hours a day, seven days a week, 365 days a year. Public transport operations, including Sydney's bus, rail and ferry networks, are also coordinated from it during peak commuter travel times, special events and unplanned incidents.

The TMC works to achieve more consistent journey times for road and public transport users, clear traffic incidents as quickly as possible, and communicate traffic and transport information to help road users choose the best way to reach their destinations.

The demand from customers for real-time, relevant and accessible traffic and transport information continues to grow. The TMC is addressing this by development of the Live Traffic NSW website, mobile communications, greater use of social media and engagement with broadcast media.

Achievements during the year included:

- More than 8,200 live traffic announcements were made to radio across the State
- The Transport Operations Room responded to more than 150,000 calls to the 131 700 incident reporting hotline
- The Live Traffic NSW channels (website, apps and mobile sites) were visited by more than 7.2 million customers. There were more than 500,000 downloads to smart phones and digital devices. A record 35,719 visits were logged during bad weather on 28 January 2013
- The TMC Twitter feed received 31,333 followers for roads, trains, buses and ferries, while 61,755 fans “liked” the Live Traffic Facebook page
- The unplanned incident clearance times in 2012-13 on principal transport routes averaged 38.15 minutes, well under the 40 minute target
- More than 33,300 road occupancy licences were issued across Sydney. This was up 25% on the previous year. They permitted major infrastructure upgrading, such as on the Sydney Harbour Bridge and the M2 Motorway
- Five bus marshals contributed to bus service reliability in the Sydney CBD during weekday commuter peaks. Marshals have assisted with shorter bus queues and queuing times across intersections on the Sydney Harbour Bridge and in the CBD. There was also faster removal of illegally parked vehicles
- Five Area Transport Coordinators assisted customers move seamlessly between different transport modes from trains/ferries to buses. Customers were assisted at 75 major unplanned service disruptions including the Westfield building collapse at Eastgardens in Sydney’s east in July, a crane and bridge collision on the M2 in October, and tangled rail wires between Wynyard and North Sydney in February
- Millions of customers, commuters, and residents were assisted with travel and event information for more than 100 major public events that included New Year’s Eve Fireworks, Sydney Royal Easter Show, Anzac Day, and major sporting events at the Olympic Park and Moore Park precinct. Communication channels included Live Traffic NSW website, direct mail, the 131 500 website, advertising, social media and news outlets.

Transport Management Centre

- An additional 25 CCTV cameras were added by the Transport Management Centre (TMC) to the network of 880 cameras used for traffic monitoring, reporting and clearing of incidents.
- TMC computer and communication systems were operational for 99.95% of its 24/7/365 day-a-year services. This exceeded its target of 99.9%.
- Two 100 tonne capacity, heavy vehicle tow trucks were introduced to the TMC fleet, completing a strategy to serve priority locations across Sydney’s orbital network. The vehicles will minimise urban congestion and protect road freight supply to and from Sydney and the State.



Two new Transport Management Centre heavy vehicle tow trucks are helping clear breakdowns faster

Community Transport

Assistance continued to be provided for transport disadvantaged people throughout NSW.

In 2012-13, TfNSW delivered this by administering more than \$52 million through the Home and Community Care Transport sub-program and the Community Transport Program.

Community transport meets the needs of transport disadvantaged groups in the NSW community, including 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.

From 2011-12 the NSW Government increased funding for the Community Transport Program by \$12 million over four years, or 100 per cent over the period.

Increased funding of \$3 million in 2012-13 was provided to deliver additional Community Transport services.

A new funding contract was also developed in consultation with community transport service providers, to take effect from 1 July 2013. The new contract will improve the way that community transport is delivered in NSW, including improving reporting requirements and ensuring that services are delivered equitably and safely.

As part of the new contract, a Community Transport Driver Safety Framework was introduced, which took effect from 24 May 2013. It is to ensure a consistent approach to safety standards for all community transport drivers across the state.

The new framework is included in the funding contracts with all community transport services across NSW, and will require new drivers to:

- Undergo a National Criminal History record check every three years
- Maintain a satisfactory driving record, to be verified every three years, and
- Pass a health assessment, equivalent to bus and taxi drivers, every three years.

Existing drivers will need to comply with the new measures by the end of the contract period in 2015.

Country Passenger Transport Infrastructure Grants Scheme

In 2012-13 TfNSW's annual Country Passenger Transport Infrastructure Grants Scheme provided more than \$1.47 million for 32 projects to improve passenger transport infrastructure in rural, regional and remote communities.

The Scheme funds eligible rural areas to construct or upgrade local public passenger transport infrastructure, including interchanges, bus stops, taxi shelters, lighting, and signage.

Improved facilities enhance the customer experience for rural passengers, assisting them to locate their local transport services, and increasing the comfort, amenity and security of their journeys.

Some examples of projects funded in 2012-13 include:

- \$100,000 to Eurobodalla Shire Council to install or upgrade disability accessible bus shelters at Catalina, Denhams Beach, Broulee, Surfside and Narooma
- \$24,995 funding to Wagga Wagga City Council to provide taxi shelter lighting improvements, a bus shelter and construct a concrete standing platform with tactile assistance for visually impaired people, and



When the Holbrook bypass was completed, one of Australia's most vital roads, the Hume Highway between Sydney and Melbourne, was duplicated.

- \$23,192 to Balranald Shire Council to install a bus shelter in Balranald.

Regional Transport Coordination Program

TfNSW's Regional Transport Coordination Program provides 11 Regional Transport Coordinators across NSW in 2012-13.

The program works directly with local communities to reduce transport disadvantage and help solve access and mobility problems. The coordinators help develop community projects and engage partners to jointly own initiatives that respond directly to community needs.

During 2012-13, the program delivered 32 projects valued at \$181,874. These included driver licensing programs for Aboriginal people and young people, bus services to assist isolated communities access essential services, domestic violence transport to safety initiatives, a vehicle sharing system for non-profit groups, and bus artwork projects.

Subsidy Schemes

School Student Transport Scheme

In 2012-13 subsidised travel was provided to some 495,000 school students on rail, bus, ferry and long distance coach services under the School Student Transport Scheme.

A conveyance subsidy was also available for school students in private vehicles in areas without ready access to public transport.

The annual cost was \$578 million.

Taxi Transport Subsidy Scheme

At 30 June 2013, some 67,500 people who are unable to use public transport because of a qualifying severe and permanent disability were registered under the Taxi Transport Subsidy Scheme.

They may receive travel by taxi at a 50% subsidy, with a maximum allowance of up to \$30 per trip. In 2012-13 there were more than 1.9 million subsidised journeys were made under the scheme. The cost was \$25.9 million.

Wheelchair Accessible Taxi Driver Incentive Scheme

The Wheelchair Accessible Taxi (WAT) Driver Incentive Scheme provides incentive payments to WAT qualified drivers to improve the accessibility, reliability and response times for Taxi Transport Subsidy Scheme participants who require a wheelchair at all times for travel.

Drivers can claim \$8.47 for each approved passenger they carry. In 2012-13 the Scheme cost approximately \$3.8 million.

Vision Impaired Person Pass

Free travel on most public transport services is available to eligible blind or severely vision impaired persons who hold a Vision Impaired Person's (VIP) Pass.

TfNSW introduced a magnetic stripe pass for eligible VIP pass holders in March. It provides customer access to all Sydney railway station and ferry wharf gates and State Transit Authority buses.

The new pass complements the current photo Vision Impaired Person Travel Pass, which must also be carried when holders are travelling.

If a VIP pass holder is also to have an attendant to travel with them, TfNSW will provide an additional electronic pass.

Magnetic stripe passes are optional and are available on request to TfNSW 1300 548 828.

Road Agreements

In 2012-13, the initial Statement of Intent between TfNSW and Roads and Maritime Services (RMS) was introduced.

It provides a framework for a partnership to administer road and maritime services. It outlines the priorities and programs for RMS to contribute towards transport goals for NSW. The document defines TfNSW's and RMS's responsibilities and accountabilities for specific activities and outcomes RMS will deliver to its customers.

Growing the transport system

Growth of the transport system is essential to support NSW's growing population and economy.

Decisions to grow Transport for NSW's network need to be backed by rigorous planning to ensure new infrastructure will meet future demand.

They must also fit within broader government, and strategic transport and land use priorities such as those in the Long Term Transport Master Plan.

Over the next five years and beyond, TfNSW will deliver a significant program of capital works that will enhance the capacity and coverage of the transport system, providing more customers with travel options and driving investment in the cities and regions.

The North West and South West Rail Links in particular are some of the most significant public transport infrastructure projects currently underway. These rail extensions will provide customers in these growth centres with access to jobs, education and other services in the CBD.

A pipeline of works will also be delivered to increase the transport network's capacity for freight movement. The Southern Sydney Freight Line for example, will deliver a rail line dedicated to moving freight between Port Botany and Macarthur, boosting the efficient movement of freight in NSW by enabling freight to be carried at any time of the day.

TfNSW will also work with Roads and Maritime Services to deliver an extensive roads program of works and new and improved boating infrastructure. The duplication of the Pacific Highway, upgrade of the Princes Highway and delivery of the Hunter Expressway are some of the key major projects that will grow the capacity of the road network to support safe and reliable travel in regional areas.

Upgrading Sydney's motorway network by widening the M2 and M5 West and building WestConnex will support housing and employment growth and help to ease congestion in metropolitan areas.

North West Rail Link



An artist's impression of Rouse Hill Station

The \$8.5 billion North West Rail Link is Australia's largest public transport infrastructure project. It will deliver more than \$35 billion in economic benefit to the NSW economy over several decades. Building it is Australia's largest current rail infrastructure construction project.

It is due to carry its first passengers in late 2019.

A \$1.15 billion contract was announced in June 2013 to build the North West Rail Link's 15km twin tunnels.

A joint venture of Thiess, John Holland and Dragados was awarded the contract, with the first tunnel boring machine to be in the ground by the end of 2014 and the remaining three to follow soon after.

The joint venture tunneling contract involves:

- Four “double-shield, hard rock, gripper” tunnel boring machines to build 15km twin tunnels from Bella Vista to Epping
- Excavation and civil works for five new stations at Cherrybrook, Castle Hill, Showground, Norwest and Bella Vista
- The first machine to be in the ground by the end of 2014, with the remaining three to follow soon after, and
- Completing the tunnel contract expected in the first half of 2017.

Work has begun on construction sites for the arrival of the tunnel boring machines. Other excavation work has also begun.

Once the tunnelling is complete in 2017, work will continue along the 36km length of the project to lay tracks, fit out stations and deliver new generation rapid transit trains.

The tunnelling contract is the first of three major contracts on the North West Rail Link to be awarded.

Tenders have closed for the skytrain and surface construction contract with the contract expected to be awarded before the end of 2013.

Formal tender documents have been issued to two shortlisted consortia competing to operate the North West Rail Link. This contract is expected to be awarded before the end of 2014. This contract will be a public private partnership, subject to value for money criteria being met.

The North West Rail Link 2012-13 highlights:

- \$360 million was allocated to the North West Rail Link project in the 2012-13 NSW Budget
- The first Environmental Impact Statement for major construction works, tunnelling, the skytrain and station excavation was approved by the Department of Planning and Infrastructure in September
- The project received planning consent in May 2013 with the approval of the second Environmental Impact Statement
- The North West Rail Link will be fully-automated – an Australian first – as part of the broader Sydney’s Rail Future plan. The rapid transit system will incorporate driverless trains and high-tech customer safety and security measures. This optimises running time of trains and increases the average speed of the system
- The project includes 15km of twin tunnels between Bella Vista and Epping – the longest rail tunnels ever built in Australia – and a 4km skytrain viaduct between Bella Vista and Rouse Hill. The project will deliver eight new railway stations, 4000 commuter car parking spaces and a ‘turn up and go’ service with a train at least every five minutes in peak hours, and
- The skytrain and surface construction contract is out to tender and is expected to be awarded before the end of 2013.

Port Botany-Sydney Airport

Port Botany and Sydney Airport are international gateways, critical to productivity growth and investment in NSW and Australia.

The NSW Long Term Transport Master Plan identified key actions required to address immediate and longer term congestion in this precinct.

TfNSW began planning and development of the first stage of roads projects with WestConnex

enabling works. TfNSW worked with the WestConnex Project Office and Sydney Airport to ensure a coordinated approach for the precinct.

In its 2013-14 Budget delivered in May, the NSW Government announced a \$282 million program for WestConnex enabling works, of which almost \$30 million is allocated in 2013-14 to address congestion in the Port Botany and Sydney airport precinct.

This commitment includes \$30 million from the Commonwealth Government towards the General Holmes Drive underpass. Other projects include widening Mill Pond Road and Joyce Drive.

These projects will deliver shorter term benefits to the precinct and complement the operation of the future WestConnex Motorway.

The 33 km WestConnex will complete the missing link between the M4 and M5 motorways and provide better connections to the

airport terminals, Port Botany and surrounding industrial areas. Construction on the first stage will start in early 2015.

South West Rail Link

The South West Rail Link will improve reliability and address passenger growth on the metropolitan rail network as population grows in south-west Sydney. The program includes a major upgrade of Glenfield Station and bus/rail interchange, and a new twin track passenger rail line from Glenfield to Leppington via Edmondson Park.

Major construction of the Glenfield to Leppington Rail Line began at the beginning of 2012 and continued in the reporting period. The new Glenfield Transport Interchange and Glenfield Station were opened in September.

During 2012-2013, progress on the Glenfield to Leppington Rail Link included:

- Excavating a Hume Highway underpass without affecting road traffic
- Substantially completing all the bulk earthworks
- Community consultation for the Urban Design and Corridor Landscape Plan
- Substantially completing 13 of the project's 14 bridges
- The Department of Planning and Infrastructure Operational Noise and Vibration Review was approved
- Track construction began on 21 May and progressed to Edmondson Park Station

- Track construction at the Rossmore Stabling Yard progressed well, with all sidings completed
- Stations and substations made excellent progress, with the roof trusses installed at Leppington in late June
- Opening of the upgraded easy access Glenfield Station
- Completion of majority of track laying including new Up and Down East Hills line and Up and Down Leppington line (only one turnout remains)
- Removal of temporary footbridge over Railway Parade
- Completion of overhead wire structures
- Removal of old station footbridge
- Completion of road, footpath and landscaping works on Railway Parade
- Completion of Macquarie Links Drive intersection upgrade
- Covered commuter walkway between station and multi-storey car park on Roy Watts Road completed
- Installation of overhead wires well underway.

Auburn Stabling Project

The Auburn Stabling project involves the construction of a new train stabling facility north-west of Auburn Station. The project will cater for expected increases in train services in Sydney's inner-west and south-west.

The project will be delivered in two stages. The first includes construction of a stabling facility to accommodate up to 11 eight-car trains, staff amenities and offices,

a noise mitigation barrier, and associated civil and rail systems work.

Stage two (including construction of stabling for an additional five eight-car trains) will be delivered when required to meet future demand.

Construction of the facilities buildings commenced in late 2012, followed by track laying for the new stabling yard in May 2013 and the installation of overhead wiring in June 2013.

During the year construction was completed of cable services routes, drainage and site remediation, and most of the retaining walls and noise panels.

Rail Clearways Program

The Rail Clearways Program is an initiative to improve capacity and reliability on the Sydney Trains network, recognised as one of the most complex in the world.

Projects being delivered as part of the Rail Clearways Program will remove bottlenecks and junctions, reduce congestion and delays, and allow for simpler timetables for more reliable and frequent services.

Delivery of the program will mean an incident on one part of the rail network will have a limited effect on services elsewhere. It will also increase the capacity of the Sydney Trains network to meet continuing patronage growth from both suburban and intercity areas.

Twelve Rail Clearways projects have been completed:

- 2004 Macdonaldtown Turnback
- September 2006 Berowra Station Platform 3
- April 2006 Bondi Junction Turnback

- April 2010 Cronulla Line Duplication
- November 2007 Macdonaldtown Stabling
- December 2008 Revesby Turnback
- May 2008 Lidcombe Turnback
- May 2008 Homebush Turnback
- December 2008 Hornsby Station Platform 5 and Stabling
- December 2010 Macarthur Station Upgrade and Interchange Project
- December 2011 Richmond Line Duplication.

The final project, the Liverpool Turnback, is currently under construction.

In 2012-13, milestones for the Liverpool Turnback Project included completing all civil works and installing 1.8km of new track and overhead wiring. The stabling yard and access will be completed for operational readiness in early 2014.

Northern Sydney Freight Corridor Program

The Northern Sydney Freight Corridor Program is a joint initiative of the Federal and State governments to deliver rail freight improvements to the Main North Line between Strathfield and Broadmeadow. It is due to be completed in 2016.

The program will increase capacity for interstate container freight and remove the most serious bottleneck on the East Coast interstate rail freight network, which connects Australia's three largest cities: Melbourne, Sydney and Brisbane.

The program comprises four projects:

- North Strathfield Rail Underpass
- Epping to Thornleigh Third Track
- Gosford Passing Loops, and
- Hexham Passing Loop.

The North Strathfield Rail Underpass project involves constructing a rail underpass at North Strathfield, and platform upgrades and a new aerial concourse at Concord West Station, including four new lifts.

The Epping to Thornleigh Third Track project involves building and operating 6 km of new and upgraded track within the Main North Line rail corridor between Epping and Thornleigh stations. It will be on the western side of the existing tracks.

The Gosford Passing Loops project is addressing slow moving freight trains delaying passenger services on the Main North Line.

To help address this issue, two passing loops (northbound and southbound) will be built between Gosford and Narara stations, to allow freight trains to wait while passenger services pass.

This will help improve freight access through northern Sydney and the Central Coast, relieve a serious bottleneck, create a more efficient freight rail network and improve the reliability of passenger services on the Main North Line.

The project received environmental approval in October. Site survey and geotechnical work commenced in late 2012.

The Hexham Passing Loop was completed in early 2012.

Sydney Light Rail Program

In December, the NSW Government announced that it would extend light rail from Circular Quay to Kingsford and Randwick, through the heart of the Sydney CBD via George Street.

The CBD and South East light rail extension was developed in close consultation with councils, business and local communities.

Services will be high frequency, efficient and reliable. They will serve the Moore Park sporting and entertainment precinct, the University of NSW and Prince of Wales Hospital. Subject to planning approval, work is expected to commence on the new lines in 2014.

These extensions will be delivered in addition to the Inner West Light Rail Extension from Lilyfield to Dulwich Hill. This is currently under construction, with service scheduled to begin in 2014.

TfNSW has set up a dedicated team to bring all light rail work into a single Sydney Light Rail Program.

The new CBD and South East light rail line will travel from Circular Quay along George Street to Central Station, then to Kingsford via Anzac Parade and Randwick via Alison Road.

Features of the project include:

- Nine stops between Circular Quay and Central Station
- Seven stops between Kingsford and Central Station, including the University of NSW at Anzac Parade and Moore Park, and
- Six stops between Central Station and Randwick, serving the Prince of Wales Hospital, University of NSW at Wansey Road, Randwick Racecourse and Moore Park.

Interchanges will be located at major CBD rail stations - Central Station, Town Hall, Wynyard and Circular Quay - and bus interchanges at Randwick and Kingsford.

In the Sydney CBD, a pedestrian zone will be created from Bathurst Street to Hunter Street with light rail operating through its centre. There will be segregated traffic and light rail lanes between Central Station and Bathurst Street, and between Hunter Street and Circular Quay.

TfNSW is progressing delivery of the CBD and South East Light Rail in consultation with councils, business, industry and the community. This involves seeking input into the development of detailed designs, and publicly exhibiting environmental impact assessments and planning approval documents.

TfNSW held four information sessions around Surry Hills, Moore Park and Randwick during April and May. Hundreds of interested stakeholders from the communities came to hear about the proposed light rail route, an overview of the project and next steps.

A stakeholder roundtable and an industry briefing were held. Stakeholders at the roundtable included the University of NSW, University of Sydney and the Sydney Business Chamber.

More than 300 industry representatives attended the breakfast briefing. This was part of the project's wider market sounding process, which was completed in June 2013.

The project is estimated to cost approximately \$1.6 billion. Subject to planning approvals, work is expected to begin in 2014 and take five or six years to complete.

In May, TfNSW signed a Memorandum of Understanding with the City of Sydney, confirming a \$220 million commitment to the light rail project.

A State Significant Infrastructure Application has been lodged with the NSW Department of Planning and Infrastructure, paving the way for submission and exhibition of an Environmental Impact Statement at the end of 2013.

Inner West Light Rail

The Inner West Light Rail Extension is the first step in the NSW Government's plans to extend light rail in Sydney. It will connect to the existing light rail service from Central Station to Lilyfield. Running along the former Rozelle freight rail corridor, through the inner west to Dulwich Hill, the extended service will begin operating in early 2014.

Major construction of the extension began in 2012. In 2012-13 all nine stop platforms were completed and lift shafts installed at Dulwich Hill, Dulwich Grove and Leichhardt North stops.

Significant works have been carried out, while minimising disruption to local communities and road users. An example was the raising by half a metre of a bridge over Parramatta Road, Haberfield, without disrupting traffic.

Key features of the project include:

- A 5.6 km extension of the light rail from Lilyfield to Dulwich Hill
- Nine new light rail stops: Leichhardt North, Hawthorne, Marion, Taverners Hill, Lewisham West, Waratah Mills, Arlington, Dulwich Grove and Dulwich Hill Interchange
- Procuring six new light rail vehicles

- Constructing three new sub-stations to supply power to the light rail vehicles
- Installing power, safety, communications and signalling systems
- Real-time passenger information at the new and existing stops
- New access paths and facilities for changing between transport modes
- Kiss and ride parking and dedicated accessible parking spaces
- A new pedestrian bridge across Parramatta Road at Taverners Hill
- A new pedestrian bridge across Hawthorne Canal for easier access to parks on either side of the canal
- Measures to protect wildlife habitat and native vegetation along the rail corridor, and
- Expanding existing light rail stabling in Pyrmont and constructing new stabling at the former Rozelle Goods Yard.

Developing the transport businesses of the future

A key future challenge is maintaining the momentum for change across the Transport cluster, determining the strategies, structures and processes that will deliver tangible benefits for Transport for NSW's customers.

The way it interfaces with its operating agencies and other service providers in transport is crucial to making this happen.

TfNSW will continue to enhance its partnerships in government and industry.

It will uphold high standards in the way it conducts its business, working with its values of customer focus, safety, integrity, collaboration and solutions as a common frame of reference in its daily decision making.

TfNSW recognises that its people are essential to making this happen. As it continues to build its culture and identity, it will ensure it is developing a capable and cohesive workforce, and cultivating a safe and positive working environment for them.

Transport safety governance in NSW – national regulators

The Council of Australian Governments decided in 2009 to establish national laws and single national regulators for the heavy vehicle, rail and maritime sectors.

Three national bodies replaced 23 regulatory authorities, addressing inconsistent practices across between States and Territories.

To implement the new national regulators and to ensure its agendas were well placed for the new arrangements, the NSW Government reviewed its regulatory framework and amended the *Transport Administration Act 1988*.

National Heavy Vehicle Regulator

TfNSW continues to develop the new National Heavy Vehicle Regulator (NHVR), which began limited operations in January 2013.

The Heavy Vehicle (Adoption of National Law) Bill 2013, which will apply the Heavy Vehicle National

Law and Regulations as a law in NSW, was assented to by the NSW Parliament on 25 June 2013. An amendment to the *NSW Application Act* which will supplement and make necessary modifications to the National Law as adopted in NSW is being drafted.

Together, the two Bills will ensure the NHVR will be fully operational in NSW.

The NHVR began enhanced functions from 1 September 2013 after legislation was passed in all participating jurisdictions.

It will be a one-stop-shop for heavy vehicle related business, aiming to provide improved safety, reduced costs and a lower regulatory burden for the Australian transport industry.

Roads and Maritime Services will continue to provide regulatory services in NSW on behalf of the NHVR under a Service Agreement.

National Rail Safety Regulator

In January, the Office of the National Rail Safety Regulator (ONRSR) became the regulator for rail activities under the Rail Safety National Law in NSW, South Australia, Tasmania and the Northern Territory.

In NSW the Independent Transport Safety Regulator performs the functions of the ONRSR under a Service Level Agreement.

The *National Rail Safety (Adoption of National Law) Act 2012* sets out the functions, powers and objectives of the ONRSR which include:

- Administering accreditation and registration schemes under the law
- Working with operators to improve rail safety nationally
- Monitoring and enforcing compliance, and
- Providing information about rail safety and promoting public confidence in freight and passenger transport services.

National Maritime Safety Regulator

The new national system for commercial vessel safety commenced on 1 July 2013.

There is now one national law and one national regulator, the Australian Maritime Safety Authority (AMSA), for all domestic commercial vessels operating in Australia.

The new national system simplifies requirements for industry, provides opportunities for growth and reduces red tape. The Office of Boating Safety and Maritime Affairs (OBSMA), along with Roads and Maritime Services, worked closely with AMSA to ensure a smooth transition to the new national system.

RMS continues to deliver regulatory services on behalf of AMSA, to owners and operators of commercial vessels in NSW. This is to ensure continuity of customer service to industry.

OBSMA will continue to monitor the implementing of the national system to ensure NSW industry and customers reap its benefits.

Green Light Day

The second 'Green Light' Transport and Logistics Day was held in August 2012. It aims to improve the image and awareness of the transport and logistics industry as a desirable career, and provide opportunities for professional development for students.

More than 300 students from 20 schools attended. This was an attendance increase of more than 70 over 2011. The event is a partnership between government and industry and delivers on TfNSW's commitments to enhance government-industry partnerships,

to achieve quality transport outcomes and support the development of a capable, cohesive and safe workforce.

The event was launched at National Information Communication Technology Australia in Sydney. Open days were also held at the Royal Australian Air Force base in Richmond and the Qantas Centre of Service Excellence.

Qube Logistics was a new open day venue, showcasing the freight forwarding business to students at its Macarthur Intermodal Shipping Terminal. A pre-Green Light Day careers advisers' tour was also held on 27 July to generate interest.

Feedback from students and industry participants was overwhelmingly positive.

Boat trailer storage

The Draft Sydney Harbour Boat Storage Strategy highlighted the need to address the growing number of boat trailers taking up scarce parking spaces on streets in waterside suburbs.

In October 2012 OBSMA formed a Boat Trailer Working Group to investigate better solutions for managing boat trailer parking. This included providing stronger enforcement powers to local councils.

More than 100 submissions were received after the Working Group's report was released, including 11 from local councils.

Most supported regulatory amendments and more dedicated boat trailer parking facilities. OBSMA will work with the Department of Premier and Cabinet to develop a whole of Government response.

Marine Compliance Taskforce

OBSMA established a Marine Compliance Taskforce to review policies and procedures relating to on-water compliance.

The Taskforce was established in April, with relevant on-water agency delegates led by an independent Chair. It was formed to progress reforms designed to help agencies with an on-water function to work together and ensure more effective use of assets and resources.

The Taskforce has developed a two year strategic plan. A vessels sub-committee was also established to consider various vessels management issues.

It is considering a Strategic Property Plan that outlines options for agency co-location at State Marine Centres, including a two-year trial of Botany Bay.

New brand for NSW public transport



A new integrated brand for public transport was launched in April. It provides a simple and identifiable symbol – known as The Hop – for public transport services across NSW.

Each transport mode forms part of the transport brand family. The new brand signals to customers the move towards an integrated, and customer-focused network. It represents TfNSW's goal that

customers can go from one destination to another with ease and confidence.

Previously, public transport customers have had to deal with hundreds of competing logos, thousands of posters, multiple websites and some 800 brochures.

The new brand will bring NSW into line with global cities like London, Paris and Hong Kong, which have one integrated and recognisable brand for transport.

It will make it easier for customers to use public transport. It reflects all the changes underway in transport to improve the customer experience.

To minimise cost, it will be introduced progressively on maps, vehicles, uniforms, brochures, posters and on trains, buses ferries and light rail.

Asset Standards Authority

TfNSW established the Asset Standards Authority in 2012-13. It operates within it as the network design and standards authority for all NSW rail assets.

The ASA aims to foster best practice and the growth of engineering capability and capacity within industry through the authorising of organisations to provide engineering services on the NSW rail network.

Its achievements during its establishment period included:

- New frameworks and systems to facilitate broader industry participation in engineering activities
- A new process through which organisations can apply to become an Authorised

Engineering Organisation (AEO) to provide engineering services for NSW rail assets

- Authorisation of Sydney Trains and the Authorised Engineering Organisation Existing Projects as the first AEOs
- Developing and launching the ASA website, www.asa.transport.nsw.gov.au
- Publication of new ASA standards. All standards can be found on the ASA website
- Transfer of previous RailCorp standards to the ASA, and
- Completing industry round table events and information briefings.

Award for Transport Management Centre

The Transport Management Centre (TMC) received the Gartner Award for most innovative use of Business Process Modelling in the Asia Pacific, 2013. The award recognises the development and implementation of TMC's industry-leading fault management system installed in July 2012.

New TMC systems

- In March a remote electronic office, 'e-TMC' was successfully trialled in the event that the Eveleigh TMC was unable to operate due to an emergency.
- A disaster recovery plan was completed for the Sydney Coordinated Adaptive Traffic System, Central Management Computer System and systems that feed the Live Traffic website.
- A new communication and traffic management system between the TMC and Hills Motorway M2 Incident Management Systems has contributed to improved commuter travel times.

Economic guidelines for Transport investment initiatives

To provide a consistent framework for the economic assessment of projects in the Transport cluster, TfNSW developed the Principles and Guidelines for Economic Appraisal of Transport Investment and Initiatives framework. It sets out the concepts, methodology and procedures to be used in the evaluation of proposed investments and initiatives. The application of the guidelines will ensure that strategic alignment and value for money assessment are consistently applied across the cluster.

Human Resources and Business Services

Work continued throughout the reporting period on TfNSW's five-year Corporate and Shared Services Reform Program.

The Program, which began in January 2012, is developing new governance and structural arrangements to create efficient, effective and service-oriented corporate and shared services across the Transport cluster.

They will better support front line services. In 2012-13 capability reviews were carried out and recruitment largely completed across the Transport cluster for the following functions:

- Human Resources
- Finance, Audit and Risk
- Information and Privacy
- Safety and Quality
- Organisational Development, and
- Legal Services

Work is progressing on reviews of Information Technology and Transport Shared Services. These are due to be completed by June 2014.

A new Enterprise Resource Planning System for the Transport cluster is being implemented. It will reduce duplication and improve standardisation and automation of transactional functions including accounts payable and payroll.

Transport Shared Services

TfNSW delivers transactional and operational services for the Transport cluster.

These include financial services, payroll, recruitment, human resources, workers compensation, procurement, contract management, records and information management, facilities, fleet management and property management.

During 2012-13:

- Support was provided to the successful establishing of Sydney Trains and NSW Trains. Services provided included procurement and contract management, financial services, facilities management and personnel and payroll services. This included the move of more than 14,000 employees to the new organisations
- TfNSW fleet management services was consolidated and optimised, with StateFleet as the single supplier. RailCorp light motor vehicle fleet became part of StateFleet
- A Facilities Management framework was implemented across TfNSW. A managed service contract was concluded for all office accommodation.
- Significant support was provided to Roads and Maritime Services for the establishment of Service NSW. This included the fit-out of the first customer service centre in Kiama
- Achieved NSW Treasury's Corporate and Shared Services Reform Program Fiscal Effectiveness Office targets
- As part of Public Service Commission reforms, 1400 senior executives were transitioned to the Transport Senior Service

structure. To assist this, TfNSW established, simplified and centralised human resources and payroll operating arrangements, and

- Delivered a significant improvement in Small Business Vendor payment performance, meeting targets for on time payment.

Transport-wide Information Technology capability

A new transport-wide Technology Strategy was approved in March 2013. It defines the vision, governance framework and investment for an efficient transport-wide technology capability.

The strategy will deliver the technology-based business solutions and services for a fully customer-focused and integrated transport network.

It maps the steps required to ensure that information, business processes, resources and technology assets across transport are interoperable and support staff and customer mobility.

A new cluster-wide technology operating model has been defined and will be supported by a technology governance framework to guide technology investment decision-making and solution delivery across the cluster.

Focusing on the next three to five years, the Strategy will create a transport-wide technology function, realise efficiencies and deliver improved information and support to staff and customers.

Next Generation Infrastructure Service

TfNSW's Next Generation Infrastructure Services program is a series of information technology infrastructure-related projects. They aim to provide consistency in technology sourcing processes across the Transport cluster and alignment to overall business needs.

This includes standardising basic IT infrastructure services and consolidating outsourced infrastructure contracts and ancillary services.

Transport Enterprise Resource Planning program

The multi-year Transport-wide ERP program is a key enabler of the final Corporate and Shared Services Reform Program operating model.

A key component of the IT Strategy, it will deliver a common integrated ERP solution Transport-wide by standardising processes and systems.

Activity in 2012-13 focused on the business, technology and investment decisions concerning the current- and target-state ERP platforms. This was in preparation for tendering of the delivery services.

Information and Investigations Branch

TfNSW manages corporate policy, information and privacy functions across the Transport cluster.

This includes delivery of compliance and advisory services relating to the *Government Information (Public Access) Act 2009*, the *Privacy and Personal Information Protection Act 1998* and the *Health Records and Information Privacy Act 2002*.

A TfNSW unit is complemented by others in the transport operating agencies. TfNSW ensures all Information and Privacy teams provide consistent and high quality services.

Corporate policy instruments prepared by business areas across the Transport cluster are reviewed for organisational compliance.

Advice is also provided relating to information and privacy on:

- Complex policy matters affecting more than one transport agency
- Development of policy, procedures and tools, and
- Development and delivery of training.

A proposed structure for the investigation function is being developed.

Legal and governance

A Transport portfolio in-house legal team was formed during the year.

Legal teams are deployed to RMS, Sydney Trains and NSW Trains. STA has its own Corporate Counsel. The portfolio legal teams work together on legal matters that traverse more than one agency. They jointly engage external law firms wherever possible.

The Transport portfolio's external legal services panel began providing services on 1 August 2012. Following a public tender process, 29 firms were appointed in five areas of law.

Significant legal matters included the formation and commencement of Sydney Trains and NSW Trains on 1 July 2013.

The Governance team within TfNSW provides secretariat support for the Transport Advisory Board and executive committees of TfNSW.

Financial statements

Financial Performance Summary

During 2012-13 Transport for NSW (TfNSW) funded transport services and infrastructure provided by Government-owned and private sector entities to achieve equitable transport outcomes for the community of NSW.

In 2012-13 it was responsible for an initial total State budget allocation provided for transport of almost \$9.9 billion.

2012-13 Operating Result

The entity's Net Result in 2012-13 was \$178.3 million, which was \$5.3 million more than the budget of \$173.0 million.

Total expenses also increased in 2012-13 to \$10,262.9 million, compared to the budget of \$9,807.9 million. This increase was primarily due to additional grants and subsidies and transport operator contract payments.

Grants, subsidies and service contract payments were the major expense items in 2012-13. This expenditure included \$4,208.2 million provided to Roads & Maritime Services for the roads program; \$101.8 million for ferry services and related expenditure and \$3,348.8 million for rail improvements, maintenance and services provided to RailCorp. An amount of \$900.2 million was also provided to the State Transit Authority and private transport operators for bus services in metropolitan and outer metropolitan areas of Sydney, with a further \$389.9 million provided for bus services in rural and regional areas of NSW.

2012-13 Assets & Liabilities

The Statement of Financial Position as at 30 June 2013 disclosed total assets of \$4,469.5 million. These assets included the net book value of infrastructure, which is mainly rail infrastructure in country NSW, (\$1,704.5 million); new additional and replacement buses (\$991.7 million) funded under contracts for metropolitan and outer metropolitan bus services; \$607.8 million in land and buildings, mainly properties acquired for future transport corridors and work-in-progress on the new Electronic Ticketing System.

The disclosure of the rail infrastructure assets in country NSW, which were transferred to TfNSW on 1 July 2012, and the lease arrangements for additional new buses contributed to a total increase of \$2,219.9 million in the value of the total assets as at 30 June 2013, as compared to 30 June 2012.

TfNSW net assets totalled \$2,465.4 million as at 30 June 2013.

2012-13 Consolidated Fund Allocations

An initial recurrent budget allocation of \$9,598.5 million, including funding for major rail projects, was provided for transport for 2012-13.

After allowing for adjustments to the allocation, a total of \$9,575.1 million was used from the initial Consolidated Fund allocation in meeting recurrent expenditure in TfNSW, including grants and subsidies, transport operator contract payments and major rail capital project works transferred to RailCorp in 2012-13.

\$222.2 million of the capital allocation was used in 2012-13. This amount was mainly used to fund light rail and country rail infrastructure improvements and management information systems.

Financial Management

During the financial year TfNSW continued to maintain and further improve control over the financial aspects of core business operations and related projects to ensure that the entity was successfully able to operate within the budget allocation for 2012-13.

2012-13 Consolidated Financial Statements

In 2012-13 the Department of Transport again prepared consolidated financial statements for the following agencies and their special purposes entities or divisions:

- TfNSW
- Transport Service of NSW
- Rail Corporation
- Roads and Maritime Services and its division
- State Transit Authority and its divisions
- Sydney Ferries
- Sydney Metro (ceased operations on 30 June 2013)
- MTS Holding Company Pty Limited and its wholly owned subsidiaries

The consolidated financial statements for transport disclosed a net result in 2012-13 of \$1,703.3 million, with total comprehensive income for the year being \$6,298.8 million.

Total assets in the consolidated financial statements as at 30 June 2013 amounted to \$104,025.2 million, with net assets totalling \$9,557.4 million. The assets mainly consist of road, rail and maritime infrastructure (\$91,687.5 million) and also include rail rolling stock (\$3,917.2 million), bus related assets (\$1,093.5 million), and land and buildings (\$3,298.0 million).

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Department of Transport



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 comprise the statement of financial position as at 30 June 2013, 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 2013, and of the financial performance and the cash flows 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 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 Department Head determines is necessary to enable the preparation of financial statements that give a true and fair view and 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 entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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 other information that may have been hyperlinked to/from the financial statements.

Independence

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

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



A T Whitfield
Acting Auditor-General

18 October 2013
SYDNEY

Department of Transport

Financial statements for the year ended 30 June 2013

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 NSW General Government Sector Entities or issued by the Treasurer under section 9(2)(n) 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.



Tony Braxton-Smith
Acting Director General
17 October 2013

Department of Transport
Statement of comprehensive income
for the year ended 30 June 2013

		Consolidated		Parent	
		Actual	Actual	Actual	Actual
		2013	2012	2013	2012
	Notes	\$'000	\$'000	\$'000	\$'000
Expenses excluding losses					
Operating expenses					
Employee related expenses	2(a)	2,740,553	2,946,339	24,350	63,260
Personnel service expense	2(b)	-	-	-	34,146
Other operating expenses	2(c)	1,348,807	1,231,914	243	33,456
Maintenance	2(d)	1,254,997	1,465,684	-	104
Depreciation and amortisation	2(e)	2,286,836	1,994,255	-	16,235
Grants and subsidies	2(f)	650,405	552,356	-	2,417,142
Finance costs	2(g)	232,843	205,808	-	21,398
Other expenses	2(h)	973,546	854,469	-	413,450
Total expenses excluding losses		9,487,987	9,250,825	24,593	2,999,191
Revenue					
Recurrent appropriations	3(a)	7,999,371	9,378,797	-	2,905,834
Capital appropriations	3(b)	222,162	267,543	-	-
(Transfers to the Crown Entity)	3(c)	(128,833)	-	-	-
Sale of goods and services	3(d)	1,856,767	1,917,206	-	1,069
Investment revenue	3(e)	152,590	164,655	-	2,682
Other revenue	3(f)	249,135	197,317	-	1,285
Retained taxes, fees and fines	3(g)	17,080	24,540	-	1,147
Grants and contributions	3(h)	2,064,916	275,229	243	38,184
Acceptance by the Crown Entity of employee benefits and other liabilities	3(i)	26,682	15,200	840	3,437
Personnel service revenue	3(j)	-	-	23,510	72,589
Total Revenue		12,459,870	12,240,487	24,593	3,026,227
Gain/(loss) on disposal	4	47,542	2,261	-	-
Other gains/(losses)	5	(1,316,103)	(1,406,921)	-	(7)
Net result		1,703,322	1,585,002	-	27,029
Other comprehensive income					
<i>Items that will not be reclassified to net result</i>					
Net increase/(decrease) in asset revaluation reserve	13	4,202,145	(464,850)	-	-
Actuarial gains/(losses) on defined benefit superannuation schemes		359,304	(965,367)	-	-
<i>Items that may be reclassified subsequently to net result</i>					
Net losses in commodity swaps and foreign exchange		12,680	(3,495)	-	-
Other		21,341	10,585	-	-
Total other comprehensive income for the year		4,595,470	(1,423,127)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		6,298,792	161,875	-	27,029

The accompanying notes form part of these financial statements.

Department of Transport
Statement of financial position
as at 30 June 2013

		Actual	Actual	Parent	Actual
		2013	2012	2013	2012
	Notes	\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents	7	809,201	837,470	12,041	93,856
Receivables	8	525,824	582,134	1,011	258
Inventories	9	50,867	55,064	-	-
Financial assets at fair value	10	56,356	48,894	-	-
Non-current assets held for sale	11	28,622	68,320	-	-
Total current assets		1,470,870	1,591,882	13,052	94,114
Non-current assets					
Receivables	8	52,052	56,878	-	-
Inventories	9	24,050	32,347	-	-
Financial assets at fair value	10	558	28	-	-
Other financial assets	12	161,178	145,013	-	-
Property plant and equipment					
Land and buildings	13	3,298,044	3,347,776	-	-
Infrastructure systems	13	91,687,546	86,215,411	-	-
Plant and equipment	13	5,603,519	4,499,595	-	-
Total property, plant and equipment	13	100,589,109	94,062,782	-	-
Investment property	14	-	129,466	-	-
Intangible assets	15	654,511	552,942	-	-
Other assets	16	1,072,865	888,752	-	-
Deferred tax asset	17	-	97,417	-	-
Total non-current assets		102,554,323	95,965,625	-	-
Total assets		104,025,193	97,557,507	13,052	94,114
LIABILITIES					
Current liabilities					
Payables	18	1,498,334	1,724,926	10,349	89,395
Borrowings	19	772,831	243,592	-	-
Employee benefits	20	1,011,989	877,085	2,703	4,719
Other provisions	21	47,035	54,655	-	-
Other liabilities	22	206,438	211,472	-	-
Financial liabilities at fair value	23	5,262	13,811	-	-
Total current liabilities		3,541,889	3,125,541	13,052	94,114
Non-current liabilities					
Borrowings	19	3,319,466	2,584,207	-	-
Employee benefits	20	1,779,110	2,402,834	-	-
Other provisions	21	95,452	91,767	-	-
Other liabilities	22	393,830	553,382	-	-
Financial liabilities at fair value	23	302	2,355	-	-
Deferred tax liability	24	-	67,792	-	-
Total non-current liabilities		5,588,160	5,702,337	-	-
Total liabilities		9,130,049	8,827,878	13,052	94,114
Net assets		94,895,144	88,729,629	-	-
EQUITY					
Reserves		14,471,116	10,867,870	-	-
Accumulated funds		80,424,028	77,861,759	-	-
Total Equity		94,895,144	88,729,629	-	-

The accompanying notes form part of these financial statements.

**Department of Transport
Statement of changes in equity
for the year ended 30 June 2013**

Consolidated	Notes	Accumulated Funds \$'000	Assets Revaluation Surplus \$'000	Hedging Gains & Losses Reserves \$'000	Total \$'000
Balance at 1 July 2012		<u>77,861,759</u>	<u>10,883,228</u>	<u>(15,358)</u>	<u>88,729,629</u>
Net result for the year		<u>1,703,322</u>	<u>-</u>	<u>-</u>	<u>1,703,322</u>
Other comprehensive income:					
Derecognition of deferred tax assets and liabilities		(37,702)	59,043	-	21,341
Net gains in hedging contracts		-	-	12,680	12,680
Net increase in asset revaluation reserve	13	-	4,202,145	-	4,202,145
Actuarial gains on defined benefit superannuation schemes		<u>359,304</u>	<u>-</u>	<u>-</u>	<u>359,304</u>
Total other comprehensive income		<u>321,602</u>	<u>4,261,188</u>	<u>12,680</u>	<u>4,595,470</u>
Total comprehensive income for the year		<u>2,024,924</u>	<u>4,261,188</u>	<u>12,680</u>	<u>6,298,792</u>
Transaction with owners in their capacity as owners					
Transfers to/(from) reserves to accumulated funds		670,622	(670,622)	-	-
Equity transfers	33	<u>(133,277)</u>	<u>-</u>	<u>-</u>	<u>(133,277)</u>
Balance at 30 June 2013		<u>80,424,028</u>	<u>14,473,794</u>	<u>(2,678)</u>	<u>94,895,144</u>
 Balance at 1 July 2011		<u>47,307,265</u>	<u>39,852,534</u>	<u>(11,863)</u>	<u>87,147,936</u>
Net result for the year		<u>1,585,002</u>	<u>-</u>	<u>-</u>	<u>1,585,002</u>
Other comprehensive income:					
Net gains in hedging contracts		-	-	(3,495)	(3,495)
Net decrease in asset revaluation reserve	13	-	(464,850)	-	(464,850)
Actuarial losses on defined benefit superannuation schemes		(965,367)	-	-	(965,367)
Others		<u>18,400</u>	<u>(7,815)</u>	<u>-</u>	<u>10,585</u>
Total other comprehensive income		<u>(946,967)</u>	<u>(472,665)</u>	<u>(3,495)</u>	<u>(1,423,127)</u>
Total comprehensive income for the year		<u>638,035</u>	<u>(472,665)</u>	<u>(3,495)</u>	<u>161,875</u>
Transaction with owners in their capacity as owners					
Increase in net assets from equity transfers	31	1,419,818	-	-	1,419,818
Transfers to/(from) reserves to accumulated funds		<u>28,496,641</u>	<u>(28,496,641)</u>	<u>-</u>	<u>-</u>
Balance at 30 June 2012		<u>77,861,759</u>	<u>10,883,228</u>	<u>(15,358)</u>	<u>88,729,629</u>

The accompanying notes form part of these financial statements.

Department of Transport
Statement of changes in equity
for the year ended 30 June 2013

Parent		Accumulated Funds \$'000	Assets Revaluation Surplus \$'000	Hedging Gains & Losses Reserves \$'000	Total \$'000
	Notes				
Balance at 1 July 2012		-	-	-	-
Net result for the year		-	-	-	-
Other comprehensive income		-	-	-	-
Total other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	-	-
Transaction with owners in their capacity as owners					
Increase in net assets from equity transfers	31, 33	-	-	-	-
Balance at 30 June 2013		-	-	-	-
Balance at 1 July 2011		175,013	-	-	175,013
Net result for the year		<u>27,029</u>	-	-	<u>27,029</u>
Other comprehensive income		-	-	-	-
Total other comprehensive income		-	-	-	-
Total comprehensive income for the year		<u>27,029</u>	-	-	<u>27,029</u>
Transaction with owners in their capacity as owners					
Decrease in net assets from equity transfers	31, 33	<u>(202,042)</u>	-	-	<u>(202,042)</u>
Balance at 30 June 2012		-	-	-	-

The accompanying notes form part of these financial statements.

Department of Transport
Statement of cash flows
for the year ended 30 June 2013

		Consolidated		Parent	
		Actual 2013 \$'000	Actual 2012 \$'000	Actual 2013 \$'000	Actual 2012 \$'000
Notes					
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments					
Employee related		(2,596,228)	(2,625,058)	(26,889)	(95,753)
Grants and subsidies		(726,385)	(854,831)	-	(2,439,902)
Finance costs		(211,573)	(187,602)	-	(21,390)
Other		(4,519,657)	(3,801,037)	(79,035)	(530,130)
Total Payments		(8,053,843)	(7,468,528)	(105,924)	(3,087,175)
Receipts					
Recurrent appropriation		7,999,371	9,378,797	-	2,905,834
Capital appropriation (excluding equity appropriations)		219,892	269,813	-	-
Cash transfers to the Consolidated Fund		-	-	-	(2,784)
Sale of goods and services including GST refunds		1,955,747	2,700,068	24,109	266,823
Retained taxes, fees and fines		18,907	14,313	-	1,147
Interest received		70,155	82,211	-	3,056
Grants and contributions		1,668,649	-	-	-
Other		5,736	-	-	-
Total Receipts		11,938,457	12,445,202	24,109	3,174,076
NET CASH INFLOWS FROM OPERATING ACTIVITIES	28	3,884,614	4,976,674	(81,815)	86,901
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		186,042	40,825	-	-
Purchases of property, plant and equipment and intangible assets		(4,333,622)	(4,852,345)	-	(21,026)
Advances made		(82)	(472)	-	(12)
Other		12,334	-	-	-
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES		(4,135,328)	(4,811,992)	-	(21,038)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings and advances		1,571,494	3,202,334	-	-
Repayment of borrowings and advances		(1,157,305)	(3,689,000)	-	-
Other		27,431	-	-	-
NET CASH INFLOWS FROM FINANCING ACTIVITIES		441,620	(486,666)	-	-
NET INCREASE/(DECREASE) IN CASH					
Opening cash and cash equivalents		885,576	1,106,128	93,856	70,118
Cash and cash equivalents transferred (out)/in as a result of administrative restructure		-	101,432	-	(42,125)
Cash reserve transferred to the Crown Entity	33	(213,253)	-	-	-
CLOSING CASH AND CASH EQUIVALENTS	7	863,229	885,576	12,041	93,856

The accompanying notes form part of these financial statements.

**Department of Transport
Service group statements
for the year ended 30 June 2013**

CONSOLIDATED REPORTING ENTITY'S EXPENSES AND INCOME	Rail services *		Buses and related services *		Road and maritime services *		Ferry services *		Integrated transport services *		Inter-services elimination		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses excluding losses														
Operating expenses														
• Employee related expenses	1,551,643	1,641,644	428,838	436,784	585,264	662,893	11,848	92,892	245,093	73,159	(82,133)	38,967	2,740,563	2,946,339
• Personnel service expense	68,379	51,157	-	-	65,089	92,142	-	-	105,140	166,105	(238,608)	(309,404)	-	-
• Other operating expenses	643,786	567,345	130,557	130,958	528,396	458,229	3,074	29,450	293,106	157,830	(250,112)	(111,898)	1,348,807	1,231,914
• Maintenance	694,498	719,560	48,248	50,212	492,545	686,421	2,026	8,727	3,848	1,550	13,832	(786)	1,254,997	1,465,684
Depreciation and amortisation	872,560	986,043	83,533	79,961	1,207,563	904,851	19,079	21,317	104,446	3,063	(345)	-	2,286,836	1,994,255
Grants and subsidies	-	-	104,415	100,266	476,495	413,478	75,991	-	7,614,433	7,832,811	(7,620,929)	(7,794,199)	650,405	552,356
Finance costs	84,347	41,801	85,033	89,422	79,102	88,976	-	473	13,516	10,485	(29,155)	(25,349)	232,843	205,808
Other expenses	-	786	821,391	793,922	-	-	-	-	8,301	13,150	143,854	46,611	973,546	854,469
Total expenses excluding losses	3,915,213	4,008,336	1,702,015	1,680,525	3,434,454	3,306,990	112,018	152,859	8,387,883	8,258,173	(8,063,596)	(8,156,058)	9,487,987	9,250,825
Revenue														
Government contributions (Transfers to the Crown Entity)	2,245,306	3,232,985	1,231,727	1,318,328	4,446,431	4,432,069	5,493	120,086	8,631,036	8,320,603	(8,311,778)	(7,762,531)	8,248,215	9,661,540
Sale of goods and services	-	-	-	-	(128,833)	-	-	-	-	-	-	-	(128,833)	-
Investment revenue	1,262,680	1,193,061	344,378	319,017	584,726	513,851	22,875	42,219	155,917	150,771	(513,809)	(331,825)	1,856,767	1,887,094
Retained taxes, fees and fines	41,158	69,347	723	869	84,672	82,974	334	560	22,098	10,905	3,605	-	152,590	164,655
Grants and contributions	1,467	8,528	798	1,038	14,814	42,907	-	14	1	2,165	-	-	17,080	54,652
Other revenue	1,117,145	79,521	49,625	48,682	113,804	185,083	-	-	14,805	32,837	769,537	(70,894)	2,064,916	275,229
	5,064	4,733	-	-	241,400	192,586	2,671	-	3,943	3,802	(3,943)	(3,804)	249,135	197,317
Total Revenue	4,672,820	4,588,175	1,627,251	1,687,934	5,357,014	5,449,470	31,373	162,879	8,827,800	8,521,083	(8,056,388)	(8,169,054)	12,459,870	12,240,487
Gain / (loss) on disposal	(15,087)	1,310	(802)	(480)	53,747	1,672	-	(202)	-	(39)	9,684	-	47,542	2,261
Other gains / (losses)	(229,270)	(432,685)	-	(4,077)	(1,130,919)	(970,150)	38,751	-	15,019	7	(9,684)	(16)	(1,316,103)	(1,406,921)
NET RESULT FOR THE YEAR	513,250	148,484	(75,566)	2,852	845,388	1,174,002	(41,894)	9,818	454,936	262,878	7,208	(13,012)	1,703,322	1,585,002
Other Comprehensive Income														
Increase / (decrease) in assets revaluation reserve	-	65,919	-	31,842	4,199,034	(662,611)	1,799	-	-	-	1,312	-	4,202,145	(464,850)
Other - mainly actuarial superannuation gains / (losses)	132,742	(348,577)	41,700	(50,540)	218,883	(549,686)	-	(9,466)	-	(8)	-	-	393,325	(959,277)
Total Other Comprehensive Income	132,742	(282,658)	41,700	(18,698)	4,417,917	(1,112,297)	1,799	(9,466)	-	(8)	1,312	-	4,595,470	(1,423,127)
TOTAL COMPREHENSIVE INCOME	645,992	(134,174)	(33,866)	(15,846)	5,263,305	61,705	(40,095)	352	454,936	262,870	8,520	(13,012)	6,298,792	161,875

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

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**Department of Transport
Service group statements
for the year ended 30 June 2013**

	Rail services *		Buses and related services *		Roads and maritime services *		Ferry services *		Integrated transport services *		Inter-services elimination		Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
CONSOLIDATED ADMINISTERED EXPENSES AND INCOME														
Administered Expenses														
Transfer payments	-	-	-	-	-	-	-	-	43,661	-	-	-	43,661	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Administered Expenses	-	-	-	-	-	-	-	-	43,661	-	-	-	43,661	-
Administered Income														
Private Transport Operators' Fees	-	-	-	-	-	-	-	-	-	29,980	-	-	-	29,980
Port Cargo Access Charges	-	-	-	-	2,834,998	2,680,989	-	-	-	16,229	-	-	-	16,229
Taxes, fees and fines	-	-	-	-	43,803	36,901	-	-	44,216	355	-	-	2,879,214	2,681,344
Other	-	-	-	-	-	-	-	-	-	-	-	-	43,803	36,901
Total Administered Incomes	-	-	-	-	2,878,801	2,717,890	-	-	44,216	46,564	-	-	2,923,017	2,764,454
Administered Income less Expenses	-	-	-	-	2,878,801	2,717,890	-	-	555	46,564	-	-	2,879,356	2,764,454

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

Administered assets and liabilities are disclosed in Note 30.

**Department of Transport
Service group statements
for the year ended 30 June 2013**

CONSOLIDATED REPORTING ENTITY'S ASSETS AND LIABILITIES	Rail services *		Buses and related services *		Roads and maritime services *		Ferry services *		Integrated transport services *		Inter-services elimination		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current Assets														
Cash and cash equivalents	157,243	118,355	36,980	18,237	244,589	356,671	15,538	15,097	354,851	329,110	-	-	809,201	837,470
Receivables	227,857	200,219	20,217	13,820	197,513	329,691	2,235	29,463	451,397	354,371	(373,395)	(345,430)	525,824	582,134
Inventories	32,814	35,107	7,699	8,152	10,354	11,805	-	-	-	-	-	-	50,867	55,064
Financial assets at fair value	2,328	788	-	-	54,028	48,106	-	-	-	-	-	-	56,356	48,894
Non-current assets held for sale	504	1,754	4,998	406	23,120	22,525	-	34,350	-	9,285	-	-	28,622	69,320
Total current assets	420,746	356,223	69,894	40,615	529,604	768,798	17,773	78,910	806,248	692,766	(373,395)	(345,430)	1,470,870	1,591,882
Non-current Assets														
Receivables	48,864	50,698	1,360	13	1,828	6,167	-	-	-	-	-	-	52,052	56,878
Inventories	24,050	32,347	-	-	-	-	-	-	-	-	-	-	24,050	32,347
Financial assets at fair value	558	28	-	-	-	-	-	-	-	-	-	-	558	28
Property plant and equipment	29,927,137	28,158,346	1,378,701	1,382,582	69,158,000	64,446,711	106,783	71,550	18,488	3,593	-	-	100,589,109	94,062,782
Other financial assets	-	-	-	-	160,425	144,342	-	-	753	671	-	-	161,178	145,013
Intangible assets	229,883	242,770	1,373	2,383	154,433	136,447	-	-	268,822	171,342	-	-	654,511	552,942
Other assets	57,210	70,085	-	-	981,970	818,657	33,685	-	-	-	-	-	1,072,865	888,752
Deferred tax asset	-	-	-	97,417	-	-	-	-	-	-	-	-	-	97,417
Investment property	-	-	-	-	-	129,466	-	-	-	-	-	-	-	129,466
Total non-current assets	30,287,702	28,554,284	1,381,434	1,482,395	70,456,656	65,681,790	140,468	71,550	288,063	175,606	-	-	102,554,323	95,965,625
TOTAL ASSETS	30,708,448	28,910,507	1,451,328	1,523,010	70,986,260	66,450,588	158,241	150,460	1,094,311	868,372	(373,395)	(345,430)	104,025,193	97,557,507

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

**Department of Transport
Service group statements
for the year ended 30 June 2013**

CONSOLIDATED REPORTING ENTITY'S ASSETS AND LIABILITIES	Rail services *		Buses and related services *		Roads and maritime services *		Ferry services *		Integrated transport services *		Inter-services elimination		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current liabilities														
Payables	589,116	689,472	62,632	56,072	651,806	894,886	1,367	5,604	608,126	413,446	(414,713)	(334,554)	1,498,334	1,724,926
Borrowings	488,670	13,663	34,174	48,447	135,739	70,737	-	-	114,248	110,745	-	-	772,831	243,592
Employee benefits	574,430	615,139	109,252	100,863	301,085	85,610	951	59,833	26,271	15,640	-	-	1,011,989	877,085
Other provisions	39,382	38,404	2,042	10,619	1,301	5,356	60	276	4,250	-	-	-	47,035	54,655
Other	21,530	22,252	4,060	3,652	172,497	183,298	8,351	-	-	2,270	-	-	206,438	211,472
Financial liabilities at fair value	5,262	13,811	-	-	-	-	-	-	-	-	-	-	5,262	13,811
Total current liabilities	1,718,390	1,392,741	212,160	219,653	1,262,428	1,239,887	10,729	65,713	752,895	542,101	(414,713)	(334,554)	3,541,889	3,125,541
Non-current liabilities														
Borrowings	1,345,883	599,266	803,072	788,672	909,671	1,043,163	-	-	260,840	153,106	-	-	3,319,466	2,584,207
Employee benefits	609,712	742,310	189,127	215,382	980,271	1,445,142	-	-	-	-	-	-	1,779,110	2,402,834
Other provisions	71,725	81,060	227	161	18,463	10,440	287	106	4,750	-	-	-	95,452	91,767
Other	-	-	-	-	393,788	553,337	-	-	42	45	-	-	393,830	553,382
Deferred tax liability	-	-	-	67,792	-	-	-	-	-	-	-	-	-	67,792
Financial liabilities at fair value	302	2,355	-	-	-	-	-	-	-	-	-	-	302	2,355
Total non-current liabilities	2,027,622	1,424,991	992,426	1,072,007	2,302,193	3,052,082	287	106	265,632	153,151	-	-	5,588,160	5,702,337
TOTAL LIABILITIES	3,746,012	2,817,732	1,204,586	1,291,660	3,564,621	4,291,969	11,016	65,819	1,018,527	695,252	(414,713)	(334,554)	9,130,049	8,827,878
NET ASSETS / (LIABILITIES)	26,962,436	26,092,775	246,742	231,350	67,421,639	62,158,619	147,225	84,641	75,784	173,120	41,318	(10,876)	94,895,144	88,729,629

The inter-services eliminations represent the net effect of the consolidation adjustments that impact on both the statement of comprehensive income and statement of financial position.

* The names and purposes 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 2013

Department of Transport and Transport for NSW	2013				2012			
	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								
• Appropriations Act	9,598,503	7,999,371	280,674	222,162	9,712,165	9,367,474	218,595	216,325
• s 24 PF&AA - transfers of functions between entities	(15,300)	-	-	-	-	-	-	-
	<u>9,583,203</u>	<u>7,999,371</u>	<u>280,674</u>	<u>222,162</u>	<u>9,712,165</u>	<u>9,367,474</u>	<u>218,595</u>	<u>216,325</u>
OTHER APPROPRIATIONS / EXPENDITURE								
• Treasurer's Advance	-	-	2,270	-	-	-	47,218	47,218
• Transfers to / from another entity (s31 of the Appropriation Act)	(1,575,728)	-	-	-	19,256	11,323	4,000	4,000
	<u>(1,575,728)</u>	<u>-</u>	<u>2,270</u>	<u>-</u>	<u>19,256</u>	<u>11,323</u>	<u>4,000</u>	<u>4,000</u>
							51,218	51,218
Total Appropriations / Expenditure / Net Claim on Consolidated Fund (includes transfer payments)	8,007,475	7,999,371	282,944	222,162	9,731,421	9,378,797	269,813	267,543
Amount draw down against Appropriation		-		-		9,378,797		269,813
Liability to Consolidated Fund (Note 22)		7,999,371		222,162		-		(2,270)

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 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Department of Transport - Reporting entity*

The Department of Transport is a NSW Government entity. The Department is a not-for-profit entity as profit is not its principal objective and it has no cash generating units. The parent entity carried out many of the planning, procurement, delivery and coordination functions for transport services and infrastructure in NSW until 1 November 2011 when these functions were transferred to Transport for NSW. From 1 November 2011, the parent entity has provided personnel services to Transport for NSW. As such, the prior year comparatives of the parent entity are not comparable to the current year.

The reporting entity is consolidated as part of the NSW Total State Sector financial statements.

The Department of Transport as a reporting entity, comprises all the entities under its control, namely:

- Transport for NSW (from 1 November 2011)
- Transport Service of New South Wales (from 1 November 2011)
- Roads and Maritime Services (from 1 November 2011)
- Sydney Ferries
- State Transit Authority
- Rail Corporation New South Wales
- Sydney Trains (from 7 December 2012)
- NSW Trains (from 7 December 2012)
- Sydney Metro
- MTS Holding Company Pty Limited (formerly ACN 156 211 906 Pty Limited) (from 12 March 2012)
- Metro Transport Sydney Pty Limited (from 23 March 2012)
- Sydney Light Rail Co Pty Limited (from 23 March 2012)
- Metro Transport Security Co Pty Limited (from 23 March 2012)
- Pymont Light Rail Co Limited (from 23 March 2012)
- SLR Corporate Development Pty Limited (from 23 March 2012)
- Light Rail Construction Co Pty Limited (from 23 March 2012)

The Transport Administration Act 1988 states that the affairs of Transport for NSW are to be managed and controlled by the Director General. The Director General is defined as the Director General of the Department of Transport. Consistent with the Director General's power of direction it is considered that the Department of Transport has control for the purposes of preparing consolidated financial statements for the above agencies and special purpose entities or divisions.

The *Transport Legislation Amendment Act 2011* was proclaimed on 1 November 2011. As a result of that Act the Roads and Traffic Authority and NSW Maritime together with their associated entities were abolished on 31 October 2011 with all assets and liabilities as at that date transferring to new entities created under the Act. Those new entities are Roads and Maritime Services (RMS) and Roads and Maritime Services Division (RMS Division).

As a result of amendments to the *Transport Administration Act 1988* (the Act) the following changes were made to the controlled entities in the Department of Transport group:

Country Rail Infrastructure Authority and Public Transport Ticketing Corporation were abolished on 1 July 2012 and their functions and roles transferred to Transport for NSW.

On 7 December 2012, NSW Trains and Sydney Trains were established as public subsidiary corporations of RailCorp under the Transport Administration (General) Amendment (Sydney Trains and NSW Trains) Regulation 2012. The agencies will operate services in the Sydney suburban, inner-city and regional areas previously operated by RailCorp and are controlled entities of Transport for NSW. The agencies will commence operation on 1 July 2013.

The first financial year for both Sydney Trains and NSW Trains will cover a period of approximately 19 months from their establishment on 7 December 2012 to 30 June 2014.

On 24 April 2013 the Minister for Transport signed a vesting order to transfer all the assets, rights and liabilities of Metro Transport Sydney Pty Limited and its five subsidiaries to MTS Holding Company Pty Limited. This effectively transferred the operations and functions of those entities to MTS Holding Company Pty Limited and as such Metro Transport Sydney Pty Limited and its five subsidiaries were deregistered on 17 July 2013.

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2013**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) *Department of Transport - Reporting entity (cont'd)*

These consolidated financial statements of Department of Transport for the year ended 30 June 2013 were authorised for issue by the Director General on the date the accompanying statement was signed.

(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-entity transactions and balances. The controlled entities are consolidated from the date the parent entity obtained control and until such time as control passes.

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 NSW General Government Sector Entities 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.

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

In the application of accounting standards and the Financial Reporting Code for NSW General Government Sector Entities (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 13.

Other assets note 1(o)(xxiv) and note 16.

Employee benefits note 1(p)(iii) and note 20.

Commitments - Rollingstock Public Private Partnership note 25.

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2013**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) *Statement of compliance*

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

Exemption from the Financial Reporting Code

The reporting entity was granted exemption by the Treasurer of NSW under S 45E of the *Public Finance and Audit Act 1983* from complying fully with the requirement of the Code. The exemption 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. This exemption does not impact on the financial performance of the reporting entity.

The reporting entity was granted a further exemption from the requirement to include the Budget column in the primary consolidated financial statements (Note 27).

(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 note 30.

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

(g) *Employee related expenses*

Employee related expenses 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 Employee Benefits note 1(p)(iii).

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

Personnel services

In addition to permanent staff, whose cost was included in employee related expenses, the parent entity also engaged staff from group entities on a fee for services basis in the prior period. The cost of these seconded staff is recognised as fee for personnel service in the Statement of Comprehensive Income. Refer to note 2(b).

(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, road and maritime infrastructure systems and do not include employee-related expenses (refer also to Note 1(o)(ix) and Note 2(d)).

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2013**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(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*

Other expenses include payments to bus and ferry operators for the provision of bus and ferry 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 Expense*

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.

In 2012, Treasury advised that MTS Holding Company Pty Limited is a "for profit" government owned business entity, as such it is included in the Taxation Equivalent Regime for government businesses. Tax effect accounting for this entity is not applied. Tax is determined on a net operating result basis.

On 12 February 2013, Treasury approved the change in classification of State Transit Authority (STA) from "for-profit" entity to "not-for-profit" entity. The Authority has been exempted from the National Tax Equivalent Regime (NTER) effective from 1 July 2012. The deferred tax assets and liabilities as at 1 July 2012 have been derecognised.

Prior to 1 July 2012 tax effect accounting was applied for State Transit Authority using the balance sheet method. The income tax expense or benefit for the year was the tax payable on the 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 \$51.0 million (2012: \$3.1 million) and is included in other expenses (note 2(h)).

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.

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) *Accounting for the Goods and Services Tax (GST) and Income Tax Expense (cont'd)*

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 (note 17 and 24).

(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:

(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 in the next financial year. The liability is disclosed under other liabilities (Note 22).

(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) Retained taxes, fines and fees

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

(iv) Investment revenue

Interest revenue on cash and cash equivalents and financial assets at fair value through profit or loss are recognised in accordance with 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.

(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 includes mainly 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)(xxiv)).

(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, road and maritime infrastructure including related land and buildings).

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2013**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) *Assets (cont'd)*

(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. As Roads and Maritime Services (RMS) is the owner of the seabed of the major NSW ports, costs incurred by Port Corporations in NSW in capital dredging (harbour deepening) of channels are recorded as an RMS asset. A corresponding amount is recorded as "Long-term channel fees unearned income" and amortised over a period of 99 years.

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).

Under certain long-term lease agreements where development has been carried out by the private sector, Roads and Maritime Services may take control of various wharf constructions after 99 years. Due to the length of time until control may be achieved, they are currently recorded at \$1. In addition, certain wetland leases may be returning to Roads and Maritime Services in a relatively short period of time. These assets have been independently valued and are stated at fair value in the Statement of Financial Position.

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.

(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.

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2013**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) *Assets (cont'd)*

(iii) Valuation of property, plant and equipment (cont'd)

The depreciated replacement cost method is used to revalue specialised buildings (designed for a specific limited purpose), trackwork and rail infrastructure systems, road infrastructure systems, maritime 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 net result, the increment is recognised immediately as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, 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.

(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.

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) *Assets (cont'd)*

(v) Impairment of property, plant and equipment (cont'd)

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. 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
Maritime systems	5-40 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 2013**

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

As lessee

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, at the commencement of the lease term, the asset is recognised at its fair value or, if lower, the present value of the minimum lease payments, at the inception of the lease. 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.

As lessor

The reporting entity, as the lessor, classifies its long term land leases (typically where the initial lease term exceeds 50 years), as finance leases if it transfers to the lessee substantially all the risks and rewards incidental to ownership of the land. The leased assets are recognised as current and non-current receivables at amounts equal to the net investment in the leases.

The lease receipt is recognised in two components, one as a reduction of the lease receivables and the other as a finance income. The finance income is calculated relevant to the term of the lease.

(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.

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) *Assets (cont'd)*

(xii) *Intangible assets (cont'd)*

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 cash facility. 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 investment revenue.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(xiv) *Inventories*

Generally inventories are held for distribution (consumed in the ordinary activities of the reporting entity). Inventories held for distribution are stated at cost, adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount. 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 net result 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.

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2013**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) *Assets (cont'd)*

(xvii) Investment properties

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition, investment properties are revalued annually and stated at fair value, which is based on active market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset at the reporting date. Gains and losses arising from changes in the fair value of investment properties are included in the statement of comprehensive income in the year in which they arise.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains and or losses on the derecognition of an investment property are recognised in the Statement of Comprehensive Income in the year of derecognition.

Transfers are made to and from investment property when, and only when, there is a change in use. Where properties are transferred from investment property, the deemed cost for subsequent accounting is its fair value at the date of change in use.

Rental income and operating expenses from investment property are reported within revenue and other expenses respectively.

(xviii) Business combinations

The reporting entity applies the acquisition method in accounting for business combinations.

The consideration transferred by the reporting entity to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred and liabilities incurred, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The reporting entity recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred and (b) the recognised amount of any non-controlling interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

Goodwill acquired in a business combination is not amortised. Instead, it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

(xix) Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. See Note 1(o)(xviii) for information on how goodwill is initially determined and carried in the statement of financial position.

(xx) 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.

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) *Assets (cont'd)*

(xx) *Investments (cont'd)*

- **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 10). Gains or losses on these assets are recognised in the net result 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 net result 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 net result for the year. However, interest calculated using the effective interest method and dividends are recognised in the net result 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.

Unquoted investment in subsidiaries incorporated as proprietary companies are stated at cost less accumulated impairment in the parent entity's statement of financial position. The investment is subject to at least annual reviews for impairment.

(xxi) *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 net result 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 net result 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 net result for the year.

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) *Assets (cont'd)*

(xxi) Impairment of financial assets (cont'd)

Any reversals of impairment losses are reversed through the net result 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.

(xxii) 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.

(xxiii) 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.

(xxiv) 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)(iv)).

(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.

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2013**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) *Liabilities (cont'd)*

(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 the net result 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

(a) *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.

(b) *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 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.

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2013**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) *Liabilities (cont'd)*

(iii) Employee benefits (cont'd)

Apart from the parent entity and Transport Service of New South Wales, 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 (SASS, SANCSS and SSS), 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) as at reporting date and the estimated net market value of the superannuation scheme's 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
- For defined benefit plan, the expense as determined by the actuaries.

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 the 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) and (iv).

(ii) Accumulated funds

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

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2013**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(q) *Equity and reserves (cont'd)*

(iii) 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).

(iv) 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 entities 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 transferee agency recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the transferee agency does not recognise that asset.

(r) *Budgeted amounts*

The reporting entity was granted an exemption from the requirement to include the budget column in the primary consolidated financial statements. The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period as adjusted for S24 of the *Public Finance and Audit Act 1983* (allocations adjustments for transfer of functions between departments). Other amendments made to the budget are not reflected in the budget amounts (see Note 1(e) and Note 27).

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2013**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(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 (until 30 June 2012) - Transport Construction Authority (until 31 March 2012) - Sydney Metro - Sydney Trains (from 7 December 2012) - NSW Trains (from 7 December 2012) - MTS Holding Company Pty Limited (from 12 March 2012)
Buses and related services	- State Transit Authority - Transport for NSW contributions for bus transport services in the metropolitan, outer metropolitan and rural and regional areas of New South Wales
Road and maritime services	- Roads and Maritime Services
Ferry services	- Sydney Ferries - Private ferries
Integrated transport services	- Department of Transport - Transport for NSW - Transport Service of New South Wales

Integrated transport services activity is responsible for:

- (a) policy formulation,
- (b) program and contract management,
- (c) passenger transport compliance and regulation,
- (d) transport project development and
- (e) opal electronic transport ticketing project.

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 2013**

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.

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 2013 in accordance with Treasury mandated policy. 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 9 Financial Instruments, AASB 2010-7 and 2012-6 Amendments to Australian Accounting Standards arising from AASB 9 and Transition Disclosures	AASB 9 introduces new requirements for the classification, measurement and derecognition of financial assets and financial liabilities. AASB 9 has replaced the four key categories for financial assets in AASB139 by two main measurement categories – either amortised cost or fair value. It was further amended by AASB 2010-7 to reflect amendments to accounting for financial liabilities. AASB 2012-6 defers the mandatory effective date of AASB 9 to annual report period beginning on or after 1 January 2015. It also require additional disclosures on transition from AASB 139 to AASB 9 in some circumstances	1 January 2015	The impact on the consolidated financial statements is not expected to be significant.
AASB 10 Consolidated Financial Statements and AASB 2012-10 Amendment to Australian Accounting Standards - Transition Guidance and Other Amendments	AASB 10 replaces the consolidation requirements in AASB 127 and AASB Interpretation 112. AASB 10 introduces a new principles-based control model that considers power, rights and exposure to variable returns to determine whether an entity has control over an investee. The standard requires the parent entity to present consolidated financial statements as those of a single economic entity.	1 January 2014	The impact on the consolidated financial statements is not expected to be significant.

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2013**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Standard	Summary of key requirements / changes	Applicable to annual reporting periods beginning on or after	Impact on Reporting Entity's Financial Statements
AASB 11 Joint Arrangements and AASB 2012-10 Amendment to Australian Accounting Standards – Transition Guidance and Other Amendments	AASB 11 replaces AASB 131 and AASB Interpretation 113. AASB 11 uses the principle of control in AASB 10 to define joint control, classifies joint arrangements as either joint operation or joint venture. Accounting for joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint venture is accounted for using the equity method, and joint operation is account for by recognising the share of assets and liabilities.	1 January 2014	The impact on the consolidated financial statements is not expected to be significant due to the absence of material joint arrangements.
AASB 12 Disclosure of Interests in other Entities and AASB 2012-10 Amendment to Australian Accounting Standards - Transition Guidance and Other Amendments	In line with AASB 10 and AASB 11, AASB 12 sets the disclosure requirements for entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. It helps users to better assess the nature and financial effects of an entity's investment in other entities.	1 January 2014	The standard may impact on the type of information disclosed however there will be no impact on any amounts recognised in the consolidated financial statements.
AASB 13 Fair Value Measurement and AASB 2011-8	AASB 13 defines fair value, establishes a single framework or guidance for the measuring of fair value and requires enhanced disclosures about fair value measurements. AASB 13 applies when another standard requires or permits fair value measurements or disclosures. The standard establishes a three tier "fair value hierarchy".	1 January 2013	The reporting entity's major assets – property, plant and equipment and investment properties are recognised at fair value. NSW Treasury is considering the implications of the changes and will provide future directions.

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2013**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Standard	Summary of key requirements / changes	Applicable to annual reporting periods beginning on or after	Impact on Reporting Entity's Financial Statements
AASB 119 Employee Benefits AASB 2011-10 and AASB 2011-11	AASB 119 mainly impacts the accounting for defined benefit pension schemes. The corridor approach for the recognition of actuarial gains and losses has been removed, as has the option to recognise actuarial gains and losses in profit or loss. The impact of this is that all actuarial gains and losses will be recognised in other comprehensive income in the period in which they arise. In addition, the calculation of net interest cost has changed. There will no longer be separate calculations of the expected return on plan assets and the interest cost of funding the defined benefit obligation. Instead, a single rate is applied to the net of the defined benefit obligation and plan assets.	1 January 2013 with retrospective implementation	The requirements for measurement of employer liabilities and assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities and assets, are substantially different under the revised AASB 119. NSW Treasury is considering the implications of the changes and will provide future directions.
AASB 127 Separate Financial Statements and AASB 2012-10	AASB 127 Consolidated and Separate Financial Statements has been renamed Separate Financial Statements. The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements (in addition to consolidated financial statements). The Standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates and jointly controlled entities are accounted for either at cost or in accordance with AASB 9 Financial Instruments.	1 January 2014	The AASB may modify the application of this standard to the not-for-profit entities. As such it is not practical to assess the impact of its application on the reporting entity's consolidated financial statements.
AASB 128 Investments in Associates and Joint ventures and AASB 2012-10	AASB 128 prescribes the accounting for investments in associates and defines "significant influence". It sets out the requirement for the application of the equity method when accounting for investments in associates and joint ventures.	1 January 2014	The impact on the consolidated financial statements is not expected to be significant.

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2013**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Standard	Summary of key requirements / changes	Applicable to annual reporting periods beginning on or after	Impact on Reporting Entity's Financial Statements
AASB 1053 and AASB 2010-2 regarding differential reporting	AASB 1053 requires entities that prepare general purpose financial statements to adopt Tier 1 (full compliance with AASB) or Tier 2 (Reduced Disclosure Requirements).	1 July 2013	NSW Treasury expects all public sector entities to prepare accounts in accordance with Tier 1 requirements.
AASB 1055 Budgetary Reporting and AASB 2013-1 Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements	AASB 1055 specifies budgetary disclosure requirements for the whole of government, General Government Sectors (GGS) and not-for-profit entities within the GGS of each government. AASB 2013-1 relocates AASB 1049 requirements into AASB 1055 to make it the complete reference on Budgetary Reporting.	1 July 2014	The impact on the consolidated financial statements is not expected to be significant, as the entity is exempted from budgetary reporting in the primary statements by NSW Treasury.
AASB 2010-10 regarding removal of fixed dates for first time adopters	AASB 2010-10 amendments affect AASB 1 First Time Adoption of Australian Accounting Standards and provide relief for first-time adopters of Australian Accounting Standards.	1 July 2013	The impact on the consolidated financial statements is not expected to be significant.

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

2 EXPENSES EXCLUDING LOSSES

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
(a) Employee related expenses				
Salaries and wages (including annual leave)	2,170,278	2,223,659	16,607	44,076
Superannuation - defined benefit plans	(13,599)	16,011	512	1,026
Superannuation - defined contribution plans	138,127	140,007	1,198	3,323
Long service leave	65,372	139,209	300	2,355
Workers' compensation insurance	24,695	41,334	84	183
Payroll tax and fringe benefit tax	128,811	128,025	1,455	2,732
Redundancy Payments	101,344	124,341	4,194	2,284
Other	1,179	27,162	-	93
Skilled hire contractors	124,346	106,591	-	7,188
	<u>2,740,553</u>	<u>2,946,339</u>	<u>24,350</u>	<u>63,260</u>

Employee related costs of \$443.7 million (2012: \$398.3 million) (parent entity: nil (2012: nil)) have been capitalised in property, plant and equipment and intangible assets (computer systems) and are excluded from the above.

RailCorp incurred a net gain of \$20.6 million (2012: \$2.9 million) due to the expected return on superannuation defined benefit plan assets exceeding the current service and interest costs. All other agencies had a combined net cost of \$7.0 million (2012: \$18.9 million).

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
(b) Personnel service expense				
Fees for Personnel Services	-	-	-	34,146
	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,146</u>

Personnel service expense comprises fees charged to the parent entity for personnel services provided by various controlled entities in the prior year.

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

2 EXPENSES EXCLUDING LOSSES (cont'd)

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
(c) Other operating expenses:				
Auditors' remuneration - audit of the financial statements	2,782	2,935	243	60
Bad and doubtful debts	10	72	-	-
Cashback refund M5	70,201	67,486	-	-
Communications	52,533	42,969	-	637
Consultants	12,197	15,364	-	411
Electricity and gas	101,600	89,115	-	28
Fleet hire and leasing charges including access fees	47,326	52,237	-	141
Fuel costs	88,055	98,749	-	31
General expenses	174,653	172,274	-	4,227
Information technology	124,276	104,574	-	1,456
Insurance	55,551	53,184	-	173
Internal audit fees	536	661	-	17
Land and buildings remediation	2,760	6,842	-	-
Legal costs	35,487	37,567	-	2,303
Materials	41,649	28,278	-	-
Office expenses	97,801	59,965	-	4,962
Other contractors	256,038	212,735	-	14,767
Payments to councils and external bodies	11,154	14,736	-	-
Rental expense relating to operating leases	104,626	90,650	-	3,201
Security costs	22,413	34,430	-	836
Sydney Harbour Tunnel operating expenses	31,785	32,362	-	-
Taxes, rates and related charges	4,130	3,763	-	-
Travel expenses	11,244	10,966	-	206
	<u>1,348,807</u>	<u>1,231,914</u>	<u>243</u>	<u>33,456</u>

General expenses of \$174.7 million (2012: \$172.2 million) includes bus services for rail replacement, public liability claims, merchant and bank fees, vehicles number plates and occupational health and safety expenses.

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
(d) Maintenance				
Maintenance - general	57,394	25,001	-	104
Maintenance - buses and ferries	39,530	47,989	-	-
Maintenance - rail infrastructure systems	372,505	422,149	-	-
Maintenance - trains	320,694	296,114	-	-
Maintenance - road infrastructure systems	452,626	664,202	-	-
Maintenance - maritime infrastructure systems	12,248	10,229	-	-
	<u>1,254,997</u>	<u>1,465,684</u>	<u>-</u>	<u>104</u>
<i>Reconciliation - Total maintenance</i>				
Maintenance expense - contracted labour and other (non-employee related), as above	1,254,997	1,465,684	-	104
Employee related maintenance expense included in Note 2(a)	502,966	551,691	-	-
Total maintenance expense included in Note 2(a) + 2(d)	<u>1,757,963</u>	<u>2,017,375</u>	<u>-</u>	<u>104</u>

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

2 EXPENSES EXCLUDING LOSSES (cont'd)

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
(e) Depreciation and amortisation				
Depreciation (Note 13)				
<i>Infrastructure systems:</i>				
Depreciation - maritime systems	10,203	6,641	-	-
Depreciation - road systems	1,142,678	849,936	-	-
Depreciation - rail systems	706,672	744,528	-	-
<i>Buildings:</i>				
Depreciation - buildings	31,011	28,319	-	3
<i>Plant and equipment:</i>				
Depreciation - rolling stock	172,939	172,867	-	-
Depreciation - ferries	17,588	16,255	-	-
Depreciation - buses	42,235	39,418	-	-
Depreciation - plant and equipment	77,518	68,976	-	293
Depreciation - finance leased buses	28,838	25,394	-	15,219
Total Depreciation	2,229,682	1,952,334	-	15,515
Amortisation				
Amortisation - computer systems (Note 15)	57,154	41,921	-	720
	<u>2,286,836</u>	<u>1,994,255</u>	<u>-</u>	<u>16,235</u>
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
(f) Grants and subsidies				
Taxi transport subsidy scheme	25,871	26,080	-	8,515
Community transport groups	55,676	53,041	-	23,643
Private vehicle conveyance	22,868	21,145	-	9,907
RailCorp	-	-	-	790,881
Country Rail Infrastructure Authority	-	-	-	55,143
Sydney Ferries	-	-	-	33,305
Carparks and interchanges	7,024	8,322	-	1,251
Roads and Maritime Services	-	-	-	1,484,615
Grants under road safety program	-	12,753	-	-
Grants to local councils – maintenance of transport infrastructure	404,232	379,514	-	22
Grants to local councils – transfer of roads and bridges	68,643	25,066	-	-
Other	66,091	26,435	-	9,860
	<u>650,405</u>	<u>552,356</u>	<u>-</u>	<u>2,417,142</u>

The grants and subsidies to various entities in the Transport cluster were paid by the parent entity and by Transport for NSW in 2011-12 and by Transport for NSW in 2012-13. These payments were eliminated on consolidation in accordance with Note 1(b).

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

2 EXPENSES EXCLUDING LOSSES (cont'd)

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
(g) Finance costs				
Finance lease interest charges	162,144	119,870	-	21,390
Interest expense on NSW TCorp borrowings	61,073	72,329	-	-
Interest expense on non-current provisions and liabilities (Note 21)	4,807	6,541	-	-
Debt guarantee	-	80	-	-
Other finance costs	4,819	6,988	-	8
	<u>232,843</u>	<u>205,808</u>	<u>-</u>	<u>21,398</u>
(h) Other expenses				
Service costs – metropolitan and outer metropolitan bus operators	450,598	457,915	-	266,526
Major events - hire of bus and rail services	6,086	5,053	-	1,822
Service costs – rural and regional private bus operators	389,905	374,508	-	123,729
Project costs expensed	-	13,936	-	21,373
Income tax expense (Note 1(m))	50,966	3,057	-	-
Service costs - ferry operators	75,991	-	-	-
	<u>973,546</u>	<u>854,469</u>	<u>-</u>	<u>413,450</u>

3 REVENUE

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
(a) Recurrent appropriations				
Total recurrent drawdowns from NSW Treasury (per summary of compliance with financial directives)	7,999,371	9,378,797	-	2,905,834
Less: Liability to Consolidated Fund (per summary of compliance with financial directives) (Note 22)	-	-	-	-
Recurrent appropriations (per statement of comprehensive income)	<u>7,999,371</u>	<u>9,378,797</u>	<u>-</u>	<u>2,905,834</u>
(b) Capital appropriations				
Total capital drawdowns from NSW Treasury (per summary of compliance with financial directives)	222,162	269,813	-	-
Less: Liability to Consolidated Fund (per summary of compliance with financial directives) (Note 22)	-	2,270	-	-
Capital appropriations (per statement of comprehensive income)	<u>222,162</u>	<u>267,543</u>	<u>-</u>	<u>-</u>

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

3 REVENUE (cont'd)

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
(c) Transfers to the Crown Entity				
Asset sale proceeds transferred	(124,833)	-	-	-
Other transfers	(4,000)	-	-	-
	<u>(128,833)</u>	<u>-</u>	<u>-</u>	<u>-</u>

Proceeds from sale of buildings of \$124.8 million (2012: nil) and dividend income of \$4.0 million (2012: nil) transferred to the Crown Entity.

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
(d) Sale of goods and services				
Passenger service revenue	1,108,414	1,096,956	-	-
Toll revenue including E-Tag	140,181	137,415	-	-
Access fees	66,317	67,492	-	-
Number plates	103,188	93,771	-	-
Fees earned from maritime infrastructure assets	54,865	30,112	-	-
Works & services including construction contract revenue	52,697	120,541	-	-
Third party insurance data access charges	18,855	17,901	-	-
Advertising	51,209	46,770	-	-
Publications	6,961	7,012	-	-
Fees for services rendered including salary recoupments	71,580	69,842	-	713
Other	177,379	229,394	-	356
Ferry lease revenue	5,121	-	-	-
	<u>1,856,767</u>	<u>1,917,206</u>	<u>-</u>	<u>1,069</u>

Other revenue of \$177.4 million (2012: \$229.4 million) includes vehicle related fees, commissions, tours, catering, leases, sale of scrap, sale of products and the early repayment of third party contract contributions on the transfer of the inland route to Australian Rail and Track Corporation.

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
(e) Investment revenue				
Rents	112,946	104,738	-	466
NSW TCorp Hour-Glass Investment Facilities designated at fair value through profit or loss	14,682	41,834	-	-
Interest revenue from financial assets not at fair value through profit or loss	20,174	10,583	-	2,216
Interest on finance lease receivables	4,788	7,500	-	-
	<u>152,590</u>	<u>164,655</u>	<u>-</u>	<u>2,682</u>

Rental income related to: (a) property which is held mainly to earn rental income (\$13.5 million (2012: \$8.7 million)) and for capital appreciation (nil (2012: loss - \$3.0 million)) and this property is reported as an investment property (Note 14) in the statement of financial position; (b) other properties which are primarily held to support the core transport functions of the reporting entity. The leasing of parts of these properties (\$99.4 million (2012: \$96.0 million)) is therefore, incidental to the core function of the reporting entity. Accordingly, these properties are reported as property, plant and equipment (Note 13) in the statement of financial position.

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

3 REVENUE (cont'd)

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
(f) Other revenue				
Value of emerging interests of Private Sector Provided Infrastructure (Notes 1(o)(xxiv) and 16)	168,378	158,146	-	1,285
Amortisation of deferred revenue on Private Sector Provided Infrastructure	14,048	12,179	-	-
M2 and Eastern Distributor promissory notes	8,504	15,806	-	-
Value of emerging interests in Sydney Harbour Tunnel loan	7,580	7,116	-	-
Value of other emerging interests	15,029	4,070	-	-
Other	4,424	-	-	-
Recognition of infrastructure assets	31,172	-	-	-
	249,135	197,317	-	1,285

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
(g) Retained taxes, fees and fines				
Taxi operators accreditation renewal fees	2,130	2,165	-	1,147
Fines	14,950	22,375	-	-
	17,080	24,540	-	1,147

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

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
(h) Grants and contributions				
Community transport grants	49,625	48,682	-	20,933
NSW Government agencies - others (Non-transport)	50,614	12,981	-	-
Private firms and individuals	36,013	62,884	-	-
Transport entities	-	-	243	17,251
Crown Entity	1,827,907	-	-	-
Local councils	96,976	3,018	-	-
Other government agencies - inter-state and Commonwealth Government	3,781	147,664	-	-
	2,064,916	275,229	243	38,184

Community transport grants of \$49.6 million (2012: \$48.7 million) represent grants received from the Department of Family and Community Services, Ageing, Disability and Home Care for the Community Transport Group funding scheme.

Local councils grants of \$97.0 million (2012: \$3.0 m) include roads and bridges transferred (fair value - \$45.0 million (2012: \$3.0 million)) to the reporting entity.

Grant of \$1,827.9 million (2012: nil) from the Crown Entity to fund RailCorp capital projects (\$1,557.9 million (2012: nil)), the Westconnex project (\$25.0 million (2012: nil)), natural disaster monies (\$182.0 million (2012: nil)) and redundancies (\$63.0 million (2012: nil)).

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

3 REVENUE (cont'd)

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
(i) Acceptance by the Crown Entity of employee benefits and other liabilities				
Superannuation - defined benefit	21,022	2,875	512	1,026
Long service leave	5,538	12,236	300	2,355
Payroll tax	122	89	28	56
	<u>26,682</u>	<u>15,200</u>	<u>840</u>	<u>3,437</u>

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
(j) Personnel service revenue				
Fees for personnel services provided	-	-	23,510	72,589
	<u>-</u>	<u>-</u>	<u>23,510</u>	<u>72,589</u>

4 GAINS / (LOSSES) ON DISPOSAL

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Proceeds from disposal including credit sales	390,223	42,965	-	-
Written down value of property, plant and equipment disposed(Note 13)	(206,527)	(40,704)	-	-
Carrying amount of investment property sold(Note 14)	(129,466)	-	-	-
Written down value of intangible assets disposed(Note 15)	(6,688)	-	-	-
Net gain on disposal	<u>47,542</u>	<u>2,261</u>	<u>-</u>	<u>-</u>

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

5 OTHER GAINS / (LOSSES)

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment				
Revaluation increment/(decrement) (Note 13) ⁽¹⁾	39,172	(796,975)	-	-
Impairment (Note 13) ⁽²⁾	(1,316,983)	(969)	-	-
Write offs and asset transfers free of charge	-	(658,068)	-	(7)
Gain/(loss) on disposal of non-current assets held for sale	(34,784)	-	-	-
	<u>(1,312,595)</u>	<u>(1,456,012)</u>	<u>-</u>	<u>(7)</u>
Receivables				
Impairment (Note 8)	(3,087)	(5,867)	-	-
	<u>(3,087)</u>	<u>(5,867)</u>	<u>-</u>	<u>-</u>
Other				
Investment property fair value gains/(losses) (Note 14)	-	(2,823)	-	-
Impairment on right to receive ferry inventory	(421)	-	-	-
Bargain purchase gain on acquisition of MTS Group	-	57,781	-	-
	<u>(421)</u>	<u>54,958</u>	<u>-</u>	<u>-</u>
	<u>(1,316,103)</u>	<u>(1,406,921)</u>	<u>-</u>	<u>(7)</u>

⁽¹⁾ The revaluation increment of ferries in 2012-13 is \$41.0 million (Note 13). The \$39.2 million revaluation increment above is reversing the previous revaluation decrement and the balance of \$1.8 million has been charged to the asset revaluation reserve.

⁽²⁾ RailCorp entered a lease transferring the management and operation of Sydney Metropolitan Freight Network to Australian Rail Track Corporation Limited which resulted in the derecognition of \$228.5 million of certain assets. Writedown of land acquired for future roadworks of \$312.2 million due to change of valuation technique recognised prospectively and write off of road infrastructure assets of \$776.3 million by Roads and Maritime Services.

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.

7 CASH AND CASH EQUIVALENTS

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	500,653	146,638	12,041	93,856
Short-term deposits with NSW TCorp	261,280	594,293	-	-
Public revenue bank account	39,767	36,265	-	-
Security deposits	7,501	60,274	-	-
	<u>809,201</u>	<u>837,470</u>	<u>12,041</u>	<u>93,856</u>

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand, and all investments with NSW TCorp.

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

7 CASH AND CASH EQUIVALENTS (cont'd)

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		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents (per statement of financial position)	809,201	837,470	12,041	93,856
Financial assets at fair value (Note 10)	54,028	48,106	-	-
Closing cash and cash equivalents (per statement of cash flows)	863,229	885,576	12,041	93,856

Refer Note 32 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 32(c)).

Restricted cash and cash equivalents

Cash and cash equivalent assets include restricted cash of \$231.5 million (2012: \$104.0 million) (parent entity: nil (2012: \$94.0 million)) which can only be used for specific purposes and are, therefore, not available to fund the ongoing operations of the reporting entity.

8 RECEIVABLES

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Current receivables				
Sale of goods and services	196,069	156,773	1,011	258
Retained taxes, fees and fines	1,447	4,737	-	-
Goods and Services Tax recoverable	189,731	110,595	-	-
Prepayments	52,380	29,624	-	-
Income receivable	44,481	97,981	-	-
Other receivables	43,301	160,719	-	-
Investment income receivable	3,690	3,617	-	-
Finance leases	237	28,817	-	-
Crown Entity	3,966	-	-	-
	535,302	592,863	1,011	258
Less: Allowance for impairment	9,478	10,729	-	-
	525,824	582,134	1,011	258
Movement in the allowance for impairment:				
Balance at 1 July	10,729	6,143	-	26
Transfer of provision on administrative restructure	-	1,267	-	(26)
Increase in allowance (Note 5)	3,087	5,867	-	-
Bad debts written off	(4,338)	(2,548)	-	-
Balance at 30 June	9,478	10,729	-	-
Non-current receivables				
Finance leases	30,568	30,820	-	-
Other receivables	21,484	26,058	-	-
	52,052	56,878	-	-

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

8 RECEIVABLES (cont'd)

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 32.

9 INVENTORIES

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Current inventories held for distribution				
Materials, spare parts and other stores	56,142	59,663	-	-
Work in progress	1,234	1,088	-	-
Less: Provision for obsolescence	(6,509)	(5,687)	-	-
	<u>50,867</u>	<u>55,064</u>	<u>-</u>	<u>-</u>
Non-current inventories held for distribution				
Materials, spare parts and other stores	24,050	32,347	-	-
	<u>24,050</u>	<u>32,347</u>	<u>-</u>	<u>-</u>

10 FINANCIAL ASSETS AT FAIR VALUE

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Current				
Financial assets held for trading				
Derivative financial instruments	2,328	788	-	-
Financial assets at fair value through profit or loss				
Tcorp Hour-Glass investment facilities (Note 7)	54,028	48,106	-	-
	<u>56,356</u>	<u>48,894</u>	<u>-</u>	<u>-</u>
Non-current				
Financial assets held for trading				
Derivative financial instruments	558	28	-	-
Total	<u>558</u>	<u>28</u>	<u>-</u>	<u>-</u>

Refer to Note 32 for further information regarding credit risk, liquidity risk, and market risk arising from financial instruments.

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 reporting entity has derivative financial instruments as an asset and liability.

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).

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

10 FINANCIAL ASSETS AT FAIR VALUE (cont'd)

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.

11 NON-CURRENT ASSETS HELD FOR SALE

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Non-current assets held for sale				
Land and buildings	23,560	49,973	-	-
Plant and equipment	64	9,873	-	-
Infrastructure systems	-	8,068	-	-
Buses	4,998	406	-	-
Total	28,622	68,320	-	-

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

12 OTHER FINANCIAL ASSETS

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Non-current other financial assets				
Interest free advances to taxi operators ⁽¹⁾	753	671	-	-
Loan to Sydney Harbour Tunnel Company ⁽²⁾	119,127	111,547	-	-
Promissory Notes ⁽³⁾	41,298	32,795	-	-
	161,178	145,013	-	-

Refer to Note 32 for further information regarding credit risk, liquidity risk, and market risk arising from financial instruments.

¹ The reporting entity provides repayable interest-free loans to assist taxi operators (in rural and regional NSW) to make taxis wheel-chair accessible. The reporting entity holds bills of sale as security for these advances and has recorded its financial interests in the vehicles in the Register of Encumbered Vehicles.

² This loan is considered to be part of the reporting entity's interest in the Sydney Harbour Tunnel and at reporting date has been valued on a net present value (NPV) basis. The loan is due for repayment on 31 December 2022.

³ Promissory notes relate to amounts receivable under the Private Sector Road Toll agreement in respect of the M2 Motorway and Eastern Distributor. The promissory notes are redeemable at the earlier of the achievement of certain Internal Rate of Return (IRR) or the end of the respective concession period. The promissory notes are valued on a net present value (NPV) basis at reporting date.

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

13 PROPERTY, PLANT AND EQUIPMENT

	Infrastructure systems					Plant and equipment					Total property, plant and equipment \$'000
	Land and buildings \$'000	Road systems \$'000	Rail systems \$'000	Maritime systems \$'000	Total \$'000	Plant and equipment \$'000	Finance leased buses \$'000	Rolling stock \$'000	Buses \$'000	Ferries \$'000	
Consolidated											
At 30 June 2012											
At cost	-	-	-	-	-	-	-	584,509	-	-	584,509
Accumulated depreciation and impairment	-	-	-	-	-	-	(75,307)	-	-	-	(75,307)
At fair value	3,492,067	81,827,506	38,677,563	1,522,569	122,027,638	990,716	-	7,452,015	1,057,608	240,190	9,740,529
Accumulated depreciation and impairment	(144,291)	(21,646,606)	(14,025,338)	(140,283)	(35,812,227)	(566,093)	-	(4,513,734)	(478,334)	(191,975)	(5,750,136)
Net carrying amount	3,347,776	60,180,900	24,652,225	1,382,286	86,215,411	424,623	509,202	2,938,281	579,274	48,215	4,499,595
At 30 June 2013											
At cost	-	-	-	-	-	-	-	566,295	-	-	566,295
Accumulated depreciation and impairment	-	-	-	-	-	-	(54,571)	-	-	-	(54,571)
At fair value	3,473,340	96,509,615	36,735,846	996,928	134,242,389	1,123,290	-	8,449,148	950,230	280,857	10,803,525
Accumulated depreciation and impairment	(175,296)	(30,760,835)	(11,659,209)	(134,799)	(42,554,843)	(609,303)	-	(4,531,925)	(388,436)	(202,066)	(5,711,730)
Net carrying amount	3,298,044	65,748,780	25,076,637	862,129	91,687,546	513,987	511,724	3,917,223	561,794	78,791	5,603,519

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

13 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The reclassifications comprise mainly transfer of plant and equipment to intangible assets and finance lease receivables.

Roads were transferred to and from councils.

* The net revaluation increment is included in the statement of changes equity apart from an increment of \$39.2 million which is a reversal of a prior year impairment and as such the increment is recognised in the net result (Note 5).

(a) The full valuation on infrastructure assets; roads, bridges and land and building acquired for future road works, were performed in 2012-2013.

(b) Roads and Maritime Services (RMS) engaged external professional valuers to perform road assets full revaluation and utilise RMS engineers to perform a bridge asset full revaluation.

(c) All road infrastructure assets are stated at fair value using the depreciated replacement cost (DRC) approach.

The methods and significant assumptions applied in estimating the 'Roads' asset class fair values include Primary Approach, Secondary Approach and Hybrid Approach.

Due to the specialised nature of RMS's 'Roads' asset class and the roads are not sold or traded, the fair value for this asset class cannot be determined with reference to the observable prices in an active market or recent market transactions on arm's length terms. Instead, the fair value has been determined using the valuation techniques mentioned above, primarily with reference to current tendered contracted rates produced by the RMS Project Management Office.

Land and buildings acquired for future road works, where possible, the fair value are determined by reference to recent market transactions, using the following methods and assumptions:

- The pre-acquisition market value was used as the base value for determining fair value
- The base value for land and building parcels acquired after 1999 has been increased by movements in the NSW Valuer-General's Land Price Index (LPI) for the period 2000-2012.
- For land and buildings parcels purchased prior to 2000 or where pre-acquisition market values were not available, a rate per square metre was calculated from recent market transactions within the same or similar Local Government Areas and applied to the current parcel area.

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

13 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 previous 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	Maritime 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 2012												
Net carrying amount at start of year	3,646,792	59,245,725	24,271,744	-	83,517,469	473,106	479,797	2,667,363	565,110	55,615	4,240,991	91,405,252
Additions	553,950	2,597,788	1,255,956	19,737	3,873,481	64,571	54,799	430,575	125,085	8,943	683,973	5,111,404
Transfers to and from other transport entities	1,909	-	4,141	-	4,141	(3,578)	-	-	-	-	(3,578)	2,472
Acquisition on business combinations	-	-	4,887	-	4,887	-	-	-	-	-	-	4,887
Net revaluation increment less revaluation decrements *	(877,148)	148,665	343,717	-	492,382	1,898	-	13,210	-	-	15,108	(369,658)
Disposals	(2,924)	(186,546)	(159,600)	(7,427)	(353,573)	(6,154)	-	-	(745)	(88)	(6,987)	(363,484)
Reclassifications (refer to note below)	(54,336)	53,103	(739)	(1,048)	51,316	(56,025)	-	-	(70,758)	-	(126,783)	(129,803)
Depreciation expense (Note 2(d)(e))	(28,319)	(849,936)	(744,528)	(6,641)	(1,601,105)	(68,976)	(25,394)	(172,867)	(39,418)	(16,255)	(322,910)	(1,952,334)
Impairment losses	(7,025)	(791,309)	6,047	-	(785,262)	-	-	-	-	-	-	(792,287)
Transfers to and from other transport entities (refer to note below)	114,877	(36,590)	(329,400)	1,377,665	1,011,675	19,781	-	-	-	-	19,781	1,146,333
Net carrying amount at end of year	3,347,776	60,180,900	24,652,225	1,382,286	86,215,411	424,623	509,202	2,938,281	579,274	48,215	4,499,595	94,062,782

* The net revaluation is recognised in the statement of changes in equity.

13 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

13 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.

	Plant and Equipment					Total Property, Plant & Equipment \$'000
	Infrastructure					
	Land and buildings \$'000	Rail systems \$'000	Total \$'000	Plant and equipment \$'000	Finance leased buses \$'000	Total \$'000
Year ended 30 June 2013						
Net carrying amount at beginning of the year	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Depreciation expense (Note2(e))	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Net carrying amount at end of year	-	-	-	-	-	-
Year ended 30 June 2012						
Net carrying amount at beginning of the year	55,606	38,398	38,398	2,560	881,810	978,374
Additions	414	3,450	3,450	126	41,321	45,311
Disposals	(3)	-	-	(5)	-	(5)
Depreciation expense(Note2(e))	(56,017)	(41,848)	(41,848)	(293)	(15,219)	(15,515)
Transfer to and from owners (Note 31)	-	-	-	(2,388)	(907,912)	(1,008,165)
Net carrying amount at end of year	-	-	-	-	-	-

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

14 INVESTMENT PROPERTY

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July - fair value	129,466	-	-	-
Transactions with owners as owners	-	132,289	-	-
Disposals and assets held for sale	(129,466)	-	-	-
Net gain / (loss) from fair value adjustment (Note 5)	-	(2,823)	-	-
Closing balance as at 30 June - fair value	<u>-</u>	<u>129,466</u>	<u>-</u>	<u>-</u>

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
The following amounts have been recognised in net result for the year:				
Rental income (Note 3(e))	13,538	8,731	-	-
Direct operating expenses arising from investment properties that generated rental income (Note 2(c))	11,787	1,742	-	-

15 INTANGIBLE ASSETS

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Intangible assets - computer systems				
Cost (gross carrying amount)	947,471	797,294	-	-
Accumulated amortisation and impairment	(292,960)	(244,352)	-	-
Net carrying amount at fair value	<u>654,511</u>	<u>552,942</u>	<u>-</u>	<u>-</u>
Net carrying amount at beginning of the year	552,942	310,426	-	17,938
Additions	168,843	230,504	-	1,815
Reclassifications from plant and equipment (Note 13)	(3,432)	58,477	-	-
Amortisation expense (Note 2(e))	(57,154)	(41,921)	-	(720)
Acquisitions through administrative restructure	-	860	-	(19,033)
Disposals and write offs	(6,688)	(5,404)	-	-
Net carrying amount at end of year	<u>654,511</u>	<u>552,942</u>	<u>-</u>	<u>-</u>

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

16 OTHER ASSETS

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Non-current other assets				
Right to receive privately financed transport infrastructure (see below for movements)	1,027,258	858,880	-	-
Milestone advances under rollingstock Public Private Partnerships (PPP) contract	11,922	29,872	-	-
Right to receive ferry inventory	33,685	-	-	-
	<u>1,072,865</u>	<u>888,752</u>	<u>-</u>	<u>-</u>
Movement in right to receive privately financed transport infrastructure				
Balance 1 July 2012	858,880	733,439	-	32,707
Period increment - emerging right to receive (Note 3(f))	168,378	158,146	-	1,285
Transactions with owners as owners - transfer to TfNSW	-	-	-	(33,992)
Revaluation decrement	-	(32,705)	-	-
Net carrying amount at end of year	<u>1,027,258</u>	<u>858,880</u>	<u>-</u>	<u>-</u>

17 DEFERRED TAX ASSET

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Non-current Deferred tax asset				
Deferred tax asset (Note 1(m))	-	97,417	-	-
	<u>-</u>	<u>97,417</u>	<u>-</u>	<u>-</u>

The deferred tax asset was derecognised following the approval from Treasury to reclassify STA from "for-profit" to "not-for-profit" effective from 1 July 2012 (Note 1(m)).

18 PAYABLES

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Current payables				
Accrued salaries, wages and on-costs	64,809	66,418	265	601
Trade creditors	248,412	414,799	-	88,625
Interest	16,778	22,330	-	-
Accruals	1,136,803	1,171,905	177	169
Other creditors	31,532	49,474	9,907	-
	<u>1,498,334</u>	<u>1,724,926</u>	<u>10,349</u>	<u>89,395</u>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 32.

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

19 BORROWINGS

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Current borrowings				
Secured				
NSW Treasury advances repayable	2,130	2,011	-	-
NSW TCorp borrowings	629,571	126,434	-	-
Finance leases (Note 25)	140,981	114,656	-	-
Other loans and deposits	149	491	-	-
	<u>772,831</u>	<u>243,592</u>	<u>-</u>	<u>-</u>
Non-current borrowings				
Secured				
NSW Treasury advances repayable	4,206	6,337	-	-
NSW TCorp borrowings	1,063,430	1,081,420	-	-
Finance leases (Note 25)	2,251,596	1,496,079	-	-
Other loans and deposits	234	371	-	-
	<u>3,319,466</u>	<u>2,584,207</u>	<u>-</u>	<u>-</u>

The finance leases relate to the provision of a maintenance facility, simulators and trains under a public private partnership (PPP) for rolling stock and 'deemed finance lease' arrangements for buses under the Sydney, metropolitan and outer metropolitan bus contracts with private transport operators.

Repayment of Borrowings

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Not later than one year	772,831	243,592	-	-
Between one and five years	1,545,249	1,169,511	-	-
Later than five years	1,774,217	1,414,696	-	-
Total borrowings at face value	<u>4,092,297</u>	<u>2,827,799</u>	<u>-</u>	<u>-</u>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 32.

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

20 EMPLOYEE BENEFITS

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Current employee benefits				
Annual leave	294,438	290,062	2,008	3,724
Long service leave	604,326	407,731	477	-
Workers' compensation insurance	24,570	24,850	56	107
Payroll tax	3,030	4,212	73	553
Fringe benefits tax	100	131	89	45
Public holidays	23,849	24,175	-	-
Superannuation	-	21,854	-	290
Severance payments/redundancies	61,573	104,070	-	-
Other	103	-	-	-
	<u>1,011,989</u>	<u>877,085</u>	<u>2,703</u>	<u>4,719</u>
Non-current employee benefits				
Annual leave	-	1,334	-	-
Long service leave	60,212	292,085	-	-
Severance payments/redundancies	19,977	-	-	-
Payroll tax	-	703	-	-
Workers' compensation insurance	106,493	117,174	-	-
Superannuation	<u>1,592,428</u>	<u>1,991,538</u>	<u>-</u>	<u>-</u>
	<u>1,779,110</u>	<u>2,402,834</u>	<u>-</u>	<u>-</u>

Defined-benefit superannuation overview

This overview only relates to those entities whose defined benefit superannuation schemes are not assumed by the Crown Entity.

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 2013	SASS	SANCSS	SSS	Total
	\$'000	\$'000	\$'000	\$'000
Under funded schemes				
Accrued liability	2,581,919	267,585	1,427,866	4,277,370
Estimated reserve account balance	<u>(1,851,458)</u>	<u>(209,432)</u>	<u>(624,052)</u>	<u>(2,684,942)</u>
Under funded schemes at the end of the year	<u>730,461</u>	<u>58,153</u>	<u>803,814</u>	<u>1,592,428</u>
Future service liability	131,570	85,975	22,103	239,648

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

20 EMPLOYEE BENEFITS (cont'd)

Year ended 30 June 2012	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Under funded schemes				
Accrued liability	2,663,002	305,254	1,545,199	4,513,455
Estimated reserve account balance	<u>(1,736,408)</u>	<u>(192,740)</u>	<u>(573,511)</u>	<u>(2,502,659)</u>
Under funded schemes at the end of the year	<u>926,594</u>	<u>112,514</u>	<u>971,688</u>	<u>2,010,796</u>
Future service liability	170,771	86,753	36,368	293,892

The superannuation liabilities of \$1,592.4 million (2012: \$2,010.8 million) comprises superannuation defined benefits liabilities (see table above).

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.

• **Number of members in superannuation schemes**

Year ended 30 June 2013	SASS No.	SANCSS No.	SSS No.	Total No.
Contributors	5,155	5,516	361	11,032
Deferred benefits	-	-	51	51
Pensioners	724	-	1,217	1,941
Pensions fully commuted	<u>-</u>	<u>-</u>	<u>503</u>	<u>503</u>
	<u>5,879</u>	<u>5,516</u>	<u>2,132</u>	<u>13,527</u>
 Year ended 30 June 2012	 SASS No.	 SANCSS No.	 SSS No.	 Total No.
Contributors	5,794	6,234	439	12,467
Deferred benefits	-	-	54	54
Pensioners	529	-	1,172	1,701
Pensions fully commuted	<u>-</u>	<u>-</u>	<u>507</u>	<u>507</u>
	<u>6,323</u>	<u>6,234</u>	<u>2,172</u>	<u>14,729</u>

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

20 EMPLOYEE BENEFITS (cont'd)

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

Year ended 30 June 2013	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Present value of defined benefit obligations at the beginning of the year	2,671,190	301,383	1,548,292	4,520,865
Current service costs	35,909	12,125	1,595	49,629
Interest cost	78,117	8,652	46,543	133,312
Contributions by Fund participants	24,225	-	6,073	30,298
Actuarial losses / (gains)	(47,782)	(37,402)	(116,324)	(201,508)
Benefits paid	(179,740)	(17,173)	(58,314)	(255,227)
Present value of defined benefit obligations at the end of the year	2,581,919	267,585	1,427,865	4,277,369

Year ended 30 June 2012	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Present value of defined benefit obligations at the beginning of the year	2,360,997	278,682	1,134,248	3,773,927
Current service costs	35,293	12,083	5,151	52,527
Interest cost	119,298	13,911	58,717	191,926
Contributions by fund participants	25,708	-	6,962	32,670
Actuarial gains / (losses)	327,053	36,444	397,582	761,079
Benefits paid	(205,347)	(35,866)	(57,461)	(298,674)
Present value of defined benefit obligations at the end of the year	2,663,002	305,254	1,545,199	4,513,455

• **Reconciliation of the fair value of Fund assets**

Year ended 30 June 2013	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Fair value of Fund assets at the beginning of the year	1,731,018	191,108	575,267	2,497,393
Expected return on Fund assets	139,347	15,023	47,213	201,583
Actuarial gains / (losses)	121,292	16,064	51,828	189,184
Employer contributions	15,316	4,410	1,985	21,711
Contributions by Fund participants	24,225	-	6,073	30,298
Benefits paid	(179,740)	(17,173)	(58,314)	(255,227)
Fair value of Fund assets at the end of the year	1,851,458	209,432	624,052	2,684,942

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

20 EMPLOYEE BENEFITS (cont'd)

Year ended 30 June 2012	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Fair value of Fund assets at the beginning of the year	1,877,314	223,488	617,004	2,717,806
Expected return on fund assets	153,666	18,126	51,229	223,021
Actuarial gains / (losses)	(137,068)	(18,045)	(45,950)	(201,063)
Employer contributions	22,137	5,037	1,727	28,901
Contributions by Fund participants	25,706	-	6,962	32,668
Benefits paid	(205,347)	(35,866)	(57,461)	(298,674)
Fair value of Fund assets at the end of the year	1,736,408	192,740	573,511	2,502,659

• **Reconciliation of the assets and liabilities recognised in the statement of financial position**

Year ended 30 June 2013	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Present value of partly funded defined benefit obligations at the end of year	2,581,919	267,585	1,427,866	4,277,370
Fair value of Fund assets at the end of the year	(1,851,458)	(209,432)	(624,052)	(2,684,942)
Net Liability recognised in the statement of financial position at end of year	730,461	58,153	803,814	1,592,428

Year ended 30 June 2012	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Present value of partly funded defined benefit obligations at the end of year	2,663,002	305,254	1,545,199	4,513,455
Fair value of Fund assets at the end of the year	(1,736,408)	(192,740)	(573,511)	(2,502,659)
Net Liability recognised in statement of financial position at end of year	926,594	112,514	971,688	2,010,796

• **Expense recognised in the statement of comprehensive income**

Year ended 30 June 2013	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Components recognised as expenses				
Current service costs	35,909	12,125	1,595	49,629
Interest cost	78,117	8,652	46,543	133,312
Expected return on Fund assets (net expenses)	(139,347)	(15,023)	(47,213)	(201,583)
Superannuation expense for the year	(25,321)	5,754	925	(18,642)

Year ended 30 June 2012	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Current service costs	35,293	12,083	5,151	52,527
Interest cost	119,298	13,911	58,717	191,926
Expected return on Fund assets (net expenses)	(153,666)	(18,121)	(51,229)	(223,016)
Superannuation expense for the year	925	7,873	12,639	21,437

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

20 EMPLOYEE BENEFITS (cont'd)

- Amount recognised in other comprehensive income**

Year ended 30 June 2013	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Actuarial (gains) / losses recognised in the year	<u>(169,074)</u>	<u>(53,466)</u>	<u>(168,152)</u>	<u>(390,692)</u>

Year ended 30 June 2012	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Actuarial (gains) / losses recognised in year	<u>464,121</u>	<u>54,490</u>	<u>443,531</u>	<u>962,142</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income since 2011 is \$562.2 million loss.

- Fund Assets**

	2013 %	2012 %
Australian equities	31	28
Overseas equities	26	24
Australian fixed interest securities	7	5
Overseas fixed interest securities	2	2
Property	8	9
Cash	13	19
Other	<u>13</u>	<u>13</u>
	<u>100</u>	<u>100</u>

- Fair value of Fund Assets**

All Fund assets are invested by 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 2013	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Actual return on Fund assets	<u>281,730</u>	<u>31,087</u>	<u>93,818</u>	<u>406,635</u>
	<u>281,730</u>	<u>31,087</u>	<u>93,818</u>	<u>406,635</u>
Year ended 30 June 2012	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Actual return on Fund assets	<u>956</u>	<u>72</u>	<u>77</u>	<u>1,105</u>
	<u>956</u>	<u>72</u>	<u>77</u>	<u>1,105</u>

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

20 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

	2013 % p.a.	2012 % p.a.
Salary increase rate (excluding promotional increases)	2.3	2.5
Rate of CPI increase	2.5	2.5
Expected rate of return on assets	8.6	8.6
Discount rate	3.8	3.1

(c) Demographic assumptions

The demographic assumptions at 30 June 2013 are those that were used in the 2012 triennial actuarial valuation. The triennial review report is available from the NSW Treasury website.

Historical information

Year ended 30 June 2013	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Present value of defined benefit obligation	2,581,919	267,585	1,427,866	4,277,370
Fair value of Fund assets	(1,851,458)	(209,432)	(624,053)	(2,684,943)
(Surplus)/deficit in Fund	730,461	58,153	803,814	1,592,428
Experience adjustments - Fund liabilities	(47,782)	(37,402)	(116,324)	(201,508)
Experience adjustments - Fund assets	(121,292)	(16,064)	(51,828)	(189,184)
Year ended 30 June 2012	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Present value of defined benefit obligation	2,663,002	305,254	1,545,199	4,513,455
Fair value of Fund assets	(1,736,408)	(192,740)	(573,511)	(2,502,659)
(Surplus)/deficit in Fund	926,594	112,514	971,688	2,010,796
Experience adjustments - Fund liabilities	327,053	36,444	397,582	761,079
Experience adjustments - Fund assets	(137,068)	(18,045)	(45,950)	(201,063)
Year ended 30 June 2011	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Present value of defined benefit obligation	2,343,516	274,856	1,075,429	3,693,801
Fair value of Fund assets	(1,859,528)	(219,281)	(575,093)	(2,653,902)
(Surplus)/deficit in Fund	483,987	55,576	500,336	1,039,899
Experience adjustments - Fund liabilities	38,349	(5,861)	(6,223)	26,265
Experience adjustments - Fund assets	(203)	149	(1,391)	(1,445)

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

20 EMPLOYEE BENEFITS (cont'd)

• **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 2013	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Accrued benefits	2,073,976	225,326	864,227	3,163,529
Net market value of Fund assets	<u>(1,851,458)</u>	<u>(209,432)</u>	<u>(624,053)</u>	<u>(2,684,943)</u>
Net deficit / (surplus)	<u>222,518</u>	<u>15,894</u>	<u>240,174</u>	<u>478,586</u>
Year ended 30 June 2012	SASS \$'000	SANCSS \$'000	SSS \$'000	Total \$'000
Accrued benefits	2,135,184	257,202	847,217	3,239,603
Net market value of Fund assets	<u>(1,757,555)</u>	<u>(194,169)</u>	<u>(577,056)</u>	<u>(2,528,780)</u>
Net deficit	<u>377,629</u>	<u>63,033</u>	<u>270,161</u>	<u>710,823</u>

(b) Contributions recommendations

Year ended 30 June 2013	SASS % p.a.	SANCSS % p.a.	SSS % p.a.
Recommended contributions rates for the reporting entity were:	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Year ended 30 June 2012	SASS % p.a.	SANCSS % p.a.	SSS % p.a.
Recommended contributions rates for the reporting entity were:	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</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

	2013 % p.a.	2012 % p.a.
Weighted average assumptions adopted for the last actuarial review		
Expected rate of return on Fund assets backing current pension liabilities	8.3	8.3
Expected rate of return on Fund assets backing other liabilities	7.3	7.3
Expected salary increase rate	4.0	4.0
Expected rate of CPI increase	2.5	2.5

• **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
for the year ended 30 June 2013

21 OTHER PROVISIONS

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Current other provisions				
Airport Line asset replacement	3,943	1,340	-	-
Ballast disposal	5,215	5,684	-	-
Land and buildings remediation	22,101	11,967	-	-
Lease make good costs	455	71	-	-
Legal and related claims	5,926	10,544	-	-
Property reimbursement claims	-	30	-	-
Marine damage claims ⁽¹⁾	2	2	-	-
Marine hull damage ⁽¹⁾	58	46	-	-
Public liability claims ⁽¹⁾	5,992	7,350	-	-
Quarry restoration ⁽¹⁾	-	1,717	-	-
Land make good costs ⁽¹⁾	-	1,500	-	-
Other ⁽¹⁾	3,343	14,404	-	-
	<u>47,035</u>	<u>54,655</u>	<u>-</u>	<u>-</u>
	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Non-current other provisions				
Airport Line asset replacement	7,069	8,128	-	-
Ballast disposal	11,509	12,522	-	-
Land and buildings remediation	41,604	53,433	-	-
Lease make good costs	25,469	13,781	-	-
Marine damage claims ⁽¹⁾	2	2	-	-
Marine hull damage ⁽¹⁾	-	12	-	-
Public liability claims ⁽¹⁾	4,327	92	-	-
Land make good costs ⁽¹⁾	1,500	34	-	-
Other ⁽¹⁾	3,972	3,763	-	-
	<u>95,452</u>	<u>91,767</u>	<u>-</u>	<u>-</u>

⁽¹⁾ These provisions are amalgamated into other provisions in the movement note below.

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	Lease make good \$'000	Others¹ \$'000	Total \$'000
Consolidated							
2013							
Carrying amount at the beginning of year	9,468	18,206	65,400	10,544	13,852	28,952	146,422
Increase in provisions	-	8,452	3,146	2,117	16,110	4,561	34,386
Amounts used	(3,068)	(10,013)	(4,377)	(4,733)	(36)	(1,406)	(23,633)
Unused amounts reversed	-	-	(500)	(2,002)	(4,002)	(12,991)	(19,495)
Unwinding / change in the discount rate (refer to note below)	4,612	79	36	-	-	80	4,807
Carrying amount at end of financial year	<u>11,012</u>	<u>16,724</u>	<u>63,705</u>	<u>5,926</u>	<u>25,924</u>	<u>19,196</u>	<u>142,487</u>

Interest expense of \$4.8 million (2012: \$1.9 million) is included in finance costs (Note 2(g)) and comprises unwinding or a change in the discount rate on the above provisions.

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2013**

21 OTHER PROVISIONS (cont'd)

Airport Line asset replacement

The provision of \$11.0 million (2012: \$9.5 million) 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 sum to be provided. The quantum and timing of payments are inherently uncertain as they are based on unpredictable future claims by the maintenance contractor. This provision has been discounted to a present value that reflects the time value of money.

Ballast disposal

The provision of \$16.7 million (2012: \$18.2 million) 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 31 March 2013 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 of \$63.7 million (2012: \$65.4 million) comprises remediation of asbestos (\$30.7 million (2012: \$31.8 million)) and contaminated land (\$33.0 million (2012: \$33.6 million)). 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.

Legal and related claims

This provision of \$5.9 million (2012: \$10.5 million) 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.

Lease make good

The lease made good provision of \$25.9 million (2012: \$13.9 million) recognises the reporting entity's obligations to dismantle, remove and restore items of property, plant and equipment on the leased properties to its original condition at the conclusion of the lease. The amount of the provision is the best estimate of the expenditure required to settle the present obligations, discounted to reflect the present value of such expenditures.

Other provisions

Other provisions include the public liability provision of \$10.3 million (2012: \$7.4 million) which recognises the claims against the reporting entity arising from personal injuries or property damage occurring on its premises or involving its assets.

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

Other provisions also includes quarry restoration, marine damage claims, marine hull damage, land make good and other minor provisions. The liabilities at year end were assessed by management and are inherently uncertain due to disputes over the existence or quantum of individual claims or due to the time likely to elapse before restoration is required.

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

22 OTHER LIABILITIES

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Current other liabilities				
Liability to Consolidated Fund (Note 3 (a) and (b))	-	2,270	-	-
Statutory creditors	13,808	20,845	-	-
Sydney Harbour Tunnel tax liabilities	1,963	1,919	-	-
Holding accounts	96,887	99,428	-	-
Lease incentive	1,737	1,886	-	-
Deferred revenue - private sector provided infrastructure reimbursement	12,065	12,179	-	-
Income received in advance	71,627	72,945	-	-
Liability for former employees' leave entitlements	8,351	-	-	-
	<u>206,438</u>	<u>211,472</u>	<u>-</u>	<u>-</u>
	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Non-current other liabilities				
Sydney Harbour Tunnel tax liabilities	23,146	23,688	-	-
Deferred revenue - private sector provided infrastructure reimbursement	269,822	283,756	-	-
Unearned rent on M5 motorway	6,487	6,898	-	-
Income received in advance	94,330	238,995	-	-
Other	45	45	-	-
	<u>393,830</u>	<u>553,382</u>	<u>-</u>	<u>-</u>

23 FINANCIAL LIABILITIES AT FAIR VALUE

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Current financial liabilities at fair value				
Derivative financial instruments	5,262	13,811	-	-
	<u>5,262</u>	<u>13,811</u>	<u>-</u>	<u>-</u>
Non-current financial liabilities at fair value				
Derivative financial instruments	302	2,355	-	-
	<u>302</u>	<u>2,355</u>	<u>-</u>	<u>-</u>

Refer to note 10 above.

24 DEFERRED TAX LIABILITY

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Non-current deferred tax liability				
Deferred tax liability (Note 1(m))	-	67,792	-	-
	<u>-</u>	<u>67,792</u>	<u>-</u>	<u>-</u>

The deferred tax liability was derecognised following the approval from Treasury to reclassify STA from "for-profit" to "not-for-profit" effective from 1 July 2012 (Note 1(m)).

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

25 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	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Not later than one year	2,116,509	1,609,060	-	-
Later than one year and not later than five years	1,830,081	1,898,094	-	-
Later than five years	-	-	-	-
Total (including GST)	<u>3,946,590</u>	<u>3,507,154</u>	<u>-</u>	<u>-</u>

(b) Operating Lease Commitments

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

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Not later than one year	174,600	155,341	-	-
Later than one year and not later than five years	227,062	219,626	-	-
Later than five years	49,707	59,829	-	-
Total (including GST)	<u>451,369</u>	<u>434,796</u>	<u>-</u>	<u>-</u>

Operating leases include office accommodation and plant and equipment.

(c) Finance lease commitments

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

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Not later than one year	243,592	192,204	-	-
Later than one year and not later than five years	1,085,135	661,468	-	-
Later than five years	4,100,221	2,212,459	-	-
Minimum lease payments	5,428,948	3,066,131	-	-
Less: future finance charges	3,036,371	1,455,396	-	-
Present value of minimum lease payments	<u>2,392,577</u>	<u>1,610,735</u>	<u>-</u>	<u>-</u>
The present value of finance lease commitments is as follows:				
Not later than one year	140,981	114,656	-	-
Later than one year and not later than five years	697,053	396,902	-	-
Later than five years	1,554,543	1,099,177	-	-
	<u>2,392,577</u>	<u>1,610,735</u>	<u>-</u>	<u>-</u>
Classified as:				
Current borrowings (Note 19)	140,981	114,656	-	-
Non-current borrowings (Note 19)	2,251,596	1,496,079	-	-
	<u>2,392,577</u>	<u>1,610,735</u>	<u>-</u>	<u>-</u>

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

25 COMMITMENTS FOR EXPENDITURE (cont'd)

(d) Other public and private partnerships contract commitments

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Not later than one year	180,078	107,018	-	-
Later than one year and not later than five years	596,163	843,161	-	-
Later than five years	4,958,856	7,372,332	-	-
Total (including GST)	5,735,097	8,322,511	-	-

Input tax on all commitments estimated at \$450.3 million (2012: \$358.0 million) (parent entity: nil (2012: nil)) will be recouped from the Australian Taxation Office.

26 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The parent entity had no contingent liabilities as at 30 June 2013 (2012: nil). The reporting entity had contingent liabilities and contingent assets at 30 June 2013 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 Maritime Services 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) Litigation

Roads and Maritime Services has a number of contractual and compulsory property acquisition disputes with an estimated contingent liability of \$154.7 million (2012: \$87.0 million).

Transport for NSW also has a number of contractual and compulsory property acquisition disputes with an estimated contingent liability of \$19.9 million (2012: nil).

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.

(iii) Guarantees and performance bonds

At reporting date the reporting entity holds guarantees and performance bonds totalling \$176.8 million (2012: \$95.0 million).

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2013**

26 CONTINGENT LIABILITIES AND CONTINGENT ASSETS (cont'd)

(iv) 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. There are no claims outstanding as at 30 June 2013.

Sydney Metro had no contingent assets or contingent liabilities as at 30 June 2013. Sydney Metro ceased to operate on 1 July 2013.

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2013**

27 BUDGET REVIEW OF THE PARENT ENTITY AND TRANSPORT FOR NSW

The budget review relates to the Department of Transport, Transport for NSW and The Transport Service as the financial performance of these entities is aggregated for Treasury reporting purposes, including for the State Budget and is in line with the requirements of a Treasury exemption regarding the disclosure of budget information (see Note 1(e)).

The budget amounts for the statement of comprehensive income, statement of financial position and statement of cash flows included in this Note are drawn from the original budget financial statements presented to Parliament in respect of the reporting period, as adjusted for section 24 of the PAFA where there has been a transfer of functions between departments. Other adjustments made to the budget are not reflected in the budget amounts disclosed.

**Department of Transport, Transport for NSW and Transport Service of NSW
Combined statement of comprehensive income for the year ended 30 June 2013**

	Actual 2013 \$'000	Budget 2013 \$'000	Actual 2012 \$'000
Expenses excluding losses			
Operating expenses			
Employee related expenses	341,314	299,779	237,941
Other operating expenses	268,390	180,641	150,702
Maintenance	110,874	-	1,271
Depreciation and amortisation	160,700	166,088	50,913
Grants and subsidies	7,751,852	9,070,904	7,933,077
Finance costs	79,668	68,908	64,896
Other expenses	<u>1,550,083</u>	<u>21,606</u>	<u>1,511,077</u>
Total expenses excluding losses	<u>10,262,881</u>	<u>9,807,926</u>	<u>9,949,877</u>
Revenue			
Recurrent appropriations	7,999,371	9,598,503	9,378,797
Capital appropriations	222,162	280,674	267,543
Sale of goods and services	378,781	34,150	330,706
Investment revenue	27,327	7,936	10,726
Share services revenue	111,871	-	-
Retained taxes, fees and fines	-	2,100	2,165
Grants and contributions	1,672,615	51,198	65,932
Acceptance by the Crown Entity of employee benefits and other liabilities	10,174	2,449	8,110
Personnel service revenue	-	-	159,992
Other revenue	<u>3,943</u>	<u>3,960</u>	<u>3,804</u>
Total Revenue	<u>10,426,244</u>	<u>9,980,970</u>	<u>10,227,775</u>
Gain / (loss) on disposal	9,684	-	-
Other gains/(losses)	<u>5,252</u>	<u>-</u>	<u>(7)</u>
Net result	<u>178,299</u>	<u>173,044</u>	<u>(277,891)</u>

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

27 BUDGET REVIEW OF THE PARENT ENTITY AND TRANSPORT FOR NSW (cont'd)

Department of Transport, Transport for NSW and Transport Service of NSW
Combined statement of financial position as at 30 June 2013

	Actual 2013 \$'000	Budget 2013 \$'000	Actual 2012 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	354,852	178,441	329,109
Receivables	451,409	133,345	354,370
Non-current assets held for sale	-	-	9,285
Total current assets	<u>806,261</u>	<u>311,786</u>	<u>692,764</u>
Non-current assets			
Receivables	15,306	14,499	-
Other financial assets	22,352	19,800	21,076
Property plant and equipment			
Property plant and equipment	<u>3,322,424</u>	<u>3,443,825</u>	<u>1,335,794</u>
Property plant and equipment	3,322,424	3,443,825	1,335,794
Intangible assets	268,822	49,123	171,341
Other assets	<u>40,453</u>	<u>40,345</u>	<u>36,511</u>
Total non-current assets	<u>3,669,357</u>	<u>3,567,592</u>	<u>1,564,722</u>
Total assets	<u>4,475,618</u>	<u>3,879,378</u>	<u>2,257,486</u>
LIABILITIES			
Current liabilities			
Payables	608,103	241,296	413,442
Borrowings	176,579	50,000	171,693
Other provisions	35,302	15,661	15,641
Other	-	-	2,270
Financial liabilities at fair value	-	-	-
Total current liabilities	<u>819,984</u>	<u>306,957</u>	<u>603,046</u>
Non-current liabilities			
Borrowings	1,190,205	1,001,502	1,050,648
Other provisions	-	1,412	-
Other	<u>45</u>	<u>45</u>	<u>45</u>
Total non-current liabilities	<u>1,190,250</u>	<u>1,002,959</u>	<u>1,050,693</u>
Total liabilities	<u>2,010,234</u>	<u>1,309,916</u>	<u>1,653,739</u>
Net assets	<u>2,465,384</u>	<u>2,569,462</u>	<u>603,747</u>
EQUITY			
Accumulated funds	<u>2,465,384</u>	<u>2,569,462</u>	<u>603,747</u>
Total equity	<u>2,465,384</u>	<u>2,569,462</u>	<u>603,747</u>

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

27 BUDGET REVIEW OF THE PARENT ENTITY AND TRANSPORT FOR NSW (cont'd)

Department of Transport, Transport for NSW and Transport Service of NSW
Combined statement of cash flows for the year ended 30 June 2013

	Actual 2013 \$'000	Budget 2013 \$'000	Actual 2012 \$'000
Cash flows from operating activities			
Payments			
Employee related	(335,394)	(297,330)	(217,339)
Grants and subsidies	(6,654,236)	(9,070,904)	(8,286,130)
Finance costs	(79,668)	(68,908)	(64,888)
Bus and ferry contract payments	(1,241,088)	-	(1,205,999)
Infrastructure projects	(1,422,305)	-	-
Other	(320,829)	(1,401,271)	(253,461)
Total Payments	<u>(10,053,520)</u>	<u>(10,838,413)</u>	<u>(10,027,817)</u>
Receipts			
Recurrent appropriation	7,997,101	9,598,503	9,378,797
Capital appropriation (excluding equity appropriations)	222,162	280,674	267,543
Cash transfers to the Consolidated Fund	-	-	(514)
Sale of goods and services including GST refunds	689,944	29,139	625,294
Grants and contributions	1,668,649	51,198	49,010
Retained taxes, fees and fines	-	-	2,165
Interest received	15,481	7,936	7,023
Other	-	1,219,703	-
Total Receipts	<u>10,593,337</u>	<u>11,187,153</u>	<u>10,329,318</u>
Net cash inflows from operating activities	<u>539,817</u>	<u>348,740</u>	<u>301,501</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	1,900	-	-
Purchases of property, plant and equipment and intangible assets	(302,251)	(267,480)	(247,067)
Purchase of finance leased assets	(56,270)	-	(48,003)
Advances made	(82)	-	(472)
Purchase of investments	(1,194)	-	(20,004)
Other	-	(2,919)	-
Net cash outflows from investing activities	<u>(357,897)</u>	<u>(270,399)</u>	<u>(315,546)</u>
Cash flows from financing activities			
Proceeds from borrowings and advances	111,239	-	-
Repayment of borrowings and advances	-	(57,028)	-
Net cash inflows from financing activities	<u>111,239</u>	<u>(57,028)</u>	<u>-</u>
Net (decrease)/increase in cash	293,159	21,313	(14,045)
Opening cash and cash equivalents	234,762	157,128	70,118
Cash and cash equivalents transferred in as a result of administrative restructure	40,184	-	273,036
Cash reserves transferred to the Crown Entity	(213,253)	-	-
Closing cash balance	<u>354,852</u>	<u>178,441</u>	<u>329,109</u>

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2013**

27 BUDGET REVIEW OF THE PARENT ENTITY AND TRANSPORT FOR NSW (cont'd)

An explanation of significant variations between the actual and budget in the reporting period are provided below.

Net result

The net operating result in 2012-13 of \$178.3 million is generally in line with the budget. Notwithstanding this, there are some significant variations in a number of line items.

The grants and subsidies expense was \$1,319.1 million lower than the budget mainly due to a reclassification of expenditure since the preparation of the 2012-13 state budget. Expenditure related to bus and ferry contract payments (\$1,240.0 million) was included in grants and subsidies in the 2012-13 state budget, with actual expenditure in that regard reported as other expenses. This, together with \$0.3 million in infrastructure project expenditure, led to other expenses being \$1,528.5 million more than budget.

Total revenue of \$10,426.2 million is some \$445.3 million more than budget. This increase reflects a similar increase in total expenses. These variations are mainly related to the transfer of functions to Transport for NSW after the budget was prepared, including the Electronic Ticketing System (ETS) project. The expenditure and revenue related to shared services activities has also contributed to the variations.

Another significant variance relates to the recurrent allocation (reduction of \$1,599.1 million) which is largely offset by an increase in grants and contributions revenue (increase of \$1,621.4 million). This reflects revised funding arrangements in 2012-13 for major rail capital projects. In the budget the funding was to be provided to Transport for NSW through a Consolidated Fund appropriation, whereas the actual funding came via a grant from the Crown.

The increase in maintenance costs reflects the cost of maintenance work on the country rail infrastructure network which was transferred to Transport for NSW on 1 July 2012.

Net assets

Actual net assets as at 30 June 2013 are almost \$104.1 million below the budget. This is primarily due to the transfer of the assets and liabilities between Transport for NSW and various other agencies, after the budget had been prepared.

Variations in the asset and liability line items include current assets being almost \$494.5 million higher than budget. This is however reflected in current payables being \$366.8 million more than budget, with current borrowings also higher than budget by \$126.6 million.

These variations mainly reflect the increase in the functions of Transport for NSW and in particular receivables and payables that relate to the major rail capital projects now being undertaken by Transport for NSW, including the North West Rail Link and South West Rail Link. The increase in the borrowings mainly relates to the ETS project was transferred to Transport for NSW in June 2012.

Net cash flows

Cash during 2012-13 increased by \$293.1 million compared to the budget of \$21.3 million. This increase mainly reflects the increase in the functions of Transport for NSW and the resultant increase in payables as at 30 June 2013.

Total receipts from operating activities of \$10,593.3 million are some \$593.8 million lower than budget. This decrease primarily reflects the change in accounting arrangements for major rail capital projects required by NSW Treasury. These arrangements, which were introduced after the budget was prepared, implemented non-cash grants from Transport for NSW to Rail Corporation of New South Wales for the major projects, thereby reducing the cash received for work undertaken on those projects. This reduction in receipts is partly offset by an increase in sale of goods and services receipts of \$660.8 million which reflects the increase in services provided by Transport for NSW, including rail projects and shared services activities.

The accounting arrangements for major rail capital projects also reduced the payments made by Transport for NSW to Rail Corporation of New South Wales in the form of allocations, which are reflected in a reduction of \$784.9 million in total payments from operating activities as compared to budget.

Payments for purchases of property, plant and equipment and intangible assets increased as compared to the budget, which is mainly related to the ETS project. This increase in payments is reflected in an increase in borrowings compared to budget, with those borrowings used to fund amounts paid for the ETS.

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

28 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Net cash inflows from operating activities	3,884,614	4,976,674	(81,815)	86,901
Acceptance by the Crown Entity of employee benefits and other liabilities	26,682	-	(840)	-
Depreciation and amortisation	(2,286,836)	(1,994,255)	-	(16,235)
Non-cash revenue and expenses	1,210,061	270,792	840	1,285
Derecognition, impairment and write off assets	(1,317,404)	(658,068)	-	-
Roads and bridges transferred from/(to) councils	24,137	-	-	-
Revaluation decrement of assets	39,172	(799,798)	-	-
Net gain / (loss) on sale of assets held for sale	(34,784)	-	-	-
Impairment of receivables / written off	(3,087)	-	-	-
(Decrease) / increase in receivables, inventories and other assets	(16,340)	405,469	753	912
Increase / (decrease) in payables and provisions	129,565	(615,812)	81,062	(45,834)
Net gain / (loss) on sale of property, plant and equipment	47,542	-	-	-
Net result	1,703,322	1,585,002	-	27,029

29 NON-CASH FINANCING AND INVESTING ACTIVITIES

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Non-cash investing activities				
Acquisition of assets free of charge (transactions with owners as owners)	6,041	1,332,612	-	(1,008,165)
Plant and equipment acquired by finance lease	922,509	397,784	-	41,321
Roads transferred from councils	44,820	2,027	-	-
Roads transferred to councils	(20,683)	(25,066)	-	-
Value of emerging interests in Private Sector Provided Infrastructure	168,378	158,146	-	1,285
Non-cash financing activities				
Financial lease liabilities in respect of the acquisition of property, plant and equipment	(922,509)	(397,784)	-	(907,912)
Employee entitlements and liabilities assumed by the Crown Entity	(10,173)	(8,109)	(840)	(3,437)
Borrowings transferred from a non-transport entity	-	(47,706)	-	-
	188,383	1,411,904	(840)	(1,876,908)

30 ADMINISTERED ASSETS AND LIABILITIES

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Administered assets				
Cash	35,844	26,643	-	-
Total administered assets	35,844	26,643	-	-
Administered liabilities				
Payables	293,010	305,707	-	-
Total administered liabilities	293,010	305,707	-	-

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

31 ADMINISTRATIVE RESTRUCTURE

As discussed in Note 1(a) above the Roads and Maritime Services took over the functions, roles, assets and liabilities of the former Roads and Traffic Authority and the Maritime Authority of NSW on 1 November 2011.

On 1 November 2011 the Department of Transport (the parent entity) transferred its functions, roles, assets and liabilities at fair value to Transport for NSW.

Details of the assets and liabilities transferred (under this administrative restructure) are provided in the table below.

	Consolidated		Parent	
	2013	2012	2013	2012
	Transfer in	Transfer in	Transfer out	Transfer out
	\$'000	\$'000	\$'000	\$'000
Assets				
Current assets				
Cash and cash equivalents	-	57,398	-	42,125
Receivables	-	32,652	-	125,662
Inventories	-	155	-	-
Financial assets at fair value through profit or loss	-	43,239	-	-
Total current assets	-	133,444	-	167,787
Non-current assets				
Receivables	-	6,552	-	557
Property, plant and equipment	-	1,510,171	-	1,008,322
Investment property	-	132,289	-	-
Intangible assets	-	860	-	18,876
Other assets	-	-	-	33,992
Total non-current assets	-	1,649,872	-	1,061,747
Total assets	-	1,783,316	-	1,229,534
Liabilities				
Current liabilities				
Payables	-	49,095	-	119,535
Interest bearing borrowings	-	22,576	-	47,704
Provisions	-	20,414	-	-
Total current liabilities	-	92,085	-	167,239
Non-current liabilities				
Payables	-	243,000	-	45
Interest bearing borrowings	-	25,130	-	860,208
Provisions	-	3,283	-	-
Total non-current liabilities	-	271,413	-	860,253
Total liabilities	-	363,498	-	1,027,492
Net assets transferred	-	1,419,818	-	202,042

Transfers in 2012 comprise mainly transfers of net assets from the former Maritime Authority of NSW (\$1,420.0 million) and sundry transfers (\$3.6 million). Parent transfers out in 2012 comprise mainly transfer of net assets from Department of Transport to Transport for NSW. There have been no administrative restructures in 2013 which would affect the reporting entity or the parent entity.

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

32 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 Executives 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	Note	Category	Carrying Amount 2013 \$'000	Carrying Amount 2012 \$'000
Consolidated				
Class:				
Cash and cash equivalents	7	N/A	809,155	837,470
Receivables ¹	8	Loans and receivables (at amortised cost)	818,126	486,720
Financial assets at fair value	10	At fair value through profit or loss - designated upon initial recognition	54,028	48,106
Other financial assets	12	Loans and receivables (at amortised cost)	161,178	145,013
Financial assets at fair value	10	Fair value through profit or loss - held for trading	2,887	816
			1,845,374	1,518,125
Financial liabilities				
	Note	Category	Carrying Amount 2013 \$'000	Carrying Amount 2012 \$'000
Consolidated				
Class:				
Payables ²	18,22	Financial liabilities measured at amortised cost	1,624,192	1,850,302
Borrowings	19	Financial liabilities measured at amortised cost	4,092,297	2,827,798
Financial liabilities at fair value	23	Fair value through profit or loss - held for trading	5,564	16,166
			5,722,053	4,694,266

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

32 FINANCIAL INSTRUMENTS (cont'd)

(a) Financial instrument categories (cont'd)

Financial assets	Note	Category	Carrying Amount 2013 \$'000	Carrying Amount 2012 \$'000
Parent				
Class:				
Cash and cash equivalents	7	N/A	12,041	93,856
Receivables ¹	8	Loans and receivables (at amortised cost)	1,011	258
			<u>13,052</u>	<u>94,114</u>
Financial liabilities				
Parent				
Class:				
Payables ²	18	Financial liabilities measured at amortised cost	10,349	89,397
			<u>10,349</u>	<u>89,397</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.

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

32 FINANCIAL INSTRUMENTS (cont'd)

(b) Credit risk (cont'd)

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 (\$248.5 million (2012: \$393.0 million); parent entity nil (2012: nil)) and not more than 3 months overdue (\$42.7 million (2012: \$49.0 million); parent entity nil (2012: nil)) are not considered impaired. These debtors represent 93% (2012: 97%) 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			
2013			
< 3 months overdue	46,914	46,276	638
3 months – 6 months overdue	11,541	9,434	2,107
> 6 months overdue	<u>18,517</u>	<u>11,807</u>	<u>6,710</u>
	<u>76,972</u>	<u>67,517</u>	<u>9,455</u>
	Total ^{1,2} \$'000	Past due but not impaired ^{1,2} \$'000	Considered impaired ^{1,2} \$'000
Consolidated			
2012			
< 3 months overdue	49,304	48,634	670
3 months – 6 months overdue	9,942	9,040	902
> 6 months overdue	<u>11,723</u>	<u>6,924</u>	<u>4,799</u>
	<u>70,969</u>	<u>64,598</u>	<u>6,371</u>
	Total ^{1,2} \$'000	Past due but not impaired ^{1,2} \$'000	Considered impaired ^{1,2} \$'000
Parent			
2013			
< 3 months overdue	-	-	-
3 months – 6 months overdue	-	-	-
> 6 months overdue	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>
	Total ^{1,2} \$'000	Past due but not impaired ^{1,2} \$'000	Considered impaired ^{1,2} \$'000
Parent			
2012			
< 3 months overdue	-	-	-
3 months – 6 months overdue	-	-	-
> 6 months overdue	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</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.

**Department of Transport
Notes to the financial statements
for the year ended 30 June 2013**

32 FINANCIAL INSTRUMENTS (cont'd)

(b) Credit risk (cont'd)

Derivatives

Only RailCorp has undertaken both forward exchange currency swaps and commodity swaps. 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 \$2.9 million (2012: \$0.8 million) and derivative financial liabilities \$5.6 million (2012: \$16.2 million). Further details on derivatives are provided in Notes 10 and 23.

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 of \$2,087.1 million (2012: \$1,838.0 million) of which \$1,693.0 million (2012: \$1,207.9 million) had been used at reporting date.

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

32 FINANCIAL INSTRUMENTS (cont'd)

(c) Liquidity risk (cont'd)

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 \$'000	Variable Interest Rate \$'000	Non-interest bearing \$'000	< 1 yr \$'000	1-5 yrs \$'000	> 5 yrs \$'000
Consolidated 2013								
<i>Payables:</i>								
Trade creditors and accruals	-	1,624,192	-	-	1,624,192	1,601,047	4,378	18,767
<i>Borrowings:</i>								
NSW TCorp borrowings and finance leases	6.32	4,425,352	4,305,126	114,247	5,979	818,624	1,600,512	2,006,215
		<u>6,049,544</u>	<u>4,305,126</u>	<u>114,247</u>	<u>1,630,171</u>	<u>2,419,671</u>	<u>1,604,890</u>	<u>2,024,982</u>
Consolidated 2012								
<i>Payables:</i>								
Trade creditors and accruals	-	1,867,356	-	-	1,867,356	1,844,303	4,047	19,006
NSW TCorp borrowings and finance leases	6.80	2,827,398	2,563,548	263,850	-	244,478	1,169,512	1,413,408
Derivatives	-	16,166	-	-	16,166	16,166	-	-
		<u>4,710,920</u>	<u>2,563,548</u>	<u>263,850</u>	<u>1,883,522</u>	<u>2,104,947</u>	<u>1,173,559</u>	<u>1,432,414</u>

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

32 FINANCIAL INSTRUMENTS (cont'd)

(c) Liquidity risk (cont'd)

	Weighted Average Effective Int. Rate	Interest Rate Exposure				Maturity Dates		
		Nominal Amount \$'000	Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non-interest bearing \$'000	< 1 yr \$'000	1-5 yrs \$'000	> 5 yrs \$'000
Parent 2013								
<i>Payables:</i>								
Trade creditors and accruals	-	10,349	-	-	10,349	10,349	-	-
		<u>10,349</u>	<u>-</u>	<u>-</u>	<u>10,349</u>	<u>10,349</u>	<u>-</u>	<u>-</u>
Parent 2012								
<i>Payables:</i>								
Trade creditors and accruals	-	89,397	-	-	89,397	89,397	-	-
		<u>89,397</u>	<u>-</u>	<u>-</u>	<u>89,397</u>	<u>89,397</u>	<u>-</u>	<u>-</u>

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

32 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 respect of:

(i) 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 exposure to interest rate risk is set out in the table below.

	Carrying Amount	Impact of 1% Decrease Profit \$'000	Impact of 1% Decrease Equity \$'000	Impact of 1% Increase Profit \$'000	Impact of 1% Increase Equity \$'000
Consolidated 2013					
<i>Financial assets:</i>					
Cash and cash equivalents	809,155	(7,650)	(7,309)	7,650	7,309
Receivables	818,126	-	-	-	-
Financial assets at fair value	56,915	(540)	(540)	540	540
Other financial assets	161,178	-	-	-	-
<i>Financial liabilities:</i>					
Payables	(1,624,192)	15	15	(15)	(15)
Borrowings	(4,092,297)	8,212	8,212	(8,212)	(8,212)
Financial liabilities at fair value	(5,564)	-	-	-	-
Net financial liabilities	(3,876,679)	37	378	(37)	(378)
2012					
<i>Financial assets:</i>					
Cash and cash equivalents	837,466	(6,661)	(6,661)	6,661	6,661
Receivables	486,720	-	-	-	-
Other financial assets	145,013	-	-	-	-
Financial assets at fair value	48,922	(477)	(477)	477	477
<i>Financial liabilities:</i>					
Payables	(1,850,302)	-	-	-	-
Borrowings	(2,827,798)	17,789	17,789	(17,789)	(17,789)
Financial liabilities at fair value	(16,166)	-	-	-	-
Net financial liabilities	(3,176,145)	10,651	10,651	(10,651)	(10,651)

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

32 FINANCIAL INSTRUMENTS (cont'd)

(d) Market risk (cont'd)

	Carrying Amount	Impact of 1% Increase Profit \$'000	Equity \$'000	Impact of 1% Decrease Profit \$'000	Equity \$'000
Parent					
2013					
<i>Financial assets:</i>					
Cash and cash equivalents	12,041	(120)	(120)	120	120
Receivables	1,011	-	-	-	-
Other financial assets	-	-	-	-	-
<i>Financial liabilities:</i>					
Payables	(10,349)	-	-	-	-
Borrowings	-	-	-	-	-
Net financial assets	2,703	(120)	(120)	120	120
2012					
<i>Financial assets:</i>					
Cash and cash equivalents	93,856	(562)	(562)	562	562
Receivables	258	-	-	-	-
Other financial assets	-	-	-	-	-
<i>Financial liabilities:</i>					
Payables	(89,397)	-	-	-	-
Borrowings	-	-	-	-	-
Net financial liabilities	4,717	(562)	(562)	562	562

(ii) 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	2013 \$'000	2012 \$'000
Consolidated				
Cash facility	Cash, money market instruments	Up to 1.5 years	261,280	594,293
Strategic Cash facility	Cash, money market and other interest rates instruments	1.5 years to 3 years	5,134	4,929
Medium-term growth facility	Cash, money market instruments, Australian bonds, listed property, and Australian and International shares	3 years to 7 years	35,622	32,167
Long-term growth facility	Cash, money market instruments, Australian bonds, listed property, and Australian and International shares	7 years and over	13,272	11,010

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.

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

32 FINANCIAL INSTRUMENTS (cont'd)

(d) Market risk (cont'd)

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 profit and loss and, therefore, any change in unit price impacts directly on net result (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 net result 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 and derivatives, which are measured at fair value. 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 amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments, with the exception of TCorp borrowings.

(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 - 2013				
Financial assets at fair value				
Derivative financial instruments	-	2,887	-	2,887
NSW TCorp Hour-Glass - Investment Facility	-	315,308	-	315,308
Finance leases	-	479,972	-	479,972
	<u>-</u>	<u>798,167</u>	<u>-</u>	<u>798,167</u>
Financial liabilities at fair value				
Derivative financial instruments	-	(5,564)	-	(5,564)
	<u>-</u>	<u>(5,564)</u>	<u>-</u>	<u>(5,564)</u>
Consolidated - 2012				
Financial assets at fair value				
Derivative financial instruments	-	816	-	816
NSW TCorp Hour-Glass - Investment Facility	-	642,399	-	642,399
	<u>-</u>	<u>643,215</u>	<u>-</u>	<u>643,215</u>
Financial liabilities at fair value				
Derivative financial instruments	-	(16,166)	-	(16,166)
	<u>-</u>	<u>(16,166)</u>	<u>-</u>	<u>(16,166)</u>

Department of Transport
Notes to the financial statements
for the year ended 30 June 2013

33 EQUITY TRANSFERS

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Cash reserves transferred to the Crown Entity (a)	(213,253)	-	-	-
Land transferred from Department of Planning and Infrastructure (b)	78,000	-	-	-
Superannuation assumed by the Crown Entity (c)	3,406	-	-	-
Other (d)	(1,430)	-	-	-
Total	(133,277)	-	-	-

(a) A direction was received from the Treasurer to the Minister of Transport on 10 January 2013 that surplus funds resulting from the dissolution of Sydney Metro be paid to the Crown Entity as a return of equity. A payment of \$209.0 million plus interest was made on 31 January 2013.

(b) Land valued at \$78.0 million was transferred from Department of Planning and Infrastructure by equity transfer.

(c) Superannuation assumed by the Crown Entity in relation to former and continuing Sydney Ferries employees.

(d) Maritime infrastructure transferred to Port Corporations per designated orders.

34 AFTER BALANCE DATE EVENTS

Sydney Trains and NSW Trains

Sydney Trains and NSW Trains were established as public subsidiary corporations of RailCorp on 7 December 2012 as a result of the Transport Administration (General) Amendment (Sydney Trains and NSW Trains) Regulation 2012. The agencies will commence operation on 1 July 2013 and are controlled entities of TfNSW.

From 1 July 2013, Vesting Orders resulted in the transfer of assets, rights, liabilities and employees from RailCorp to the respective agencies, Sydney Trains and NSW Trains. Sydney Trains will operate services in the Sydney suburban area and NSW Trains will operate services in the intercity and regional areas. RailCorp will retain ownership of the majority of infrastructure, rolling stock and technology assets.

The financial effect of this event is still being finalised.

End of audited financial statements



INDEPENDENT AUDITOR'S REPORT

Transport for NSW

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Transport for NSW (TfNSW), which comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows, service group statements and a summary of compliance with financial directives for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the TfNSW as at 30 June 2013, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the *Public Finance and Audit Regulation 2010*.

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

The Director General's Responsibility for the Financial Statements

The Director General is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Director General determines is necessary to enable the preparation of financial statements that give a true and fair view and 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 TfNSW's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of TfNSW'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, 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 TNSW
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements
- about the assumptions used in formulating the budget figures disclosed in the financial statements.

Independence

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

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



C J Glumell
Director, Financial Audit Services

19 September 2013
SYDNEY

TRANSPORT FOR NSW

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2013

**Transport for NSW
Statement by Director General
for the year ended 30 June 2013**

Pursuant to section 41C (1B) and (1C) 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 NSW General Government Sector Entities* or issued by the Treasurer under section 9(2) (n) of the Act.
- (b) The statements exhibit a true and fair view of the financial position and financial performance of Transport for NSW (TfNSW); 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: 19 September 2013

Transport for NSW
Statement of comprehensive income
for the year ended 30 June 2013

		Actual 2013 \$'000	Budget 2013 \$'000	Actual 2012 \$'000
	Notes			
Expenses excluding losses				
Operating expenses				
Personnel related expenses	2(a)	341,314	299,779	164,255
Other operating expenses	2(b)	268,390	180,641	105,303
Maintenance	2(c)	110,874	-	1,167
Depreciation and amortisation	2(d)	160,700	166,088	34,678
Grants and subsidies	2(e)	7,751,852	9,070,904	5,527,878
Finance costs	2(f)	79,668	68,908	43,498
Other expenses	2(g)	1,550,083	21,606	1,097,627
Total expenses excluding losses		10,262,881	9,807,926	6,974,406
Revenue				
Recurrent appropriations	3(a)	7,999,371	9,598,503	6,472,963
Capital appropriations	3(b)	222,162	280,674	267,543
Sale of goods and services	3(c)	378,781	34,150	330,757
Investment revenue	3(d)	27,327	7,936	8,185
Shared services revenue	3(e)	111,871	-	107,445
Retained taxes, fees and fines	3(f)	-	2,100	1,018
Grants and contributions	3(g)	1,672,615	51,198	27,748
Resources received free of charge	3(h)	10,174	2,449	7,090
Other revenue	3(i)	3,943	3,960	2,519
Total revenue		10,426,244	9,980,970	7,225,268
Gain / (loss) on disposal	4	9,684	-	-
Other gains / (losses)	5	5,252	-	-
Net result		178,299	173,044	250,862
Other comprehensive income		-	-	-
Total other comprehensive income		-	-	-
Total comprehensive income		178,299	173,044	250,862

The accompanying notes form part of these financial statements.

Transport for NSW
Statement of financial position
as at 30 June 2013

		Actual 2013 \$'000	Budget 2013 \$'000	Actual 2012 \$'000
	Notes			
ASSETS				
Current assets				
Cash and cash equivalents	7	342,334	178,441	234,762
Receivables	8	457,762	133,345	440,809
Non-current assets held for sale	9	-	-	9,285
Total current assets		800,096	311,786	684,856
Non-current assets				
Receivables	8	15,307	14,499	-
Other financial assets	10	22,352	19,800	21,076
Property, plant and equipment				
Land and buildings	11	607,770	627,311	318,068
Infrastructure systems	11	1,704,470	1,758,691	55,638
Plant and equipment	11	1,010,184	1,057,823	962,088
Property, plant and equipment		3,322,424	3,443,825	1,335,794
Intangibles	12	268,822	49,123	171,341
Other assets	13	40,454	40,345	36,511
Total non-current assets		3,669,359	3,567,592	1,564,722
Total assets		4,469,455	3,879,378	2,249,578
LIABILITIES				
Current liabilities				
Payables	14	628,242	241,296	421,175
Borrowings	15	176,580	50,000	171,693
Provisions	16	4,250	15,661	-
Other liabilities	17	-	-	2,270
Total current liabilities		809,072	306,957	595,138
Non-current liabilities				
Borrowings	15	1,190,204	1,001,502	1,050,648
Provisions	16	4,750	1,412	-
Other liabilities	17	45	45	45
Total non-current liabilities		1,194,999	1,002,959	1,050,693
Total liabilities		2,004,071	1,309,916	1,645,831
Net assets		2,465,384	2,569,462	603,747
EQUITY				
Accumulated funds		2,465,384	2,569,462	603,747
Total equity		2,465,384	2,569,462	603,747

The accompanying notes form part of these financial statements.

Transport for NSW
Statement of changes in equity
for the year ended 30 June 2013

	Notes	Accumulated Funds \$'000
Balance at 1 July 2012		603,747
Net result for the year		178,299
Other comprehensive income		-
Total other comprehensive income		-
Total comprehensive income for the year		178,299
Transactions with owners in their capacity as owners		
Increase in net assets from administrative restructure	24	1,824,632
Equity transfers	21	(141,294)
Balance at 30 June 2013		2,465,384
Balance at 1 November 2011		-
Net result for the period		250,862
Other comprehensive income		-
Total other comprehensive income		-
Total comprehensive income for the period		250,862
Transactions with owners in their capacity as owners		
Increase in net assets from equity transfers	24	352,885
Balance at 30 June 2012		603,747

The accompanying notes form part of these financial statements.

Transport for NSW
Statement of cash flows
for the year ended 30 June 2013

		Actual 2013 \$'000	Budget 2013 \$'000	Actual 2012 \$'000
	Notes			
Cash flows from operating activities				
Payments				
Personnel services fees		(335,394)	(297,330)	(142,572)
Grants and subsidies		(6,654,236)	(9,070,904)	(5,541,304)
Finance costs		(79,668)	(68,908)	(43,498)
Bus and ferry contract payments		(1,241,088)	-	(813,921)
Infrastructure projects		(1,422,305)	-	(304,924)
Other		(306,186)	(1,401,271)	(115,409)
Total payments		(10,038,877)	(10,838,413)	(6,961,628)
Receipts				
Recurrent appropriations		7,999,371	9,598,503	6,472,963
Capital appropriations		219,892	280,674	269,813
Sale of goods and services		662,783	29,139	400,057
Grants and contributions		1,668,649	51,198	27,919
Retained taxes, fees and fines		-	-	1,018
Interest received		15,481	7,936	3,967
Other		-	1,219,703	-
Total receipts		10,566,176	11,187,153	7,175,737
Net cash flows from operating activities	18	527,299	348,740	214,109
Cash flows from investing activities				
Proceeds from sale of land and buildings		1,900	-	-
Purchases of land and buildings, plant and equipment and infrastructure systems		(302,251)	(267,480)	(241,260)
Purchase of finance leased assets		(56,270)	-	(32,784)
Advances made		(82)	-	(460)
Purchases of investments		(1,194)	-	(20,004)
Other		-	(2,919)	-
Net cash flows from investing activities		(357,897)	(270,399)	(294,508)
Cash flows from financing activities				
Proceeds from borrowings and advances		111,239	-	-
Repayment of borrowings and advances		-	(57,028)	-
Net cash flows from financing activities		111,239	(57,028)	-
Net increase / (decrease) in cash		280,641	21,313	(80,399)
Opening cash and cash equivalents		234,762	157,128	-
Cash transferred in as a result of administrative restructure	24	40,184	-	315,161
Cash reserves transferred to the Crown Entity	21	(213,253)	-	-
Closing cash and cash equivalents	7	342,334	178,441	234,762

The accompanying notes form part of these financial statements.

Transport for NSW
Service group statements
for the year ended 30 June 2013

Expenses and income

	Transport Infrastructure & Development		Integrated Transport Service Delivery		Integrated Transport Planning & Management		Not attributable		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses excluding losses										
Operating expenses										
Personnel service expenses	73,417	23,797	137,720	91,556	130,177	48,902	-	-	341,314	164,255
Other operating expenses	57,731	16,985	108,295	57,393	102,364	30,925	-	-	268,390	105,303
Maintenance	107,549	168	1,709	652	1,616	347	-	-	110,874	1,167
Depreciation and amortisation	95,825	632	60,572	33,415	4,303	631	-	-	160,700	34,678
Grants and subsidies	4,103,480	2,649,105	2,002,498	1,622,806	1,645,874	1,255,967	-	-	7,751,852	5,527,878
Finance costs	2,906	-	71,607	43,498	5,155	-	-	-	79,668	43,498
Other expenses	300,901	304,924	1,249,182	792,703	-	-	-	-	1,550,083	1,097,627
Total expenses excluding losses	4,741,809	2,995,611	3,631,583	2,642,023	1,889,489	1,336,772	-	-	10,262,881	6,974,406
Revenue										
Recurrent appropriations	-	-	-	-	-	-	7,999,371	6,472,963	7,999,371	6,472,963
Capital appropriations	-	-	-	-	-	-	222,162	267,543	222,162	267,543
Sale of goods and services	77,006	67,015	189,542	165,696	112,233	98,046	-	-	378,781	330,757
Investment revenue	5,556	1,635	13,674	4,166	8,097	2,384	-	-	27,327	8,185
Shared services revenue	22,745	22,100	55,979	53,556	33,147	31,789	-	-	111,871	107,445
Retained taxes, fees and fines	-	-	-	1,018	-	-	-	-	-	1,018
Grants and contributions	340,041	5,641	836,978	13,885	495,596	8,222	-	-	1,672,615	27,748
Resources received free of charge	2,068	1,441	5,091	3,548	3,015	2,101	-	-	10,174	7,090
Other revenue	803	512	1,972	1,261	1,168	746	-	-	3,943	2,519
Total revenue	448,219	98,344	1,103,236	243,130	653,256	143,288	8,221,533	6,740,506	10,426,244	7,225,268
Gain / (loss) on disposal	9,684	-	-	-	-	-	-	-	9,684	-
Other gains / (losses)	5,252	-	-	-	-	-	-	-	5,252	-
Net result	(4,278,654)	(2,897,267)	(2,528,347)	(2,398,893)	(1,236,233)	(1,193,484)	8,221,533	6,740,506	178,299	250,862
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	(4,278,654)	(2,897,267)	(2,528,347)	(2,398,893)	(1,236,233)	(1,193,484)	8,221,533	6,740,506	178,299	250,862

The names and purposes of each service group are summarised in note 6. Appropriations are made on an entity basis and not to individual service groups. Consequently, appropriations are included in the "Not attributable" column.

Transport for NSW
Service group statements
as at 30 June 2013

Assets and liabilities

	Transport Infrastructure & Development		Integrated Transport Service Delivery		Integrated Transport Planning & Management		Not attributable		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS										
Current assets										
Cash and cash equivalents	210,564	228,698	106,398	4,360	25,372	1,704	-	-	342,334	234,762
Receivables	333,232	388,827	101,242	51,427	23,288	555	-	-	457,762	440,809
Non-current assets held for sale	-	9,285	-	-	-	-	-	-	-	9,285
	543,796	626,810	207,640	55,787	48,660	2,259	-	-	800,096	684,856
Non-current assets										
Receivables	8,472	-	5,519	-	1,316	-	-	-	15,307	-
Other financial assets	21,183	20,004	753	671	416	401	-	-	22,352	21,076
Property, plant and equipment	603,726	315,967	2,022	1,050	2,022	1,051	-	-	607,770	318,068
Land and buildings	1,704,470	55,638	-	-	-	-	-	-	1,704,470	55,638
Infrastructure systems	6,163	1,198	997,858	959,691	6,163	1,199	-	-	1,010,184	962,088
Plant and equipment	2,314,359	372,803	999,880	960,741	8,185	2,250	-	-	3,322,424	1,335,794
Property, plant and equipment	89,466	154,684	89,890	8,328	89,466	8,329	-	-	268,822	171,341
Intangibles	40,454	36,511	-	-	-	-	-	-	40,454	36,511
Other assets	2,473,934	584,002	1,096,042	969,740	99,383	10,980	-	-	3,669,359	1,564,722
	3,017,730	1,210,812	1,303,682	1,025,527	148,043	13,239	-	-	4,469,455	2,249,578
Total assets										
LIABILITIES										
Current liabilities										
Payables	478,894	296,212	121,981	111,311	27,367	13,652	-	-	628,242	421,175
Borrowings	-	-	176,580	171,693	-	-	-	-	176,580	171,693
Provisions	3,946	-	152	-	152	-	-	-	4,250	-
Other	-	-	-	-	-	-	-	2,270	-	2,270
	482,840	296,212	298,713	283,004	27,519	13,652	-	2,270	809,072	595,138
Non-current liabilities										
Borrowings	-	-	1,190,204	1,050,648	-	-	-	-	1,190,204	1,050,648
Provisions	1,584	-	1,583	-	1,583	-	-	-	4,750	-
Other	0	-	45	45	-	-	-	-	45	45
	1,584	-	1,191,832	1,050,693	1,583	-	-	-	1,194,999	1,050,693
	484,424	296,212	1,490,545	1,333,697	29,102	13,652	-	2,270	2,004,071	1,645,831
Total liabilities										
Net assets	2,533,306	914,600	(186,863)	(308,170)	118,941	(413)	-	(2,270)	2,465,384	603,747

The names and purposes of each service group are summarised in note 6.

Transport for NSW
Service group statements
for the year ended 30 June 2013

Administered expenses and income

	Transport Infrastructure & Development		Integrated Transport Service Delivery		Integrated Transport Planning & Management		Not attributable		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered expenses										
Transfer of taxes, fees and fines to the Crown Entity	-	-	-	-	-	-	43,661	19,357	43,661	19,357
Total administered expenses	-	-	-	-	-	-	43,661	19,357	43,661	19,357
Administered income										
Consolidated Fund taxes, fees and fines	-	-	-	-	-	-	44,216	19,627	44,216	19,627
Total administered income	-	-	-	-	-	-	44,216	19,627	44,216	19,627
Administered income less expenses	-	-	-	-	-	-	555	270	555	270

The names and purposes of each service group are summarised in note 6.
Administered assets and liabilities are disclosed in note 26.

Transport for NSW
Summary of compliance with financial directives
for the year ended 30 June 2013

	Recurrent appropriation \$'000	Expenditure / net claim on Consolidated Fund \$'000	Capital appropriation \$'000	Expenditure / net claim on Consolidated Fund \$'000
2013				
Original budget				
appropriation / expenditure				
Appropriations Act	9,598,503	7,999,371	280,674	222,162
S 24 PF&AA - transfers of functions between entities	(15,300)	-	-	-
	9,583,203	7,999,371	280,674	222,162
Other appropriation / expenditure				
Treasurer's advance	-	-	2,270	-
Transfers to / from another entity (S 31 of the Appropriations Act)	(1,575,728)	-	-	-
	(1,575,728)	-	2,270	-
Total appropriation / expenditure net claim on Consolidated Fund	8,007,475	7,999,371	282,944	222,162
Drawdown against appropriations (notes 3(a), 3(b))		7,999,371		222,162
Liability to Consolidated Fund		-		-
2012				
Original budget				
appropriation / expenditure				
Appropriations Act	-	-	-	-
S 24 PF&AA - transfers of functions between entities	6,931,712	6,461,640	218,595	216,325
	6,931,712	6,461,640	218,595	216,325
Other appropriation / expenditure				
Treasurer's advance	-	-	47,218	47,218
Transfers to / from another entity (S 31 of the Appropriations Act)	19,256	11,323	4,000	4,000
	19,256	11,323	51,218	51,218
Total appropriation / expenditure net claim on Consolidated Fund	6,950,968	6,472,963	269,813	267,543
Drawdown against appropriations (notes 3(a), 3(b))		6,472,963		269,813
Liability to Consolidated Fund		-		2,270

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

1. Summary of significant accounting policies

(a) Transport for NSW – Reporting entity

Transport for NSW was established on 1 November 2011 as a statutory authority to take over the roles and functions previously carried out by the Department of Transport including the planning, procurement, delivery and coordination of transport services and infrastructure in NSW. As such, the prior year comparatives are for the eight month period from 1 November 2011 to 30 June 2012 and therefore not comparable to the current year.

Transport for NSW (through the Director General of the Department of Transport) may, for the purpose of exercising its functions, give directions to the following transport entities – Rail Corporation of New South Wales (RailCorp), Roads and Maritime Services, State Transit Authority and Sydney Ferries.

As a result of other amendments to the Transport Administration Act 1988 the following other changes were made to the Department of Transport group:

The Public Transport Ticketing Corporation and Country Rail Infrastructure Authority were abolished on 1 July 2012 and the functions and roles were transferred to Transport for NSW.

The Transport Administration Act 1988 states that the affairs of Transport for NSW are to be managed and controlled by the Director General of the Department of Transport. Consistent with the Director General's power of direction it is considered that the Transport for NSW has control for the purposes of preparing consolidated financial statements for the following agencies and special purpose entities or divisions:

- Transport Service of New South Wales
- Roads and Maritime Services
- Sydney Ferries
- State Transit Authority
- Rail Corporation of New South Wales
- Sydney Trains (from 7 December 2012)
- NSW Trains (from 7 December 2012)
- Sydney Metro
- MTS Holding Company Pty Limited (from 12 March 2012)
- Metro Transport Sydney Pty Limited (from 23 March 2012)
- Sydney Light Rail Co Pty Limited (from 23 March 2012)
- Metro Transport Security Co Pty Limited (from 23 March 2012)
- Pyrmont Light Rail Co Limited (from 23 March 2012)
- SLR Corporate Development Pty Limited (from 23 March 2012)
- Light Rail Construction Co Pty Limited (from 23 March 2012)

The Treasurer of NSW on 14 March 2012 granted an exemption to Transport for NSW, a controlled entity of the Department of Transport from preparing consolidated financial statements on the basis that the Department of Transport, as the ultimate parent entity, produces consolidated financial statements. These financial statements are for the Transport for NSW parent entity only.

Transport for NSW is a not-for-profit organisation.

The financial statements of Transport for NSW for the year ended 30 June 2013 with comparatives for the period 1 November 2011 to 30 June 2012, were authorised for issue by the Director General on the date the accompanying Statement was signed.

(b) Basis of preparation

The 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 NSW General Government Sector Entities or issued by the Treasurer under section 9(2)(n) of the Act.

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

1. Summary of significant accounting policies (cont'd)

(b) Basis of preparation (cont'd)

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 historical cost convention.

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

(c) Critical accounting estimates, judgement and assumptions

In the application of accounting standards and the Financial Reporting Code for NSW General Government Sector Entities (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 affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The judgements, key assumptions and estimates management has made are disclosed in the relevant notes to the financial statements.

(d) Statement of compliance

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

(e) Administered activities

Transport for NSW 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 discretion, for example, to deploy the resources for the achievement of Transport for NSW's own objectives.

Transactions and balances relating to the administered activities are not recognised as Transport for NSW's income, expenses, assets and liabilities, but disclosed in the accompanying schedules as "Administered income", "Administered expenses", "Administered assets" and "Administered liabilities".

The accrual basis of accounting and applicable accounting standards have been adopted.

The collection of the 'Administered income' is now carried out by Roads and Maritime Services on behalf of Transport for NSW.

(f) Personnel services

Transport for NSW cannot directly employ staff. The personnel services are provided by the Transport Service of New South Wales, Department of Transport and various transport agencies until all staff have been transferred to the Transport Service of New South Wales. As a result, Transport for NSW reports personnel service expenses, not employee related expenses.

Personnel service expenses include salaries, wages, leave entitlements, superannuation, workers' compensation insurance premium, payroll tax, fringe benefits tax and redundancies.

For further details on personnel service expenses refer to note 2(a)

Some personnel service expenses are included in the construction costs of intangible assets and rail infrastructure system and are, therefore, not included in the personnel service expenses.

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

1. Summary of significant accounting policies (cont'd)

(g) Other operating expenses and maintenance

Other operating expenses generally represent the day-to-day running costs incurred in the normal operations of Transport for NSW.

Maintenance costs relate principally to infrastructure systems and interchanges and do not include any personnel service expenses.

(h) Grants and subsidies

Grants and subsidies generally comprise contributions in cash or in kind to transport services providers and various local government authorities and not-for-profit community organisations.

(i) Finance costs

Finance costs comprise mainly interest on borrowings and finance lease interest charges. In accordance with Treasury's mandate for the not-for-profit general government sector agencies, finance costs are expensed and recognised in the Statement of comprehensive income in the period in which they are incurred.

(j) Insurance

Transport for NSW arranges insurance cover through the NSW Treasury Managed Fund apart from country rail infrastructure cover which is arranged through private insurance providers. The cost of insurance is expensed in the period to which the insurance cover relates.

(k) Other expenses

Other expenses include payments to bus and ferry operators for the provision of bus and ferry services in the metropolitan, regional and rural areas of New South Wales.

(l) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that: the amount of GST incurred by Transport for NSW 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.

(m) 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 benefit will flow to Transport for NSW and the income can be reliably measured. The following specific criteria must also be met before income is recognised:

(i) Parliamentary appropriations and contributions

Parliamentary appropriations and contributions from other bodies (including grants and contributions) are generally recognised as income when Transport for NSW obtains control over the assets comprising the appropriations/ contributions. Control over appropriations/ contributions are 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. Any liability is disclosed in note 17 as part of "Other current liabilities". The amount will be repaid and the liability will be extinguished the next financial year.

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

1. Summary of significant accounting policies (cont'd)

(m) Income recognition (cont'd)

(ii) Sale of goods and services

Revenue from the sale of goods is recognised as revenue when Transport for NSW 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) Retained taxes, fines and fees

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

(iv) Investment revenue

Interest revenue on cash and cash equivalents is recognised using the effective interest method as set out 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.

(v) Shared services revenue

Shared services revenue represents revenue for the provision of shared services to various transport operating entities and is recognised when the shared service is provided.

(vi) Other revenue

Other revenue comprises the value of the emerging interest in the Ultimo Pyrmont Light Rail. The non-cash revenue is also recognised as an asset (note 13).

(n) Property, plant and equipment

(i) Property, plant and equipment

Property, plant and equipment comprise land and buildings, plant and equipment (general plant and equipment and finance lease assets) and infrastructure systems.

(ii) Capitalisation and initial recognition

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by Transport for NSW 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 estimates of dismantling and restoration costs.

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.

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

1. Summary of significant accounting policies (cont'd)

(n) Property, plant and equipment (cont'd)

(iii) Valuation of property, plant and equipment

Subsequent to initial recognition, property, plant and equipment assets 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.

There has been no revaluation to date.

Property, plant and equipment is measured on its existing use, 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.

(iv) Revaluation of property, plant and equipment

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 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), infrastructure systems and certain plant and equipment. Depreciated replacement cost for these types of assets is based on "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 is limited to the extent that optimisation can occur in the normal course of business with commercially available technology.

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.

Transport for NSW revalues 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.

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 net result, the increment is recognised immediately as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, 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.

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

1. Summary of significant accounting policies (cont'd)

(n) Property, plant and equipment (cont'd)

(iv) Revaluation of property, plant and equipment (cont'd)

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.

(v) Impairment of property, plant and equipment

As a not-for-profit reporting entity with no cash generating units, Transport for NSW 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 cost 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.

(vi) Depreciation of property, plant and equipment

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 Transport for NSW.

Land is not a depreciable asset. 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:

<i>Depreciation Rates</i>	<i>Useful Lives</i>
Buildings	40 years
Plant and equipment	3- 30 years
Finance leased buses	15 years
Infrastructure systems	10 -100 years

The asset 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.

(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.

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

1. Summary of significant accounting policies (cont'd)

(n) Property, plant and equipment (cont'd)

(x) Leased assets (cont'd)

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.

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 disposal are determined by comparing the proceeds with the carrying amount of the asset and are included in the Statement of comprehensive income.

(o) Intangible assets

Intangible assets are recognised only if it is possible that future economic benefits will flow to Transport for NSW 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 Transport for NSW's intangible assets, the assets are carried at cost less any accumulated amortisation.

Transport for NSW's intangible assets comprise principally information technology systems which are amortised using the straight line method over periods ranging from 2 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.

(p) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprises cash at bank and in hand and NSW Treasury Corporation (TCorp) Hour-Glass Cash Facility. The TCorp Hour-Glass Cash Facility is designated at fair value through the profit and loss.

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

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

1. Summary of significant accounting policies (cont'd)

(q) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determined 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 net result for the period 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.

(r) Investments

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

(i) Fair value through profit and loss: Transport for NSW subsequently measures investment classified as "held for trading" or designated upon initial recognition "at fair value through profit and 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. Gains or losses on these assets are recognised in the net result for the period.

(ii) Held-to-maturity investments: Non derivative financial investments with fixed or determinable payments and fixed maturity that Transport for NSW 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 rate method. Changes are recognised in the net result for the period when impaired, derecognised or through the amortisation process.

(iii) 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 net result for the period. However, interest calculated using the effective interest method and dividends are recognised in the net result for the period.

Purchases or sales of investment 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 Transport for NSW 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.

Unquoted investment in subsidiaries incorporated as proprietary companies are stated at cost less accumulated impairment in the parent entity's Statement of financial position. The investment is subject to at least annual reviews for impairment.

(s) 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 Transport for NSW 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 net result for the period.

When an available for sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the net result for the period, 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 net result for the period.

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

1. Summary of significant accounting policies (cont'd)

(s) Impairment of financial assets (cont'd)

Any reversals of impairment losses are reversed through the net result for the period, 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.

(t) 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 Transport for NSW transfers the financial assets:

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

Where Transport for NSW has neither transferred nor retained substantially all the risk and rewards or transferred control, the asset is recognised to the extent of Transport for NSW's continuing involvement in the asset.

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

(u) Non-current assets (or disposal groups) 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.

(v) Other assets – Private sector provided infrastructure

In these private sector provided infrastructure arrangements, the grantor (Transport for NSW) 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 services concession arrangement infrastructure is operator-controlled during the concession period and grantor-controlled thereafter.

In the absence of a specified Australian Accounting Standard, Treasury Policy and Guidelines Paper Accounting for Privately Financed Projects (TP06-08) applies. The policy requires Transport for NSW 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 revenue.

(w) Liabilities

(i) Payables

These amounts represent liabilities for goods and services provided to Transport for NSW 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.

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

1. Summary of significant accounting policies (cont'd)

(w) Liabilities (cont'd)

(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 the net result 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) Other provisions

Other provisions exist when Transport for NSW 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 Transport for NSW has a detailed formal plan and it has raised a valid expectation in those affected by 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 risk specific to the liability.

(x) Equity and reserve

(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 Transport for NSW's policy on the revaluation of property, plant and equipment as discussed in note 1(n)(iv).

(ii) Accumulated funds

The category "Accumulated funds" includes all current and prior period retained funds.

(iii) Equity transfer

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 transferee agencies does not recognise that asset.

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

1. Summary of significant accounting policies (cont'd)

(y) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period, as adjusted for section 24 of the PFAA where there has been a transfer of functions between departments. Other amendments made to the budget are not reflected in the budgeted amounts.

(z) Service Groups costing

Service Groups costs comprise direct costs and indirect costs. Direct and indirect costs include employee related expenses, depreciation and amortisation, grants and subsidies, finance charges and operating expenses. Direct costs relate to those activities that contribute specifically to the service delivery of one of the Service Groups. Indirect costs relate to those general activities that benefit all Service Groups. Indirect costs are allocated across the three service groups on a pro-rata basis having regard to the direct allocations to each service groups with this method considered to be both systematic and rational and is applied consistently to all costs having similar characteristics.

Assets and liabilities that could be attributed to one of the service groups were allocated to that service group. The other assets and liabilities are allocated across the three service groups on a pro-rata basis having regard to the direct allocations to each service groups with this method considered to be both systematic and rational and is applied consistently to all assets and liabilities having similar characteristics.

(aa) 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 Transport for NSW and effective for the current annual reporting period have been adopted.

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 2013.

Transport for NSW'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 financial statements
AASB 9 Financial Instruments, AASB 2010-7 and 2012-6 Amendments to Australian Accounting Standards arising from AASB 9 and Transition Disclosures	AASB 9 introduces new requirements for the classification, measurement and derecognition of financial assets and financial liabilities. AASB 9 has replaced the four key categories for financial assets in AASB139 by two main measurement categories – either amortised cost or fair value. It was further amended by AASB 2010-7 to reflect amendments to accounting for financial liabilities. AASB 2012-6 defers the mandatory effective date of AASB 9 to annual report period beginning on or after 1 January 2015. It also require additional disclosures on transition from AASB 139 to AASB 9 in some circumstances,	1 January 2015	The impact on the financial statements is not expected to be significant.

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

1. Summary of significant accounting policies (cont'd)

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

Standard	Summary of key requirements / changes	Applicable to annual reporting periods beginning on or after	Impact on financial statements
AASB 10 Consolidated Financial Statements and AASB 2012-10 Amendment to Australian Accounting Standards – Transition Guidance and Other Amendments	AASB 10 replaces the consolidation requirements in AASB 127 and AASB Interpretation 112. AASB 10 introduces a new principles-based control model that considers power, rights and exposure to variable returns to determine whether an entity has control over an investee. The standard requires the parent entity to present consolidated financial statements as those of a single economic entity.	1 January 2014	The impact on the financial statements is not expected to be significant.
AASB 127 Separate Financial Statements and AASB 2012-10	AASB 127 Consolidated and Separate Financial Statements has been renamed Separate Financial Statements. The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements (in addition to consolidated financial statements). The Standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates and jointly controlled entities are accounted for either at cost or in accordance with AASB 9 Financial Instruments.	1 January 2014	The AASB may modify the application of this standard to the not-for-profit entities. As such it is not practical to assess the impact of its application on the reporting entity's consolidated financial statements.
AASB 128 Investments in Associates and Joint ventures and AASB 2012-10	AASB 128 prescribes the accounting for investments in associates and defines "significant influence". It sets out the requirement for the application of the equity method when accounting for investments in associates and joint ventures.	1 January 2014	The impact on the consolidated financial statements is not expected to be significant.
AASB 13 Fair Value Measurement and AASB 2011-8	AASB 13 defines fair value, establishes a single framework or guidance for the measuring of fair value and requires enhanced disclosures about fair value measurements. AASB 13 applies when another standard requires or permits fair value measurements or disclosures. The standard establishes a three tier "fair value hierarchy".	1 January 2013	The reporting entity's major assets – property, plant and equipment and investment properties are recognised at fair value. NSW Treasury is considering the implications of the changes and will provide future directions.

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

1. Summary of significant accounting policies (cont'd)

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

Standard	Summary of key requirements / changes	Applicable to annual reporting periods beginning on or after	Impact on financial statements
AASB 1053 and AASB 2010-2 regarding differential reporting	AASB 1053 requires entities that prepare general purpose financial statements to adopt Tier 1 (full compliance with AASB) or Tier 2 (Reduced Disclosure Requirements).	1 July 2013	TfNSW expects to prepare accounts in accordance with Tier 1 requirements.
AASB 1055 Budgetary Reporting and AASB 2013-1 Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements	AASB 1055 specifies budgetary disclosure requirements for the whole of government, General Government Sectors (GGS) and not-for-profit entities within the GGS of each government. AASB 2013-1 relocates AASB 1049 requirements into AASB 1055 to make it the complete reference on Budgetary Reporting.	1 July 2014	The impact on the financial statements is not expected to be significant, as the entity is already complying with the requirements under AASB 1049, which are moved into AASB 1055.

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

	2013	2012
	\$'000	\$'000
2. Expenses excluding losses		
(a) Personnel related expenses		
(i) Personnel services:		
Salaries (including recreation leave)	270,215	133,584
Superannuation - defined benefits plan	4,513	1,249
Superannuation - defined contribution plan	9,597	3,615
Long service leave	5,539	5,841
Workers' compensation insurance	1,104	154
Payroll tax and fringe benefit tax	9,649	2,948
Redundancies	5,346	1,425
Other employee expenses	1,447	226
	<u>307,410</u>	<u>149,042</u>
(ii) Skill hire contractors	33,904	15,213
	<u>341,314</u>	<u>164,255</u>

In addition to the above, \$55.6 million (2012: \$0.6 million) has been included in major rail project expenses, non-cash grant expenses, and capitalised in intangible assets (information technology systems).

(b) Other operating expenses		
Advertising and marketing	20,374	829
Consultants	8,610	5,536
Specialist contractors	102,018	32,232
Other contractors	38,062	8,666
Electricity	577	169
Auditors' remuneration - audit of the financial statements	478	240
Fleet hire and leasing charges including		
contingent rents and rail access fees	375	121
Fuel costs	87	41
Information technology	8,730	5,755
Insurance	1,657	354
Internal audit fees	488	26
Legal services	10,206	5,519
Office expenses	47,284	29,463
Property rent and other related expenses	15,982	5,547
Security costs	3,475	1,984
Telecommunications	2,315	1,153
Travel expenses - domestic and international	1,096	391
General expenses	6,576	7,277
	<u>268,390</u>	<u>105,303</u>

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

	2013	2012
	\$'000	\$'000
2. Expenses excluding losses (cont'd)		
(c) Maintenance		
Maintenance	4,235	1,167
Maintenance - infrastructure	106,639	-
	110,874	1,167
There are no maintenance costs included in employee related expenses.		
(d) Depreciation and amortisation		
Depreciation		
Infrastructure systems (note 11)	91,524	-
Buildings (note 11)	5,732	12
Plant and equipment (note 11)	3,974	644
Finance leased buses (note 11)	56,270	32,783
	157,500	33,439
Amortisation		
Information technology systems (note 12)	3,200	1,239
	3,200	1,239
	160,700	34,678
(e) Grants and subsidies		
Taxi Transport Subsidy Scheme	25,871	17,565
Community transport groups	55,676	29,398
Private Vehicle Conveyance	22,868	11,238
Rail Corporation of New South Wales	3,348,791	2,259,175
Sydney Ferries	20,362	86,781
Country Rail Infrastructure Authority	-	110,186
Carparks and interchanges	7,024	12,989
Transport Construction Authority	-	16,700
Roads and Maritime Services	4,208,190	2,949,660
Grants to councils - maintenance of transport infrastructure	3,843	6,405
Others	59,227	27,781
	7,751,852	5,527,878
(f) Finance costs		
Finance lease interest charges	66,152	43,482
Interest expense on TCorp borrowings	13,508	-
Other finance costs	8	16
	79,668	43,498

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

	2013	2012
	\$'000	\$'000
2. Expenses excluding losses (cont'd)		
(g) Other expenses		
Bus contract payments - metropolitan and outer metro bus operators	769,699	537,347
Major events - hire of bus and rail services	8,094	4,577
Bus contract payments - rural and regional bus operators	389,905	250,779
Ferry contract payments	81,484	-
Infrastructure projects	300,901	304,924
	1,550,083	1,097,627
3. Revenue		
(a) Recurrent appropriations		
Total recurrent drawdowns from NSW Treasury (per Summary of compliance with financial directives)	7,999,371	6,472,963
Less: Liability to Consolidated Fund (per Summary of compliance with financial directives)	-	-
	7,999,371	6,472,963
Comprising:		
Recurrent appropriations (per Statement of comprehensive income)	7,999,371	6,472,963
	7,999,371	6,472,963
(b) Capital appropriations		
Total capital drawdowns from NSW Treasury (per Summary of compliance with financial directives)	222,162	269,813
Less: Liability to Consolidated Fund (per Summary of compliance with financial directives) (note 17)	-	(2,270)
	222,162	267,543
Comprising:		
Capital appropriations (per Statement of comprehensive income)	222,162	267,543
	222,162	267,543
(c) Sale of goods and services		
Recoupment of project costs	307,575	320,112
Access fees ¹	11,571	-
Fees for services rendered	47,323	6,374
Major events revenue	6,118	3,920
Other	6,194	351
	378,781	330,757

1. Transport for NSW has entered into multi-year infrastructure access agreements with its customers. The dollar value of the business generated by the agreements depends on the rates charged, which are negotiated annually over the life of the agreements, and the annual level of customer usage.

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

	2013	2012
	\$'000	\$'000
3. Revenue (cont'd)		
(d) Investment revenue		
Rents	12,430	2,823
Interest revenue from financial assets at fair value through profit or loss (TCorp Hour-Glass Cash Facility)	6,477	1,309
Interest on bank account	8,420	4,053
	27,327	8,185
(e) Shared services revenue		
Shared services revenue	111,871	107,445
	111,871	107,445
Shared services revenue comprises fees charged by the entity for the provision of shared services to other transport entities.		
(f) Retained taxes, fees and fines		
Taxi operators' accreditation renewal fees	-	1,018
	-	1,018
In the prior year, Transport for NSW collected taxi operators' accreditation fees which could only be used to fund taxi industry related operations and initiatives. In 2012-13 this function was transferred to Roads and Maritime Services.		
(g) Grants and contributions		
Community transport groups	49,625	27,748
Crown Entity	1,620,907	-
Other	2,083	-
	1,672,615	27,748
Transport for NSW received grants of \$49.6 million (2012: \$27.7 million) from the Department of Aging Disability and Home Care for the Community Transport Group funding scheme.		
Transport for NSW received grants from the Crown Entity of \$1,558.0 million (2012: nil) to fund major rail infrastructure projects and \$62.9 million (2012: nil) to fund redundancy grants in the Transport cluster.		
(h) Resources received free of charge		
Resources received free of charge represents acceptance by the Crown Entity of employee benefits and other liabilities.		
Personnel services - superannuation - defined benefit	4,513	1,249
Personnel services - long service leave	5,539	5,841
Personnel services - payroll tax	122	-
	10,174	7,090

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

	2013	2012
	\$'000	\$'000
3. Revenue (cont'd)		
(i) Other revenue		
Emerging interest in Ultimo Pyrmont Light Rail (note 13)	3,943	2,519
	3,943	2,519
4. Gain / (loss) on disposal		
Proceeds from disposal	45,000	-
Written down value of land and buildings disposed (note 11)	(35,316)	-
	9,684	-
5. Other gains / (losses)		
Allowances for impairment of receivables	(59)	-
Gain on disposal of non-current assets held for sale	5,311	-
	5,252	-

6. Service groups of Transport for NSW

Transport for NSW has three service groups namely:

Transport Infrastructure and Development:

Description: This service group covers developing and building new infrastructure along with enhancing the existing public transport system and the road network.

Integrated Transport Service Delivery

Description: This service group covers the delivery of a range of transport services, from operation, coordination and regulation of public transport, to transport service contracts, pricing and ticketing and customer information services. This also includes delivering more specialised services to better connect local communities and helping disadvantaged groups. This service group seeks to implement initiatives to increase safe road use behaviour to ensure that drivers and riders are eligible, competent and identified, vehicles are roadworthy and meet emissions standards and a high standard of customer service is maintained.

Integrated Transport Planning and Management

Description: This service group covers planning for integration between transport modes to deliver a more efficient and reliable customer experience. It also includes the development of strategic policy to influence land use planning, coordinates strategies to address future growth and transport demands of the community and industry. This service group also seeks to ensure safe, reliable movement of people and goods on the arterial road network and manage the primary arterial network to retain the value and quality of the infrastructure as a long-term renewable asset.

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

	2013	2012
	\$'000	\$'000
7. Cash and cash equivalents		
Cash at bank and on hand	295,143	14,958
TCorp Hour-Glass Cash Facility	47,191	219,804
	342,334	234,762

For the purposes of the Statement of cash flows, cash and cash equivalents include cash at bank, cash on hand, and TCorp Hour-Glass Cash Facility.

Cash and cash equivalent assets recognised in the Statement of financial position are reconciled at the end of the financial period to the Statement of cash flows as follows:

Cash and cash equivalents (per Statement of financial position)	342,334	234,762
Closing cash and cash equivalents (per Statement of cash flows)	342,334	234,762

Refer note 23 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

Restricted cash and cash equivalents

Cash and cash equivalent assets include restricted cash of \$177.9 million (2012: \$9.8 million) which has been quarantined specifically in relation to the Parking Space Levy (PSL) and Aged Care Funding.

PSL funds can only be used for the purposes outlined in Section 11(3) of the Parking Space Levy Act and therefore are not available to fund the ongoing operations of Transport for NSW.

The Commonwealth provides funding for the delivery of activities under certain aged care programs known as Aged Care Funding. These funds are required to be quarantined for specific use as defined by the terms and conditions for Aged Care Funding.

The Community Road Safety Fund legislation, which came into effect on 1 May 2013, requires that all money raised from speed camera offences is to be spent on road safety. At balance date there was no surplus funds to be quarantined.

8. Receivables

Current receivables

Sale of goods and services	164,587	221,756
Goods and Services Tax recoverable	51,900	9,973
Prepayments	15,515	88
Income receivable	217,648	205,503
Investment income receivable	3,550	3,512
Crown Entity	3,966	-
Other debtors ¹	681	3
	457,847	440,835
Less: Allowance for impairment	(85)	(26)
	457,762	440,809
Balance at 1 July	(26)	-
Balance transferred in through administrative restructure	-	(26)
Net increase in allowance recognised in net result	(59)	-
Balance at 30 June	(85)	(26)

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

	2013	2012
	\$'000	\$'000
8. Receivables (cont'd)		
Non-current receivables		
Other debtors ¹	15,307	-
	15,307	-

1. These items include the sale of land to Newcastle Port Corporation on deferred settlement terms.

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in note 23.

9. Non-current assets held for sale

Land and buildings held for sale	-	9,285
	-	9,285

Non-current assets held for sale in 2012 comprised land and buildings transferred from Transport Construction Authority as part of the administrative restructure in 2011-12. These assets were sold in 2012-13 as expected.

10. Other financial assets

Non-current other financial assets		
Interest free advances to taxi operators	753	671
Investment in MTS Holding Company Pty Limited	21,183	20,004
Loan to MTS Holding Company Pty Limited	416	401
	22,352	21,076

Interest free advances to taxi operators:

Transport for NSW provides repayable interest-free advances to assist taxi operators (in rural and regional NSW) to make their taxis wheel-chair accessible. Transport for NSW holds bills of sale as security for these advances and has recorded its financial interests in the vehicles in the Register of Encumbered vehicles.

Investment in and loans to MTS Holding Company Pty Limited:

MTS Holding Company Pty Limited (formerly ACN 156 211 906 Pty Limited) is a for-profit proprietary company limited by shares and domiciled in Australia. The company was incorporated on 12 March 2012 and is a fully owned subsidiary of Transport for NSW.

On 23 March 2012 Transport for NSW, acting on behalf of MTS Holding Company Pty Limited, paid \$19.8 million for the 100% acquisition of Metro Transport Sydney Pty Limited and its Group, the owners of the Light Rail and Monorail Systems in Sydney. ACN 156 211 906 Pty Limited at that time issued 20.0 million shares of \$1 each fully paid to Transport for NSW to fund this acquisition (\$19.7 million) and related stamp duty costs (\$0.3 million). A further 1.2 million shares of \$1 each fully paid were issued to Transport for NSW on 25 October 2012 (\$1.2 million).

On 1 June 2012, Transport for NSW provided a short term interest bearing loan to MTS Holding Company Pty Limited.

Refer to note 23 for further information regarding credit risk, liquidity risk, and market risk arising from financial instruments.

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

11. Property, plant and equipment

	Land and buildings \$'000	Infrastructure systems \$'000	Plant and equipment			Total Property, plant and equipment \$'000
			Plant and equipment \$'000	Finance leased buses \$'000	Total \$'000	
As at 30 June 2013						
At cost	-	-	-	1,080,749	1,080,749	1,080,749
At fair value	613,514	1,795,994	23,106	-	23,106	2,432,614
Accumulated depreciation and impairment	(5,744)	(91,524)	(4,618)	(89,053)	(93,671)	(190,939)
Net carrying amount	607,770	1,704,470	18,488	991,696	1,010,184	3,322,424
As at 30 June 2012						
At cost	-	-	-	991,275	991,275	991,275
At fair value	318,080	55,638	4,240	-	4,240	377,958
Accumulated depreciation and impairment	(12)	-	(644)	(32,783)	(33,427)	(33,439)
Net carrying amount	318,068	55,638	3,596	958,492	962,088	1,335,794

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:

Year ended 30 June 2013

Net carrying amount at start of year	318,068	55,638	3,596	958,492	962,088	1,335,794
Acquisition through administrative restructure (note 24)	250,919	1,562,798	605	-	605	1,814,322
Additions	7,872	177,558	18,261	89,474	107,735	293,165
Transfers from other non-transport entities (note 21)	78,000	-	-	-	-	78,000
Transfers to other transport entities (note 21)	(6,041)	-	-	-	-	(6,041)
Disposals	(35,316)	-	-	-	-	(35,316)
Depreciation expense (note 2(d))	(5,732)	(91,524)	(3,974)	(56,270)	(60,244)	(157,500)
Net carrying amount at end of year	607,770	1,704,470	18,488	991,696	1,010,184	3,322,424

Year ended 30 June 2012

Acquisition through administrative restructure (note 24)	99,376	41,848	2,546	907,911	910,457	1,051,681
Additions	218,704	13,790	1,694	83,364	85,058	317,552
Depreciation expense (note 2(d))	(12)	-	(644)	(32,783)	(33,427)	(33,439)
Net carrying amount at end of year	318,068	55,638	3,596	958,492	962,088	1,335,794

Transport for NSW also incurs additional costs relating to major rail infrastructure projects. These costs are capitalised and then immediately derecognised and transferred to Rail Corporation of New South Wales by way of non-cash grants. During the year, \$1,094.8 million (2012: nil) of major rail infrastructure project costs was transferred and is not included in the reconciliation above.

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

	2013	2012
	\$'000	\$'000
12. Intangibles		
Information technology systems		
At cost (gross carrying amount)	273,261	172,580
Accumulated amortisation and impairment	(4,439)	(1,239)
	268,822	171,341
Reconciliation		
Net carrying amount at beginning of the year	171,341	-
Acquisition through administrative restructure (note 24)	-	165,509
Additions	100,681	7,071
Amortisation expense (note 2(d))	(3,200)	(1,239)
Net carrying amount at end of the year	268,822	171,341
13. Other assets		
Non-current other assets		
Emerging interest in Ultimo Pyrmont Light Rail		
Balance at 1 July	36,511	-
Acquisition through administrative restructure (note 24)	-	33,992
Emerging interest (note 3(i))	3,943	2,519
	40,454	36,511
14. Payables		
Current payables		
Trade creditors	71,225	7,633
Accrued expenses	556,673	403,315
Other creditors	344	10,227
	628,242	421,175

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in note 23.

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

	2013	2012
	\$'000	\$'000
15. Borrowings		
Current borrowings		
TCorp borrowings	114,247	110,745
Finance leases	62,333	60,948
	176,580	171,693
Non-current borrowings		
TCorp borrowings	260,841	153,104
Finance leases	929,363	897,544
	1,190,204	1,050,648
Repayment of borrowings		
Not later than one year	176,580	171,693
Between one and five years	367,951	270,492
Later than five years	822,253	780,156
	1,366,784	1,222,341
16. Provisions		
Current provisions		
Legal claims	3,795	-
Lease make good costs	455	-
	4,250	-
Non-current provisions		
Lease make good costs	4,750	-
	4,750	-
Movements in provisions		
	Legal claims	
Net carrying amount at beginning of the year	-	
Acquisition through administrative restructure (note 24)	4,018	
Payment of claims	(223)	
Net carrying amount at end of the year	3,795	
	Lease make good costs	
Net carrying amount at beginning of the year	-	
Additional provisions recognised	5,205	
Net carrying amount at end of the year	5,205	

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

	2013	2012
	\$'000	\$'000
17. Other liabilities		
Current other liabilities		
Liability to Consolidated Fund (note 3(b))	-	2,270
	<u>-</u>	<u>2,270</u>
Non-current other liabilities		
Security deposit	45	45
	<u>45</u>	<u>45</u>
18. Reconciliation of cash flows from operating activities to net result		
Net cash inflow from operating activities	527,299	214,109
Non-cash revenue and losses	23,367	2,519
Depreciation and amortisation	(160,700)	(34,678)
(Decrease) / increase in receivables	(51,145)	253,470
Increase in payables	(160,522)	(184,558)
Net result	<u>178,299</u>	<u>250,862</u>
19. Non-cash financing and investing activities		
Non-cash financing activities		
Financial lease liabilities in respect of acquisition of plant and equipment	89,474	83,364
	<u>89,474</u>	<u>83,364</u>
Non-cash investing activities		
Plant and equipment acquired by finance lease	89,474	83,364
Value of emerging interest in Ultimo Pyrmont Light Rail	3,943	2,519
	<u>93,417</u>	<u>85,883</u>

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

	<u>2013</u>	<u>2012</u>
	<u>\$'000</u>	<u>\$'000</u>
20. 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:		
Not later than one year	1,461,241	115,053
Later than one year and not later than five years	403,216	90,743
Total including GST	<u>1,864,457</u>	<u>205,796</u>
(b) Operating lease commitments		
Future non-cancellable operating lease rentals not provided for and payable:		
Not later than one year	23,918	14,437
Later than one year and not later than five years	53,998	24,738
Later than five years	6,896	-
Total including GST	<u>84,812</u>	<u>39,175</u>
Operating leases include office accommodation and plant and equipment.		
(c) Finance lease commitments		
Minimum lease payment commitments in relation to finance leases payables as follows:		
Not later than one year	126,763	114,991
Later than one year and not later than five years	503,055	459,963
Later than five years	<u>784,558</u>	<u>826,337</u>
Minimum lease payment	1,414,376	1,401,291
Less: Future finance charges	<u>(422,680)</u>	<u>(442,799)</u>
Present value of minimum lease payment	<u>991,696</u>	<u>958,492</u>
The present value of finance lease commitments is as follows:		
Finance leased buses		
Not later than one year	62,333	60,948
Later than one year and not later than five years	293,498	250,207
Later than five years	<u>635,865</u>	<u>647,337</u>
	<u>991,696</u>	<u>958,492</u>

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

	<u>2013</u>	<u>2012</u>
	<u>\$'000</u>	<u>\$'000</u>
20. Commitments for expenditure (cont'd)		
(c) Finance lease commitments (cont'd)		
Finance lease commitments are classified as:		
Current borrowings (note 15)	62,333	60,948
Non-current borrowings (note 15)	929,363	897,544
	<u>991,696</u>	<u>958,492</u>

Input tax on all commitments estimated at \$177.2 million (2012: \$22.2 million) will be recouped from the Australian Taxation Office.

21. Equity transfers

Cash reserves transferred to the Crown Entity ¹	(213,253)	-
Land transferred from Department of Planning and Infrastructure ²	78,000	-
Land transferred to Rail Corporation of New South Wales ²	(6,041)	-
	<u>(141,294)</u>	<u>-</u>

1. A direction was received from the Treasurer to the Minister of Transport on 10 January 2013 that surplus funds resulting from the dissolution of Sydney Metro be paid to the Crown Entity as a return of equity. A payment of \$209.0 million plus interest was made on 31 January 2013.

2. Land valued at \$78.0 million was transferred from Department of Planning and Infrastructure by equity transfer. Land valued at \$6.0 million was transferred to Rail Corporation of New South Wales also by way equity transfer. The residual land will be retained by Transport for NSW for future infrastructure projects.

22. Contingent liabilities and contingent assets

In the ordinary course of business, contract disputes have been notified to and by Transport for NSW in relation to its construction activities. As the outcomes of these disputes remain uncertain, it is not practicable to estimate any potential financial effect from these disputes.

There are a number of compulsory property acquisitions related to transport infrastructure projects subject to litigation which represent a maximum contingent liability of \$19.9 million.

Apart from the contract disputes and compulsory property acquisitions mentioned above, Transport for NSW does not have any other contingent liability or contingent asset that would significantly impact on the state of affairs of Transport for NSW or have a material effect on these financial statements.

Guarantees and performance bonds

At reporting date, Transport for NSW holds guarantees and performance bonds totalling \$176.9 million (2012: \$95.2 million).

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

23. Financial instruments

Transport for NSW's principal financial instruments are outlined below. These financial instruments are required to finance Transport for NSW's operations.

Transport for NSW does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The operational activities of Transport for NSW expose it to a variety of financial risks: credit risk, liquidity risk and market risk including interest rate risk. The main risks arising from these financial instruments are outlined below together with Transport for NSW'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 of Transport for NSW has overall responsibility for the establishment and oversight of risk management and review, and determines 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 instruments categories

		Carrying amount	
		2013	2012
		\$'000	\$'000
Financial assets	Category		
Class:			
Cash and cash equivalents (note 7)	N/A	342,334	234,762
Receivables ¹ (note 8)	Loans and receivables (at amortised cost)	405,654	418,384
Other financial assets (note 10)	Loans and receivables (at amortised cost)	22,352	21,076
		<u>770,340</u>	<u>674,222</u>
Financial liabilities			
Class:			
Payables ² (note 14)	Financial liabilities measured at amortised cost	628,242	421,175
Borrowings (note 15)	Financial liabilities measured at amortised cost	1,366,784	1,222,341
		<u>1,995,026</u>	<u>1,643,516</u>

During the year ended 30 June 2013, there were no defaults on any loans payable (2012: nil).

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 loss to Transport for NSW.

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

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

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

23. Financial instruments (cont'd)

b) Credit risk (cont'd)

Credit risk associated with Transport for NSW'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 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 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. Collectability 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.

Transport for NSW is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Debtors of \$0.1 million (2012: \$0.6 million) is considered impaired of debtors of \$7.7 million (2012: \$17.5 million) not more than 6 months overdue as at 30 June 2013.

The only financial assets that are past due are "Sale of goods and services" in the "Receivables" category of the Statement of financial position.

	Past due but not impaired \$'000	Considered impaired \$'000	Total \$'000
2013			
< 3 months overdue	3,075	-	3,075
3 months - 6 months overdue	4,555	85	4,640
	<u>7,630</u>	<u>85</u>	<u>7,715</u>
2012			
< 3 months overdue	15,121	428	15,549
3 months - 6 months overdue	1,810	173	1,983
	<u>16,931</u>	<u>601</u>	<u>17,532</u>

c) Liquidity risk

Liquidity risk is the risk that Transport for NSW will be unable to meet its payment obligations when they fall due. Transport for NSW 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.

Transport for NSW has access to credit facilities with TCorp of \$467.0 million (2012: \$308.0 million) of which \$375.1 million (2012: \$263.8 million) had been used at reporting date.

During the current and prior year, there were no defaults of loans payable and no assets have been pledged as collateral.

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

23. Financial instruments (cont'd)

c) Liquidity risk (cont'd)

Maturity analysis and interest rate exposure of financial liabilities

	Weighted average effective interest rate	Nominal amount \$'000	Interest rate exposure			Maturity dates		
			Fixed interest rate \$'000	Variable interest rate \$'000	Non- interest bearing \$'000	<1 year \$'000	1-5 years \$'000	>5 years \$'000
2013								
Payables:								
Trade creditors	-	71,225	-	-	71,225	71,225	-	-
Accrued expenses	-	556,673	-	-	556,673	556,673	-	-
Other current payables	-	344	-	-	344	344	-	-
Borrowings:								
Come and Go facility								
- Litigation	3.38%	33,150	-	33,150	-	33,150	-	-
Come and Go facility								
- Other	3.38%	6,150	-	6,150	-	6,150	-	-
TCorp borrowings								
- short term	3.34%	74,947	-	74,947	-	74,947	-	-
TCorp borrowings								
- long term	4.70%	371,075	371,075	-	-	-	93,452	277,623
Finance leases	-	991,696	991,696	-	-	62,333	293,498	635,865
		2,105,260	1,362,771	114,247	628,242	804,822	386,950	913,488

	Weighted average effective interest rate	Nominal amount \$'000	Interest rate exposure			Maturity dates		
			Fixed interest rate \$'000	Variable interest rate \$'000	Non- interest bearing \$'000	<1 year \$'000	1-5 years \$'000	>5 years \$'000
2012								
Payables:								
Accrued salaries, wages and on-costs	-	103	-	-	103	103	-	-
Trade creditors	-	7,633	-	-	7,633	7,633	-	-
Accrued expenses	-	403,212	-	-	403,212	403,212	-	-
Other current payables	-	10,227	-	-	10,227	10,227	-	-
Borrowings:								
Come and Go facility								
- Litigation	4.60%	32,100	-	32,100	-	32,100	-	-
Come and Go facility								
- Other	4.62%	6,150	-	6,150	-	6,150	-	-
TCorp borrowings								
- short term	4.62%	72,495	-	72,495	-	72,495	-	-
TCorp borrowings								
- long term	5.26%	235,497	235,497	-	-	-	24,814	210,683
Finance leases	-	958,492	958,492	-	-	60,948	250,207	647,337
		1,725,909	1,193,989	110,745	421,175	592,868	275,021	858,020

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

23. 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. Transport for NSW's exposures to market risk are primarily through interest rate risk on Transport for NSW's borrowings and other price risks associated with the movement in the unit price of the TCorp Hour-Glass Investment Facility.

The effect on net result 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 Transport for NSW 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 assumes that all other variables remain constant.

Transport for NSW has no exposure to foreign currency risk and does not enter into commodity contracts.

(i) Interest rate risk

Exposure to interest rate risk arises primarily through Transport for NSW's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily TCorp.

Transport for NSW's exposure to interest rate risk is set out in the table below:

	Carrying amount \$'000	- 1 %		+ 1 %	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2013					
Financial assets					
Cash and cash equivalents	342,334	(3,427)	(3,427)	3,427	3,427
Receivables	405,654	-	-	-	-
Other financial assets	22,352	-	-	-	-
Financial liabilities					
Payables	628,242	-	-	-	-
Financial liabilities at amortised cost	1,366,784	3,193	3,193	(3,193)	(3,193)
2012					
Financial assets					
Cash and cash equivalents	234,762	(1,081)	(1,081)	1,081	1,081
Receivables	418,384	-	-	-	-
Other financial assets	21,076	-	-	-	-
Financial liabilities					
Payables	421,175	-	-	-	-
Financial liabilities at amortised cost	1,222,341	2,123	2,123	(2,123)	(2,123)

(ii) Other price risk – TCorp Hour-Glass facilities

Exposure to other price risk primarily arises through the investment in the TCorp Hour-Glass Cash Facility, which is held for up to 1.5 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 number of units on issues for that facility. United prices are calculated and published daily.

TCorp is 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, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. However, TCorp acts as manager for part of the Cash and Strategic Cash Facilities and also manages the Australian Bond portfolio. A significant portion of the administration of the facilities is outsourced to an external custodian.

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

23. Financial instruments (cont'd)

d) Market risk (cont'd)

(ii) Other price risk – TCorp Hour-Glass facilities (cont'd)

Investment in the TCorp Hour-Glass facilities limits Transport for NSW's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

TCorp provides sensitivity analysis information for each of the investment facilities, using historically based volatility information. TCorp's Hour-Glass Investment facilities are designed at fair value through profit and loss and, therefore, any change in unit price impacts directly on the result (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.

Given that the TCorp Hour-Glass Cash Facility is held for a short period of time, the impact on any price changes on the net result would be immaterial.

e) Fair value compared to carrying amount

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities, which are measured at fair value. The value of the Hour-Glass Investments is based on the entity's share of the value of the underlying assets of the facility, based on the market value. All of the TCorp Hour-Glass facilities are valued using 'redemption' pricing.

The amortised cost of all other financial instruments recognised in the Statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments, with the exception of TCorp borrowings. TCorp borrowings have a carrying amount of \$375.1 million compared to a fair value of \$382.3 million.

f) Fair value recognised in the Statement of financial position

The 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)

Transport for NSW has assessed the fair value of its financial instruments on the basis of inputs other than quoted prices that are observed directly or indirectly (Level 2) with TCorp Hour-Glass Cash Facility disclosed at \$47.2 million (2012: \$219.8 million).

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

24. Administrative restructure

Net assets and liabilities transferred to Transport for NSW were as follows:

	Country Rail Infrastructure Authority 2013 \$'000	Sydney Metro 2013 \$'000	Total 2013 \$'000	Dept. of Transport 2012 \$'000	Transport Construction Authority 2012 \$'000	RailCorp 2012 \$'000	Dept. of Land & Infrastructure 2012 \$'000	Public Transport Ticketing Corporation 2012 \$'000	Sydney Metro 2012 \$'000	Total 2012 \$'000
ASSETS										
Current assets										
Cash and cash equivalents	35,285	4,899	40,184	42,125	168,165	(105,851)	-	1,854	208,868	315,161
Receivables	20,880	1	20,881	125,662	53,662	-	-	6,255	-	185,579
Non-current assets for sale	-	-	-	-	9,285	-	-	-	-	9,285
	56,165	4,900	61,065	167,787	231,112	(105,851)	-	8,109	208,868	510,025
Non - current assets										
Other financial assets	-	-	-	572	-	-	-	-	-	572
Property, plant and equipment	250,919	-	250,919	56,017	43,359	-	-	-	-	99,376
Land and buildings	1,562,798	-	1,562,798	41,848	823,209	(828,853)	5,644	-	-	41,848
Infrastructure systems	605	-	605	910,457	-	-	-	-	-	910,457
Plant and equipment	1,814,322	-	1,814,322	1,008,322	866,568	(828,853)	5,644	-	-	1,051,681
Property, plant and equipment	-	-	-	18,876	-	-	-	146,633	-	165,509
Intangibles	-	-	-	33,992	-	-	-	-	-	33,992
Other assets	-	-	-	-	-	-	-	-	-	-
	1,814,322	-	1,814,322	1,061,762	866,568	(828,853)	5,644	146,633	-	1,251,754
Total assets	1,870,487	4,900	1,875,387	1,229,549	1,097,680	(934,704)	5,644	154,742	208,868	1,761,779
LIABILITIES										
Current liabilities										
Payables	42,604	-	42,604	119,535	93,597	-	-	23,956	-	237,088
Borrowings	-	-	-	47,704	-	-	-	110,745	-	158,449
Provisions ¹	8,151	-	8,151	-	-	-	-	-	-	-
	50,755	-	50,755	167,239	93,597	-	-	134,701	-	395,537
Non - current liabilities										
Borrowings	-	-	-	860,208	-	-	-	153,104	-	1,013,312
Other	-	-	-	45	-	-	-	-	-	45
	-	-	-	860,253	-	-	-	153,104	-	1,013,357
Total liabilities	50,755	-	50,755	1,027,492	93,597	-	-	287,805	-	1,408,894
Net assets	1,819,732	4,900	1,824,632	202,057	1,004,083	(934,704)	5,644	(133,063)	208,868	352,885

1. Includes \$4.0 million (2012: nil) relating to legal claims, and \$4.1 million (2012: nil) relating to employee entitlements which were transferred to Transport Services as the employing entity.

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

25. Budget review

The budget amounts disclosed in the Statement of comprehensive income, Statement of financial position and Statement of cash flows are drawn from the original budget financial statements presented to Parliament in respect of the reporting period, as adjusted for section 24 of the PAFA where there has been a transfer of functions between departments. Other adjustments made to the budget are not reflected in the budget amounts disclosed.

An explanation of significant variations between the actual and budget in the reporting period are provided below.

Net result

The net operating result in 2012-13 in Transport for NSW of \$178.3 million is generally in line with the budget. However, there are significant variations in a number of line items.

Total revenue of \$10,426.2 million is some \$445.3 million more than budget. This increase reflects a similar increase in total expenses. These variations are mainly related to the transfer of functions to Transport for NSW after the budget was prepared, including the Electronic Ticketing System (ETS) project. The expenditure and revenue related to shared services activities has also contributed to the variations.

Another significant variance includes a reduction in grants and subsidies expenses of \$1,319.1 million and an increase in other expenses of \$1,528.5 million. This is mainly due to the budget for bus and ferry contract payments being included in grants and subsidies while the actual expense is included in other expenses.

In addition, during 2012-13 the accounting arrangements for major rail capital projects were amended by NSW Treasury. This contributed to significant variations between the actual and budget in respect of the recurrent allocation (reduction of \$1,599.1 million); grants and contributions revenue (increase of \$1,621.4 million).

Assets and liabilities

Actual net assets in Transport for NSW as at 30 June 2013 are almost \$104.1 million below the budget. This is primarily due to the transfer of the assets and liabilities between Transport for NSW and various other agencies, after the budget had been prepared.

Variations in the asset and liability line items include current assets being almost \$463.6 million higher than budget. This is however reflected in current payables being \$362.3 million more than budget, with current borrowings also higher than budget by \$126.6 million. These variations mainly reflect the increase in the functions of Transport for NSW and in particular the major rail capital projects now being undertaken by Transport for NSW, including the North West Rail Link and South West Rail Link. The increase in current and non-current borrowings mainly relates to the ETS project transferred to Transport for NSW.

Cash flows

Cash during 2012-13 increased by \$280.6 million compared to the budget of \$21.3 million. This increase reflects the increase in the functions of Transport for NSW and the resultant increase in payables as at 30 June 2013.

Total receipts from operating activities of \$10,593.3 million are some \$593.8 million lower than budget. This decrease primarily reflects the change in accounting arrangements for major rail capital projects required by NSW Treasury. These arrangements, which were introduced after the budget was prepared, implemented non-cash grants from Transport for NSW to Rail Corporation of New South Wales for the major projects, thereby reducing the cash received for work undertaken on those projects.

This reduction in receipts is partly offset by an increase in sale of goods and services receipts of \$660.8 million which reflects the increase in services provided by Transport for NSW, including shared services activities.

The accounting arrangements for major rail capital projects also reduced the payments made by Transport for NSW to Rail Corporation of New South Wales in the form of allocations, which are reflected in a reduction of \$772.4 million in total payments from operating activities as compared to budget.

In that regard grants and subsidies payments have decreased by \$2,416.7 million as compared to budget, with an offsetting increase in payments for infrastructure projects (\$1,422.3 million).

Payments for purchases of property, plant and equipment also increased, which is mainly related to the ETS project. This increase in payments is reflected in an increase in borrowings compared to budget, with those borrowings used to fund amounts paid for the ETS.

Transport for NSW
Notes to the financial statements
for the year ended 30 June 2013

	2013	2012
	\$'000	\$'000
26. Administered assets and liabilities		
Administered assets		
Cash	555	270
	555	270
Administered liabilities		
Other	555	270
	555	270

27. After balance date events

Sydney Trains and NSW Trains

Commencing on 1 July 2013, Sydney Trains and NSW Trains will replace Rail Corporation of New South Wales in operating train services in New South Wales.

The two new entities will be controlled entities of Transport for NSW and ultimately controlled entities of the Department of Transport for the purposes of financial reporting and will as such be part of the consolidated financial statements for the Transport cluster for 2013-14.

There is not expected to be any financial impact on the financial statement's of Transport for NSW.

End of audited financial statements.

Transport Service of NSW



INDEPENDENT AUDITOR'S REPORT

Transport Service of New South Wales

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Transport Service of New South Wales (the Service), which comprise the statement of financial position as at 30 June 2013, 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.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Service as at 30 June 2013, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1993* (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 Acting Director-General's Responsibility for the Financial Statements

The Acting Director-General is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Acting Director-General determines is necessary to enable the preparation of financial statements that give a true and fair view and 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 Service's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Service's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Acting Director-General, 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 Service
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements.

Independence

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

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



C J Giumelli
Director, Financial Audit Services

3 October 2013
SYDNEY

Transport Service of New South Wales

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

**Transport Service of New South Wales
Statement by Director General
for the year ended 30 June 2013**

Pursuant to section 41C (1B) 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); and
- The requirements of the *Public Finance and Audit Act 1983* and Regulation.

(b) The statements exhibit a true and fair view of the financial position and transactions of the Transport Service of New South Wales; and

(c) There are no circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.



**Tony Braxton-Smith
Acting Director General**

Date: 3 October 2013

Transport Service of New South Wales
Statement of comprehensive income
for the year ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
Expenses excluding losses			
Employee related	2(a)	207,264	40,465
Other operating	2(b)	25	-
Total expenses excluding losses		207,289	40,465
Revenue			
Personnel service revenue	3(a)	197,931	35,792
Acceptance by the Crown Entity of employee benefits and other liabilities	3(b)	9,333	4,673
Grants and contributions	3(c)	25	-
Total revenue		207,289	40,465
Net result		-	-
Other comprehensive income		-	-
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-

The accompanying notes form part of these financial statements.

Transport Service of New South Wales
Statement of financial position
as at 30 June 2013

	Notes	2013 \$'000	2012 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	4	476	491
Receivables	5	29,960	11,995
Total current assets		30,436	12,486
 Total assets		 30,436	 12,486
 LIABILITIES			
Current liabilities			
Payables	6	4,076	1,564
Provisions	7	26,360	10,922
Total current liabilities		30,436	12,486
 Total liabilities		 30,436	 12,486
 NET ASSETS		 -	 -
 EQUITY			
Accumulated funds		-	-
TOTAL EQUITY		-	-

The accompanying notes form part of these financial statements.

**Transport Service of New South Wales
Statement of changes in equity
for the year ended 30 June 2013**

	Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2012	-	-
Net result for the year	-	-
Other comprehensive income	-	-
Total comprehensive income for the year	-	-
Balance at 30 June 2013	-	-

	Accumulated Funds \$'000	Total \$'000
Balance at 1 November 2011	-	-
Net result for the year	-	-
Other comprehensive income	-	-
Total comprehensive income for the year	-	-
Balance at 30 June 2012	-	-

The accompanying notes form part of these financial statements.

Transport Service of New South Wales
Statement of cash flows
for the year ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
Cash flows from operating activities			
Payments			
Employee related		(195,584)	(36,109)
Other		(19)	-
Total payments		(195,603)	(36,109)
Receipts			
Personnel services		195,588	36,600
Total receipts		195,588	36,600
Net cash (outflows)/inflows from operating activities	8	(15)	491
Net (decrease)/increase in cash			
Opening cash and cash equivalents		491	-
CLOSING CASH AND CASH EQUIVALENTS	4	476	491

The accompanying notes form part of these financial statements.

**Transport Service of New South Wales
Notes to financial statements
for the year ended 30 June 2013**

1. Summary of significant accounting policies

a) Reporting entity

The Transport Service of New South Wales (Transport Service) was established on 1 November 2011 as an agency to employ staff to enable Transport for NSW, which cannot directly employ staff, to undertake its functions. As such, the prior year comparatives are for the eight month period from 1 November 2011 to 30 June 2012 and therefore not comparable to the current year.

The Transport Service is controlled by Transport for NSW, which is in turn controlled by the Department of Transport. The financial statements of the Transport Service are consolidated in the Department of Transport financial statements.

The Transport Service is consolidated as part of the NSW Total State Sector financial statements.

The financial statements of Transport Service for the year ended 30 June 2013 with comparatives for the period 1 November 2011 to 30 June 2012, were authorised for issue by the Director General on the date the accompanying statement was signed.

b) Basis of preparation

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

- Applicable Australian Accounting Standards (which include Australian Accounting interpretations); and
- The requirements of the *Public Finance and Audit Act 1983* and Regulation.

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.

c) Critical accounting estimates, judgement and assumptions

In the application of accounting standards, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the current set of circumstances. Actual results may differ from these estimates.

**Transport Service of New South Wales
Notes to financial statements
for the year ended 30 June 2013**

1. Summary of significant accounting policies (cont'd)

c) Critical accounting estimates, judgement and assumptions (cont'd)

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

d) Statement of compliance

The financial statements and notes comply with the Australian Accounting Standards, which include Australian Accounting Interpretations.

e) Employee related

Employee related expenses include salaries, wages, leave entitlements, superannuation, workers' compensation insurance premium, payroll tax, fringe benefit tax and redundancies.

f) 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 benefit will flow to the reporting entity and the income can be reliably measured.

Revenue from the rendering of personnel services is recognised when the service is provided and only to the extent that the associated recoverable expenses are recognised.

g) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank.

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

h) Receivables

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 flows from it expire or are transferred.

Transport Service of New South Wales
Notes to financial statements
for the year ended 30 June 2013

1. Summary of significant accounting policies (*cont'd*)

h) Receivables (cont'd)

Receivables 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 net result 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.

i) Payables

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

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

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.

j) Employee benefits

a. 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.

**Transport Service of New South Wales
Notes to financial statements
for the year ended 30 June 2013**

1. Summary of significant accounting policies (cont'd)

j) Employee benefits (cont'd)

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.

b. Long service leave and superannuation

The reporting entity's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The 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'.

A liability for long service leave is measured in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors specified in Treasury Circular "Accounting for Long Service and Annual Leave" (NSWTC 12/06) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense recognised in the Statement of Comprehensive Income comprises:

- defined contribution plans, the expense is calculated as a percentage of the employees' salary
- defined benefit plans, the expense is a multiple of the employees' superannuation contributions as specified in the Treasury Circular "Accounting for Superannuation" (NSWTC 11/04)

**Transport Service of New South Wales
Notes to financial statements
for the year ended 30 June 2013**

1. Summary of significant accounting policies (cont'd)

k) 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 the reporting entity and effective for the current annual reporting period have been adopted.

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 from 1 July 2012 to 30 June 2013. The reporting entity's assessment of the impact of these new standards and interpretations is set out below:

Standard	Summary of key requirements/changes	Effective date	Impact on financial statements
AASB 9 Financial Instruments, AASB 2010-7 and 2012-6 Amendments to Australian Accounting Standards arising from AASB 9 and Transition Disclosures	AASB 9 introduces new requirements for the classification, measurement and derecognition of financial assets and financial liabilities. AASB 9 has replaced the four key categories for financial assets in AASB139 by two main measurement categories – either amortised cost or fair value. It was further amended by AASB 2010-7 to reflect amendments to accounting for financial liabilities. AASB 2012-6 defers the mandatory effective date of AASB 9 to annual report period beginning on or after 1 January 2015. It also requires additional disclosures on transition from AASB 139 to AASB 9 in some circumstances.	1 January 2015	The impact on the financial statements is not expected to be significant.
AASB 119 Employee Benefits AASB 2011-10 and AASB 2011-11	AASB 119 mainly impacts the accounting for defined benefit pension schemes. The corridor approach for the recognition of actuarial gains and losses has been removed, as has the option to recognise actuarial gains and losses in profit or loss. The impact of this is that all actuarial gains and losses will be recognised in other comprehensive income in the period in which they arise. In addition, the calculation of net interest cost has changed. There will no longer be separate calculations of the expected return on plan assets and the interest cost of funding the defined benefit obligation. Instead, a single rate is applied to the net of the defined benefit obligation and plan assets.	1 July 2013 with retrospective implementation	The requirements for measurement of employer liabilities and assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities and assets, are substantially different under the revised AASB 119. NSW Treasury is considering the implications of the changes and will provide future directions.

Transport Service of New South Wales
Notes to financial statements
for the year ended 30 June 2013

2. Expenses excluding losses

	2013	2012
	\$'000	\$'000
(a) Employee related expenses		
Salaries (including annual leave)	172,082	30,215
Superannuation - defined benefits plan	4,001	600
Superannuation - defined contribution plan	12,183	2,445
Long service leave	5,238	4,040
Workers' compensation insurance	1,340	278
Payroll tax and fringe benefit tax	10,988	2,887
Redundancies	1,146	-
Other employment benefits	286	-
	207,264	40,465
(b) Other operating expenses		
Auditor's remuneration - audit of the financial statements	25	-
	25	-

The auditor's remuneration of \$16,300 for financial year 2011-12 was paid by TfNSW.

3. Revenue

	2013	2012
	\$'000	\$'000
(a) Personnel services		
Fee for personnel services	197,931	35,792
	197,931	35,792
(b) Acceptance by the Crown Entity of employee benefits and other liabilities		
Long service leave liability assumed by Crown	5,238	4,040
Superannuation liability assumed by Crown	4,001	600
Payroll tax on superannuation assumed by Crown	94	33
	9,333	4,673
(c) Grants and contributions		
Grant from Transport for New South Wales	25	-
	25	-

Transport Service of New South Wales
Notes to financial statements
for the year ended 30 June 2013

4. Cash and cash equivalents

	2013	2012
	\$'000	\$'000
Cash at bank	476	491
	476	491

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank.

5. Receivables

	2013	2012
	\$'000	\$'000
Personnel services debtor	29,960	11,995
	29,960	11,995

6. Payables

	2013	2012
	\$'000	\$'000
Other creditors	1,705	479
Accruals - salaries and oncosts	2,371	1,085
	4,076	1,564

Transport Service of New South Wales
Notes to financial statements
for the year ended 30 June 2013

7. Provisions

	2013	2012
	\$'000	\$'000
Employee benefits and related on-costs		
Provision for annual leave ¹	20,746	8,698
Provision for long service leave ²	3,990	676
Provision for payroll tax	972	1,303
Provision for workers' compensation insurance	652	245
	26,360	10,922

1. In 2013 the provision for annual leave of \$3.9 million (2012: \$1.8 million) is expected to be settled after more than twelve months.
2. The provision for long service leave represents consequential costs not assumed by the Crown Entity.

8. Reconciliation of cash flows from operating activities to net result

	2013	2012
	\$'000	\$'000
Net cash (outflow)/inflow from operating activities	(15)	491
Non cash expense (long service leave and superannuation assumed by the Crown Entity)	9,333	4,673
Acceptance by the Crown Entity of employee entitlements	(9,333)	(4,673)
Increase in receivables	17,965	11,995
Increase in payables	(2,512)	(1,564)
Increase in employee related provisions	(15,438)	(10,922)
Net result	-	-

Transport Service of New South Wales
Notes to financial statements
for the year ended 30 June 2013

9. Financial instruments

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

The reporting entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The operational activities of the reporting entity do not expose it to a variety of financial risks such as credit, liquidity or market risk. The main risks arising from any financial instrument of the reporting entity are outlined below together with the reporting entity's objectives, policies and processes for measuring and managing the risks.

Further quantitative and qualitative disclosures are included throughout these financial statements.

The Director General of the reporting entity has overall responsibility for the establishment and oversight of risk management and review and determines 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

			2013 Carrying Amount \$'000	2012 Carrying Amount \$'000
	Note	Category		
Financial Assets				
Class:				
Cash and cash equivalents	4	N/A	476	491
Receivables ¹	5	Loans and receivables (at amortised cost)	29,960	11,995
Financial Liabilities				
Class:				
Payables ²	6	Financial liabilities measured (at amortised cost)	4,076	1,564

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB7)

2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7)

**Transport Service of New South Wales
Notes to financial statements
for the year ended 30 June 2013**

9. Financial instruments (*cont'd*)

(b) Credit risk

Credit risk arises where a debtor or counterparty does not complete their obligations, resulting in financial loss to Transport Services.

Credit risk can arise from financial assets of the reporting entity, including cash and cash equivalents, deposits with banks and TCorp, as well as credit exposure to customers, including outstanding receivables and committed transactions.

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

Cash

Cash comprises bank balances within the NSW Treasury Banking System.

Receivables – personnel services debtor

All personnel services debtors are recognised as amounts receivable at balance date. Transport Service is not materially exposed to concentrations of credit risk to a single debtor or group of debtors. All debtors are NSW government agencies and no debtor balances are considered impaired as at 30 June 2013.

Transport Service of New South Wales
Notes to financial statements
for the year ended 30 June 2013

9. Financial instruments (cont'd)

(c) Liquidity risk

Liquidity risk is the risk that Transport Service will be unable to meet its payment obligations when they fall due. Transport Services continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets primarily in the form of cash at bank.

During the current and prior year, there were no defaults of loans payable and no assets have been pledged as collateral.

Maturity Analysis and interest rate exposure of financial liabilities

2013							
Weighted Average Effective Int. Rate	\$'000						
	Interest Rate Exposure				Maturity Dates		
	Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non- Interest bearing	< 1 year	1-5 years	> 5 years
Payables:							
Accrued salaries, wages and on-costs	-	2,371	-	-	2,371	-	-
Other creditors	-	1,705	-	-	1,705	-	-
	4,076	-	-	4,076	4,076	-	-

2012							
Weighted Average Effective Int. Rate	\$'000						
	Interest Rate Exposure				Maturity Dates		
	Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non- Interest bearing	< 1 year	1-5 years	> 5 years
Payables:							
Accrued salaries, wages and on-costs	-	1,085	-	-	1,085	-	-
Other creditors	-	479	-	-	479	-	-
	1,564	-	-	1,564	1,564	-	-

**Transport Service of New South Wales
Notes to financial statements
for the year ended 30 June 2013**

9. Financial instruments (*cont'd*)

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The entity has no exposure to foreign currency risk and does not enter into commodity contracts.

(d) Fair value compared to carrying amount

Financial instruments are recognised at amortised cost. The carrying value of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

10. After balance date events

The NSW Government recently announced executive reforms that will consolidate the Senior Executive Service, Senior Officers and other executives into a single group.

In the Transport cluster there will be a transition to the new executive structure over the next three years. In that regard, all Transport cluster senior executives will initially be employed in the Transport Senior Service commencing from 1 July 2013. Previously only employees working in Transport for NSW were employees of Transport Service.

Therefore senior executives working in Roads & Maritime Services, State Transit Authority, Sydney Trains and NSW Trains will now progressively join the Transport Senior Service, in Transport Service.

The budgets for the salary and related costs of Transport Senior Service employees working in each agency will remain with the agency; with those employees assigned to that agency and the salary and related costs recovered by Transport Service from the relevant Transport cluster entities commencing in July 2013.

As such while the revenue, expenses, assets and liabilities of Transport Service will progressively increase there will be no impact on the net result or net assets of Transport Service.

End of audited financial statements.

MTS Holding Company Pty Limited



INDEPENDENT AUDITOR'S REPORT

MTS Holding Company Pty Limited

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of MTS Holding Company Pty Limited (the Company), which comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Company and the consolidated entity. The consolidated entity comprises the Company 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 Company and the consolidated entity as at 30 June 2013, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of Public Finance and Audit Act 1983 (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that give a true and fair view and 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 of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, 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 Company or consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information, that may have been hyperlinked to/from the financial statements.

Independence

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

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



C J Giumelli
Director, Financial Audit Services

24 September 2013
SYDNEY

MTS HOLDING COMPANY PTY LIMITED

FINANCIAL STATEMENTS

2012-13

Consolidated Financial Statements and notes to the financial statements

MTS Holding Company Pty Limited

Directors' declaration

Pursuant to section 41C (1B) and (1C) 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*); and
- The requirements of the *Public Finance and Audit Act 1983* and Regulation.

(b) The statements exhibit a true and fair view of the financial position and transactions of MTS Holding Company Pty Limited; and

(c) There are no circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.

Signed in accordance with a resolution of the directors:



Fergus Gammie
Chairperson

Sydney, 24 September 2013

MTS Holding Company Pty Limited
Statement of comprehensive income
For the year ended 30 June 2013

	Notes	Consolidated		Parent	
		2013	2012	2013	2012
		\$'000	\$'000	\$'000	\$'000
Revenue					
Passenger service revenue		16,192	3,003	2,708	-
Advertising		649	214	76	-
Interest revenue		14	7	14	1
Other revenue		985	50	306	-
		<u>17,840</u>	<u>3,274</u>	<u>3,104</u>	<u>1</u>
Expenses					
Management fees payable to systems operator	3(a)	15,562	3,293	2,303	-
Employee related	3(b)	684	177	117	-
Maintenance expenses	3(c)	822	173	763	-
Auditors' remuneration	3(d)	91	123	91	23
Borrowing costs	3(e)	18	1	15	1
Depreciation	3(f)	326	75	59	-
Other expenses	3(g)	664	134	240	-
		<u>18,167</u>	<u>3,976</u>	<u>3,588</u>	<u>24</u>
Other gains/(losses)	3(h)	<u>(14,637)</u>	<u>-</u>	<u>(14,637)</u>	<u>-</u>
		<u>(14,637)</u>	<u>-</u>	<u>(14,637)</u>	<u>-</u>
(Loss)/Profit before tax	16	(14,964)	(702)	(15,121)	(23)
Tax equivalent expense	4	-	-	-	-
(Loss)/Profit after tax		(14,964)	(702)	(15,121)	(23)
Items that will not be reclassified to net result					
Net increase in asset revaluation reserve		656	-	656	-
Total other comprehensive income		<u>656</u>	<u>-</u>	<u>656</u>	<u>-</u>
Total comprehensive income for the period		<u>(14,308)</u>	<u>(702)</u>	<u>(14,465)</u>	<u>(23)</u>

This statement should be read in conjunction with the notes to the financial statements

MTS Holding Company Pty Limited
Statement of financial position
As at 30 June 2013

	Notes	Consolidated		Parent	
		2013	2012	2013	2012
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents	5	41	539	41	-
Trade and other receivables	6	1,773	894	1,773	2
Other short-term financial assets	7	-	-	-	401
Inventory	8	1,304	90	1,304	-
Total current assets		3,118	1,523	3,118	403
Non-current assets					
Other financial assets	7	-	-	-	19,738
Property, plant and equipment	9	4,952	4,854	4,952	-
Intangible assets	10	-	14,002	-	-
Total non-current assets		4,952	18,856	4,952	19,738
Total assets		8,070	20,379	8,070	20,141
LIABILITIES					
Current liabilities					
Trade and other payables	11	1,580	729	1,580	25
Borrowings	12	415	401	415	401
Employee benefits	13	169	72	169	-
Other liabilities	14	-	70	-	-
Total current liabilities		2,164	1,272	2,164	426
Non-current liabilities					
Employee benefits	13	-	71	-	-
Total non-current liabilities		-	71	-	-
Total liabilities		2,164	1,343	2,164	426
Net assets		5,906	19,036	5,906	19,715
Equity					
Share capital	15	20,916	19,738	20,916	19,738
Retained earnings		(15,666)	(702)	(15,666)	(23)
Revaluation Reserve		656	-	656	-
Total equity		5,906	19,036	5,906	19,715

This statement should be read in conjunction with the notes to the financial statements.

MTS Holding Company Pty Limited
Statement of changes in equity
For the year ended 30 June 2013

Consolidated

	Notes	Share capital \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 July 2012	15	19,738	-	(702)	19,036
(Loss)/ Profit for the year				(14,964)	(14,964)
Net increase in asset revaluation reserve		-	656	-	656
Total other comprehensive income		-	656	-	656
Total comprehensive income for the year		-	656	(14,964)	(14,308)
Transactions with owners in their capacity as owners					
Issue of equity	15	1,178			1,178
		1,178	-	-	1,178
Balance at 30 June 2013		20,916	656	(15,666)	5,906

	Notes	Share capital \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000
Balance at 12 March 2012	15	-	-	-	-
(Loss)/ Profit for the year				(702)	(702)
Other comprehensive income		-	-	-	-
Total other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	(702)	(702)
Transactions with owners in their capacity as owners					
Issue of equity	15	19,738			19,738
		19,738	-	-	19,738
Balance at 30 June 2012		19,738	-	(702)	19,036

This statement should be read in conjunction with the notes to the financial statements.

MTS Holding Company Pty Limited
Statement of changes in equity
For the year ended 30 June 2013

Parent

	Notes	Share capital \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 July 2012	15	19,738	-	(23)	19,715
(Loss)/ Profit for the year				(15,121)	(15,121)
Net increase in asset revaluation reserve		-	656	-	656
Total other comprehensive income		-	656	-	656
Total comprehensive income for the year		-	656	(15,121)	(14,465)
Transactions with owners in their capacity as owners					
Net assets transferred from subsidiaries				(522)	(522)
Issue of equity	15	1,178			1,178
		1,178	-	(522)	656
Balance at 30 June 2013		20,916	656	(15,666)	5,906

	Notes	Share capital \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000
Balance at 12 March 2012	15	-	-	-	-
(Loss)/ Profit for the year				(23)	(23)
Other comprehensive income		-	-	-	-
Total other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	(23)	(23)
Transactions with owners in their capacity as owners					
Issue of equity	15	19,738			19,738
		19,738	-	-	19,738
Balance at 30 June 2012		19,738	-	(23)	19,715

This statement should be read in conjunction with the notes to the financial statements.

MTS Holding Company Pty Limited
Statement of cash flows
For the year ended at 30 June 2013

	Notes	Consolidated		Parent	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Cash Flows From operating activities					
Receipts from customers		15,127	3,504	2,586	-
Net Interest received (paid)		10	4	2	-
Payment to employees		(659)	(188)	(108)	-
Other		87	-	69	-
Payment to suppliers		(14,711)	(3,935)	(2,751)	-
Net cash flows from/(used in) operating activities	16	(146)	(615)	(202)	-
Cash flows from investing activities					
Purchases of property, plant and equipment		(352)	(42)	(12)	-
Net cash flows used in investing activities		(352)	(42)	(12)	-
Cash flows from financing activities					
Proceeds from borrowings		-	401	-	-
Net cash flows from financing activities		-	401	-	-
Net Increase/(Decrease) in cash and cash equivalents		(498)	(256)	(214)	-
Opening cash and cash equivalents		539	-	-	-
Cash and cash equivalents acquired on business combination		-	795	-	-
Cash and cash equivalents acquired on transfer of business to parent		-	-	255	-
Closing cash and cash equivalents	5	41	539	41	-

This statement should be read in conjunction with the notes to the financial statements.

MTS Holding Company Pty Limited
Notes to the financial statements
For the year ended 30 June 2013

1. Corporate Information

MTS Holding Company Pty Limited, formerly A.C.N.156 211 906 Pty Limited, is a for-profit proprietary company limited by shares and domiciled in Australia. The company was incorporated on 12 March 2012 and is a fully owned subsidiary of Transport for NSW, a general government sector agency of the NSW Government. The company's ultimate parent is the NSW Government and it is consolidated as part of the Total State Sector Accounts. The registered address of the company is Level 6, 18 Lee Street Chippendale NSW 2008.

On 23 March 2012 Transport for NSW, acting on behalf of MTS Holding Company Pty Limited, paid \$19.738m for the 100% acquisition of Metro Transport Sydney Pty Ltd and its Group, the owners of the Light Rail and Monorail Systems in Sydney. MTS Holding Company Pty Limited issued 20m shares of \$1 each fully paid to Transport for NSW to fund this acquisition and related stamp duty costs (Note 15).

As a result of this acquisition the principal activities of MTS Holding Company Pty Limited and its wholly owned subsidiaries (the Group) comprise the operations and management of the Light Rail and Monorail Systems in Sydney. The Group comprises:

The parent entity: MTS Holding Company Pty Limited

The subsidiaries:	Metro Transport Sydney Pty Ltd
	Sydney Light Rail Co Pty Ltd
	Pymont Light Rail Co Ltd
	SLR Corporate Development Pty Ltd
	Light Rail Construction Co Pty Ltd
	Metro Transport Security Co Pty Ltd

On 24 April 2013 the Minister for Transport signed an Order pursuant to section 94(1) of the *Transport Administration Act 1988* to transfer the assets, rights and liabilities of Metro Transport Sydney Pty Limited; Sydney Light Rail Company Pty Limited; Pymont Light Rail Company Limited; Metro Transport Security Company Pty Limited; Light Rail Construction Company Pty Limited and SLR Corporate Development Pty Limited to MTS Holding Company Pty Limited.

As a result, MTS Holding Company Pty Limited took responsibility for the operations and financial activities of those entities from 29 April 2013 onwards.

With MTS Holding Company Pty Limited being acquired in March 2012, the comparative information in this report relates to the period from 23 March 2012 to the 30 June 2012 and as such is not directly comparable to 2013.

The consolidated financial statements cover the period from 1 July 2012 to 30 June 2013 and were approved and authorised for issue by the board of directors on the same date the accompanying declaration was signed.

2. Summary of Accounting Policies

(a) Basis of preparation

The consolidated financial statements are general purpose financial statements prepared on an accruals basis and in accordance with applicable Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2010*.

The consolidated financial statements have been prepared on the basis of historical cost except for property, plant and equipment. The methods used to measure the fair values of these assets are discussed in Note 2 (m).

The financial statements are presented in Australian dollars, which is the Group's functional currency. All values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated.

MTS Holding Company Pty Limited
Notes to the financial statements
For the year ended 30 June 2013

2. Summary of Accounting Policies (Cont'd)

(b) Statement of Compliance

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

(c) Basis of consolidation

The Group financial statements consolidate those of the parent entity and all of its subsidiary companies (Note 1 above). Subsidiary companies are all the entities which the Group has the power to control the financial and operating policies. The Group obtains and exercises control through 100% ownership of the voting rights and the power to appoint the board of directors. All subsidiaries have a reporting date 30 June.

All transactions and balances between the Group companies are eliminated on consolidation. Amounts reported in the financial statements have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

(d) Significant accounting judgements, estimates and assumptions

In the application of accounting standards, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the 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 affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

- **Impairment:**
In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.
- **Useful lives of depreciable assets:**
Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the asset. Uncertainties in these estimates relate to economic useful life of the assets.

(e) Revenue

Revenue is recognised when the Group is legally entitled to the income and the amount can be quantified with reasonable accuracy. The Group's principal sources of revenue are:

(i) Rendering of services

The Group's primary source of revenue is the sale of fares to passengers using the Light Rail and Monorail systems in Sydney. Revenue from the provision of this service is recognised as revenue when the cash consideration is received or receivable.

MTS Holding Company Pty Limited
Notes to the financial statements
For the year ended 30 June 2013

2. Summary of Accounting Policies (Cont'd)

(e) Revenue (Cont'd)

(ii) Sale of advertising space

Revenue from sale of advertising space is recognised as revenue when the service is provided. Fees for the provision of services received but not earned in the period are recognised as income in advance under current liabilities (Note 14).

(f) Expenses

Operating expenses comprise management fees payable to the operator of the Light Rail and Monorail systems, depreciation, employee entitlements, maintenance and administration and marketing expenses. Operating expenses are recognised in profit or loss on an accrual basis as services are utilised.

(g) Insurance

The Group arranges insurance cover for property, public liability, workers' compensation through a private insurance company.

(h) Taxation

■ Tax equivalent regime

As a NSW Government owned Group, the Group is exempt from paying Commonwealth income tax on profits. However, the for-profit Group is subject to the NSW Tax Equivalent regime so that tax prevailing rate of company income tax (30% for 2012-13) is payable on the accounting profit earned to the NSW Office of State Revenue. Under this tax equivalent regime deferred tax assets and liabilities are not recognised in the financial statements.

■ Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are recognised inclusive of GST. The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis inclusive of GST. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the Australian Taxation Office is classified as operating cash flows.

(i) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(j) Trade and other receivables

Trade receivables, which comprise amounts due from sales of goods and from services provided to customers, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Normal terms of settlement are 30 days. The carrying amount of the receivable is deemed to reflect fair value.

An allowance for impairment is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

MTS Holding Company Pty Limited
Notes to the financial statements
For the year ended 30 June 2013

2. Summary of Accounting Policies (Cont'd)

(k) Investments in and receivables from subsidiaries

Investments in and receivables from subsidiaries are stated at cost less an allowance for impairment. Cost is the fair value of the consideration paid for the purchase of the interests in the subsidiaries. Consideration is generally cash paid.

(l) Inventory

Inventory of spare parts used for asset maintenance is valued at lower of cost and net realisable value.

(m) Property, plant and equipment

Property, plant and equipment relate mainly to the Light Rail and Monorail systems in Sydney and comprise mainly rolling stock and related plant and equipment (rail infrastructure assets).

■ *Capitalisation and initial recognition*

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Group 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 a nominal consideration are initially recognised at their fair value at the date of acquisition.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

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 capitalised during the construction period.

Property, plant and equipment and intangible assets with a greater value than \$300 are assessed on a case-by-case basis to determine whether the expenditure should be capitalised or not.

■ *Subsequent valuation of property, plant and equipment*

Following initial recognition at cost, rail infrastructure assets carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation and any subsequent accumulated impairment losses.

In the absence of market-based evidence of the fair value, the Group uses the income approach to estimate the fair value of property, plant and equipment.

Plant and equipment with short working lives are measured at depreciated historical cost as a surrogate for fair value.

■ *Revaluation of property, plant and equipment*

The Group revalues 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.

Rail infrastructure assets which include mainly rolling stock and related plant and equipment are treated as one class of assets for the purpose of these financial statements. Revaluation increments are credited directly to the asset revaluation reserve, except to the extent that, where an increment reverses a revaluation decrement for an asset previously recognised as a loss in the statement of comprehensive income, the increment is recognised as a gain in the statement of comprehensive income.

MTS Holding Company Pty Limited
Notes to the financial statements
For the year ended 30 June 2013

2. Summary of Accounting Policies (Cont'd)

(m) Property, plant and equipment (cont'd)

Revaluation decrements are recognised immediately in the statement of comprehensive income, except that they are debited directly to the asset revaluation reserve to the extent that a credit exists in the asset revaluation reserve in respect of the asset.

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 equity.

■ *Depreciation of property, plant and equipment*

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.

Items of property, plant and equipment are depreciated over their useful lives to the Group commencing from the time the asset is held ready for use. Depreciation is calculated on a straight line basis over the expected useful economic lives of the assets as follows:

	%
Rail Infrastructure assets	6.15

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

■ *Impairment*

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). The Light Rail and Monorail are the main cash generating units of the Group.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows.

The data used for impairment testing procedures are directly linked to the Group's latest approved budget adjusted as necessary to exclude the effects of future reorganisations and asset enhancements.

Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

■ *Derecognition and disposal*

An item of property, plant and equipment is derecognised upon disposal when the item is no longer used in the operations of the Group or when it has no sale value. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Any part of the asset revaluation reserve attributable to the asset disposed of or derecognised is transferred to retained earnings at the date of disposal.

MTS Holding Company Pty Limited
Notes to the financial statements
For the year ended 30 June 2013

2. Summary of Accounting Policies (Cont'd)

(n) Intangible assets

The Group recognises intangible assets only if it is probable that future economic benefits will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses. Where the asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Intangible assets are reviewed for impairment at each reporting date.

(o) Trade and other payables

Trade payables and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid. Payables are generally short-term and are recognised at fair value, usually based on the transaction cost or face value.

(p) 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. Borrowings are subsequently measured at amortised cost using the effective interest method.

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 the borrowings that has been extinguished or transferred to another party and the consideration paid is recognised in the profit or loss as other income or finance costs. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(q) Employee benefits

Employee benefits comprise wages and salaries, annual, non-accumulating sick and long service leave, and contributions to defined contributions superannuation plans.

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that fall due wholly within twelve months of the reporting date are recognised and measured in respect of employees' service 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. Market yields on government bonds are used to discount long-term annual leave.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

The Group pays contributions to certain defined contribution superannuation plans. Contributions are recognised in the statement of comprehensive income when they are due. The Group has no obligation to make further contributions to these plans if the plans do not hold sufficient assets to pay all employee benefits relating to employee service in current and prior periods.

(r) Provisions

Provisions for legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

MTS Holding Company Pty Limited
Notes to the financial statements
For the year ended 30 June 2013

2. Summary of Accounting Policies (cont'd)

(r) Provisions (cont'd)

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

(s) Equity and reserves

The components of equity and reserves include:

- Share capital represents the fair value of shares that have been issued to Transport for NSW. Any transaction costs such as stamp duty associated with the issuing of shares are deducted from share capital.
- Retained earnings include all current and prior period retained earnings.
- Revaluation reserve comprises gains and losses from revaluation of property, plant and equipment (mainly rail infrastructure assets).
- Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.
- All transactions with owners are recorded separately within equity.

(t) New Australian Accounting Standards issued but not effective

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Group. Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period after the effective date of the pronouncement. 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 9 Financial Instruments, AASB 2010-7 and 2012-6 Amendments to Australian Accounting Standards arising from AASB 9 and Transition Disclosures	AASB 9 introduces new requirements for the classification, measurement and de-recognition of financial assets and financial liabilities. AASB 9 has replaced the four key categories for financial assets in AASB139 by two main measurement categories – either amortised cost or fair value. It was further amended by AASB 2010-7 to reflect amendments to accounting for financial liabilities. AASB 2012-6 defers the mandatory effective date of AASB 9 to annual report period beginning on or after 1 January 2015. It also require additional disclosures on transition from AASB 139 to AASB 9 in some circumstances.	1 January 2015	The impact on the financial statements is not expected to be significant.

MTS Holding Company Pty Limited
Notes to the financial statements
For the year ended 30 June 2013

2. Summary of Accounting Policies (cont'd)

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

AASB 10 Consolidated Financial Statements and AASB 2012-10 Amendment to Australian Accounting Standards – Transition Guidance and Other Amendments	AASB 10 replaces the consolidation requirements in AASB 127 and AASB Interpretation 112. AASB 10 introduces a new principles-based control model that considers power, rights and exposure to variable returns to determine whether an entity has control over an investee. The standard requires the parent entity to present financial statements as those of a single economic entity.	1 January 2013	The impact on the financial statements is not expected to be significant.
AASB 11 Joint Arrangements and AASB 2012-10 Amendment to Australian Accounting Standards – Transition Guidance and Other Amendments	AASB 11 replaces AASB 131 and AASB Interpretation 113. AASB 11 uses the principle of control in AASB 10 to define joint control, classifies joint arrangements as either joint operation or joint venture. Accounting for joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint venture is accounted for using the equity method, and joint operation is account for by recognising the share of assets and liabilities.	1 January 2013	The impact on the financial statements is not expected to be significant due to the absence of any joint arrangements.
AASB 12 Disclosure of Interests in other Entities and AASB 2012-10 Amendment to Australian Accounting Standards – Transition Guidance and Other Amendments	In line with AASB 10 and AASB 11, AASB 12 sets the disclosure requirements for entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. It helps users to better assess the nature and financial effects of an entity's investment in other entities.	1 January 2013	The standard may impact on the type of information disclosed however there will be no impact on any amounts recognised in the financial statements.
AASB 13 Fair Value Measurement and AASB 2011-8	AASB 13 defines fair value, establishes a single framework or guidance for the measuring of fair value and requires enhanced disclosures about fair value measurements. AASB 13 applies when another standard requires or permits fair value measurements or disclosures. The standard establishes a three tier "fair value hierarchy".	1 January 2013	The reporting entity's major assets – property, plant and equipment and investment properties are recognised at fair value. NSW Treasury is considering the implications of the changes and will provide future directions.

MTS Holding Company Pty Limited
Notes to the financial statements
For the year ended 30 June 2013

2. Summary of Accounting Policies (cont'd)

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

AASB 119 Employee Benefits AASB 2011-10 and AASB 2011-11	AASB 119 mainly impacts the accounting for defined benefit pension schemes. The corridor approach for the recognition of actuarial gains and losses has been removed, as has the option to recognise actuarial gains and losses in profit or loss. The impact of this is that all actuarial gains and losses will be recognised in other comprehensive income in the period in which they arise. In addition, the calculation of net interest cost has changed. There will no longer be separate calculations of the expected return on plan assets and the interest cost of funding the defined benefit obligation. Instead, a single rate is applied to the net of the defined benefit obligation and plan assets.	1 January 2013 with retrospective implementation	The impact on the financial statements is not expected to be significant due to the absence of any defined benefit arrangements.
AASB 127 Separate Financial Statements and AASB 2012-10	AASB 127 Consolidated and Separate Financial Statements has been renamed Separate Financial Statements. The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements (in addition to financial statements). The Standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates and jointly controlled entities are accounted for either at cost or in accordance with AASB 9 Financial Instruments.	1 January 2013	As a for profit entity, the impact on the financial statements is not expected to be significant
AASB 128 Investments in Associates and Joint Ventures and AASB 2012-10	AASB 128 prescribes the accounting for investments in associates and defines "significant influence". It sets out the requirement for the application of the equity method when accounting for investments in associates and joint ventures.	1 January 2013	The impact on the financial statements is not expected to be significant.
AASB 1053 and AASB 2010-2 regarding differential reporting	AASB 1053 requires entities that prepare general purpose financial statements to adopt Tier 1 (full compliance with AASB) or Tier 2 (Reduced Disclosure Requirements).	1 July 2013	The impact on the financial statements is not expected to be significant as the group prepares accounts in accordance with Tier 1 requirement.

MTS Holding Company Pty Limited
Notes to the financial statements
For the year ended 30 June 2013

2. Summary of Accounting Policies (cont'd)

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

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements	AASB 2011-4 amends AASB 124 to remove the individual key management personnel disclosures required by Australian specific paragraphs. Such disclosures are more in the nature of governance disclosures that are better dealt within the Corporations Act 2001, rather than by the Australian Accounting Standards.	1 July 2013	The impact on the financial statements is not expected to be significant.
AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards	AASB 2011-7 makes various consequential amendments arising from the issuance of AASB 10, AASB 11, AASB 12, AASB 127 and AASB 128.	1 January 2013	The impact on the financial statements is not expected to be significant, as the changes are mainly of editorial nature.
AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities	AASB 2012-2 amends AASB 7 and AASB 132 to require disclosure of information that will enable users of financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and financial liabilities, on the financial position.	1 January 2013	The impact on the financial statements is not expected to be significant.
AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle	AASB 2012-5 makes amendments to the Australian Accounting Standards and Interpretations listed in paragraph 1 of the Standard. These amendments are a consequence of the annual improvements process, which provide a vehicle for making non-urgent but necessary amendments to Standards. The amendments made are largely of the nature of clarifications or removals of unintended inconsistencies between Australian Accounting Standards.	1 January 2013	The impact on the financial statements is not expected to be significant, as the amendments are primarily clarifications and descriptions, to a number of Australian Accounting Standards.
AASB 2012-9 Amendments to AASB 1048 arising from the withdrawal of Australian Interpretation 1039	AASB 2012-9 amends AASB 1048 to evidence the withdrawal of Australian Interpretation 1039.	1 January 2013	There is no impact on the financial statements, as the standards will not affect current practice.
AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments	AASB 2012-10 clarifies the transition guidance in AASB 10. It also provides additional transitional relief in AASB 10, AASB 11 and AASB 12 by limiting the requirement to provide comparative information only to the immediate preceding comparative period under the new control principle.	1 January 2013	The impact on the financial statements is not expected to be significant, as the amendments mainly clarify existing transitional provisions.

MTS Holding Company Pty Limited
Notes to the financial statements
For the year ended 30 June 2013

2. Summary of Accounting Policies (cont'd)

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

AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets	AASB 2013-3 amends AASB 136 to require additional disclosure on information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. This includes further disclosures about the discount rates used in current and previous measurements if the recoverable amount of impaired assets based on fair value less costs of disposal was measured using a present value technique.	1 January 2014	The impact on the financial statements is not expected to be significant, as the amendments are for disclosure only.
AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting	AASB 2013-4 amends AASB 139 to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is notated from one counterparty to a central counterparty as a consequence of laws or regulations.	1 January 2014	The impact on the financial statements is not expected to be significant
AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities	AASB 2013-5 applies to investment entities, whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. The amendments provide relief from the requirement that this type of entity consolidate its subsidiaries, instead allowing subsidiaries to be measured at fair value through profit or loss in accordance with AASB 9. It also introduces new disclosure requirements for investment entities that have subsidiaries.	1 January 2014	The impact on the financial statements is not expected to be significant

MTS Holding Company Pty Limited
Notes to the financial statements
For the year ended 30 June 2013

3. Expenses

Expenses consist of:

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
(a) Management fees payable to systems operator				
Management fees payable to operator of Monorail and Light Rail	15,562	3,293	2,303	-
	<u>15,562</u>	<u>3,293</u>	<u>2,303</u>	<u>-</u>
(b) Employee related				
Salaries	600	159	104	-
Workers' compensation insurance	6	1	1	-
Payroll tax and fringe benefit tax	34	6	5	-
Superannuation - defined contribution plans	44	11	7	-
	<u>684</u>	<u>177</u>	<u>117</u>	<u>-</u>
(c) Maintenance expenses				
Rail infrastructure assets	822	173	763	-
	<u>822</u>	<u>173</u>	<u>763</u>	<u>-</u>
Maintenance expenses comprise cost of spare parts and contractors.				
(d) Auditors' remuneration				
Audit services - audit and review of Consolidated Financial Report	91	23	91	23
Audit services - audit and review of subsidiaries financial statements	-	100	-	-
	<u>91</u>	<u>123</u>	<u>91</u>	<u>23</u>
(e) Borrowing costs				
Borrowing costs on loan from parent entity	14	1	14	1
Other	4	-	1	-
	<u>18</u>	<u>1</u>	<u>15</u>	<u>1</u>
(f) Depreciation				
Rail infrastructure assets (Note 9)	326	75	59	-
	<u>326</u>	<u>75</u>	<u>59</u>	<u>-</u>
(g) Other expenses				
Include communications, office expenses, insurance, computer expenses and general expenses.	664	134	240	-
	<u>664</u>	<u>134</u>	<u>240</u>	<u>-</u>
(h) Other gains and /(losses)				
(Impairment) of Inner West Extension intangible asset (Note 10)	(14,002)	-	(14,002)	-
(Impairment) of Mono Rail (Note 9)	(635)	-	(635)	-
	<u>(14,637)</u>	<u>-</u>	<u>(14,637)</u>	<u>-</u>

MTS Holding Company Pty Limited
Notes to the financial statements
For the year ended 30 June 2013

4. Tax Equivalent expenses

Tax Equivalent expense is calculated in accordance with the Accounting Profit Model prescribed in the NSW Treasury Policy Paper 03-4 *Tax Equivalent Regime for Government Businesses* (Note 2(h)).

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
(Loss) / Profit before tax				
(As per statement of comprehensive income)	(14,964)	(702)	(15,121)	(23)
Tax equivalent at 30% on accounting profit	-	-	-	-
Provision for Tax Equivalent for the period	-	-	-	-
Less:				
Payments to NSW Office of State Revenue	-	-	-	-
Tax Equivalent outstanding at balance date	-	-	-	-

5. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand. Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial period to the statement of cash flows as follows:

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	41	539	41	-
	<u>41</u>	<u>539</u>	<u>41</u>	<u>-</u>
Cash and cash equivalents (per statement of financial position)	41	539	41	-
Cash and cash equivalents (per statement of cash flows)	41	539	41	-

Details of credit risk, liquidity risk and market risk from financial instruments are set out in Note 20.

6. Trade and other receivables

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Sale of services	1,522	706	1,522	-
Goods and Services Tax recoverable	-	38	-	2
Income receivable	273	157	273	-
Prepayments	2	17	2	-
	<u>1,797</u>	<u>918</u>	<u>1,797</u>	<u>2</u>
Allowance for impairment	(24)	(24)	(24)	-
	<u>1,773</u>	<u>894</u>	<u>1,773</u>	<u>2</u>

Impairment allowances recognised at the reporting date have been determined after a review of amounts outstanding. The movement in the allowance for impairment in respect of trade debtors during the period was as follows:

MTS Holding Company Pty Limited
Notes to the financial statements
For the year ended 30 June 2013

6. Trade and other receivables (cont'd)

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Opening balance	24	-	-	-
Increase/(decrease) in allowance	-	24	24	-
Closing balance	<u>24</u>	<u>24</u>	<u>24</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 20.

7. Other financial assets

Other financial assets comprise the parent entity's investment in Metro Transport Sydney Pty Ltd Group and are reported as follows:

Current at cost:

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Short-term interest bearing loan to Metro Transport Sydney Pty Ltd	-	-	-	401
	<u>-</u>	<u>-</u>	<u>-</u>	<u>401</u>

The short-term interest bearing loan is repayable on demand.

Non-current at cost:

Non-current other financial assets represent the fair value consideration (\$19.7m) paid by MTS Holding Company Pty Limited for the acquisition of Metro Transport Sydney Pty Ltd and its Group (Note 1)

Metro Transport Sydney Pty Ltd				
Shares (purchased for \$3)	-	-	-	-
Long term interest free loan	-	-	-	19,738
	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,738</u>

At the end of April 2013 the business and net assets of the Metro Transport Sydney Group were transferred into the parent. The parent derecognised its investment and inter-company loan balances and recognised \$6.8m of net assets transferred from its subsidiary entities, the \$14m IWE contract intangible which previously arose on consolidation and an adjustment to equity representing the retained losses of the MTS business since the date of acquisition to the date of transfer being \$0.5m.

Transfer of business into parent from subsidiaries

	\$'000
Long term interest free loan	19,738
In year investment in subsidiaries	1,178
Inter Company loan	<u>413</u>
Total investment and loan balances derecognised by parent	<u>21,329</u>
Net assets	6,805
IWE Intangible	14,002
Equity transaction with owners	<u>522</u>
Total net asset balances recognised by parent	<u>21,329</u>

Details regarding credit risk, liquidity risk and market risk including financial assets that are either past due or impaired are disclosed in Note 20.

MTS Holding Company Pty Limited
Notes to the financial statements
For the year ended 30 June 2013

8. Inventory

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Inventory - spare parts	1,304	90	1,304	-
	<u>1,304</u>	<u>90</u>	<u>1,304</u>	<u>-</u>

The basis of inventory valuation is set out in Note 2(l). During the year, MTS issued \$1.178m of shares to its parent in return for inventory and services from one of the Group's suppliers, see note 15.

9. Property, plant and equipment

Details of the Group's property, plant and equipment and their carrying amounts are as follows:

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Rail Infrastructure Assets				
Gross carrying amount	5,011	4,929	5,011	-
Accumulated depreciation	(59)	(75)	(59)	-
Net carrying amount at 30 June	<u>4,952</u>	<u>4,854</u>	<u>4,952</u>	<u>-</u>

A reconciliation of the carrying amount of rail infrastructure assets at the beginning and end of the current reporting period is set out below:

Net carrying amount at 1 July	4,854	4,887	-	-
Transfers from subsidiaries	-	-	4,927	-
Additions	403	42	63	-
Depreciation expense (Note 3(f))	(326)	(75)	(59)	-
Net revaluation increment	656	-	656	-
Impairment of Monorail (Note 3(h))	(635)	-	(635)	-
Net carrying amount at 30 June	<u>4,952</u>	<u>4,854</u>	<u>4,952</u>	<u>-</u>

On 22 June, 2012, the NSW Government announced the closure of the monorail on 30 June 2013 and subsequent removal of the infrastructure to accommodate the new convention centre at Darling Harbour. As a result, the monorail infrastructure system and rolling stock have been fully written down with an impairment charge of \$635,000 at 30 June 2013.

The light rail infrastructure assets were valued by an independent valuer at 30 June 2013, using the income approach as permitted in Treasury Circular 12/05 Fair Value of Specialised Physical Assets. The carrying amount of the light rail infrastructure had the assets been recognised at cost is \$4.3 million at 30 June 2013 excluding revaluation amount of \$656,000.

10. Intangible assets

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Right to undertake the extension of Inner West Light Rail	14,002	14,002	14,002	-
Impairment (note 3(h))	(14,002)	-	(14,002)	-
	<u>-</u>	<u>14,002</u>	<u>-</u>	<u>-</u>

The MTS Group held a right in relation to the construction of the Inner West Extension of the light rail which is now being carried out by Transport for NSW. As the agreement that gave rise to the right to undertake the work on the Inner West Extension is now not operating as initially intended, the intangible asset in that regard has been fully written down in MTS Holding Company Pty Limited.

MTS Holding Company Pty Limited
Notes to the financial statements
For the year ended 30 June 2013

11. Trade and other payables

	Consolidated		Parent	
	2013	2012	2,013	2012
	\$'000	\$'000	\$'000	\$'000
Trade payable	304	30	304	-
Goods and service tax payable	49	-	49	-
Accrued expenses	1,227	699	1,227	25
	1,580	729	1,580	25

Details regarding credit risk, liquidity risk and market risk including maturity analysis of the above payables are disclosed in Note 20.

12. Borrowings

	Consolidated		Parent	
	2013	2012	2,013	2012
	\$'000	\$'000	\$'000	\$'000
Short-term interest bearing loan				
Transport for NSW	415	401	415	401
	415	401	415	401

Transport for NSW, has provided a short-term interest bearing loan for working capital purposes. The loan is repayable to Transport for NSW by MTS Holding Company Pty Limited on demand.

Details regarding credit risk, liquidity risk and market risk including maturity analysis of the above borrowings are disclosed in Note 20.

13. Employee benefits

	Consolidated		Parent	
	2013	2012	2,013	2012
	\$'000	\$'000	\$'000	\$'000
Current employee benefits				
Recreation leave	101	72	101	-
Long service leave	64	-	64	-
Payroll tax	4	-	4	-
	169	72	169	-
Non current employee benefits				
Long service leave	-	71	-	-
	-	71	-	-

The Group has no liability for superannuation obligations apart from making the periodic statutory and contractual employer's contributions to superannuation defined contribution plans.

MTS Holding Company Pty Limited
Notes to the financial statements
For the year ended 30 June 2013

14. Other liabilities

	Consolidated		Parent	
	2013	2012	2,013	2012
	\$'000	\$'000	\$'000	\$'000
Other liabilities				
Income in advance	-	70	-	-
	<u>-</u>	<u>70</u>	<u>-</u>	<u>-</u>

Income in advance represents fees received for services provided but not earned.

15. Share Capital

The share capital of MTS Holding Pty Limited is held by Transport for NSW. The issued shares were used to fund the acquisition of Metro Transport Sydney Pty Ltd group (Note1). Details of shares issued during the period covered by this report are detailed below:

	Consolidated		Parent	
	2013	2012	2,013	2012
	\$'000	\$'000	\$'000	\$'000
Shares approved for issue	21,244	20,066	21,244	20,066
Shares issued but not paid (Note (a))	-	(62)	-	(62)
Shares cancelled (Note (a))	(62)	-	(62)	-
Shares issued and fully paid	<u>21,182</u>	<u>20,004</u>	<u>21,182</u>	<u>20,004</u>
Stamp duty relating to shares issued	(266)	(266)	(266)	(266)
	<u>20,916</u>	<u>19,738</u>	<u>20,916</u>	<u>19,738</u>

(a)

As part of this acquisition MTS Holding Company Pty Limited undertook a due diligence review of the acquiree's working capital, which resulted in an adjustment to the final acquisition consideration of \$62K. As a result of this adjustment there was no need to subscribe in full for the shares approved for issue. The Group's capital management objective is to use shares to fund the long-term assets employed in the business.

(b)

Additional shares were issued to the Group's parent entity in return for inventory and services from one of the Group's suppliers.

MTS Holding Company Pty Limited
Notes to the financial statements
For the year ended 30 June 2013

16. Reconciliation of cash flows from operating activities

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Net cash flows used in operating activities	(146)	(615)	(202)	-
Adjustment of non cash items:				
Depreciation and impairment charges	(14,963)	(75)	(14,696)	-
Non cash acquisition of inventory	(1,178)	-	(1,178)	-
Changes in current assets and current liabilities:				
(Decrease)/Increase in trade & other receivables	830	(223)	1,775	2
(Decrease)/Increase in inventory	1,214	(125)	51	-
(Decrease)/Increase in trade & other payables	(696)	346	(862)	(25)
(Increase)/Decrease in provision	(25)	(10)	(9)	-
(Loss) / Profit for the period	(14,964)	(702)	(15,121)	(23)

Non-cash investing and financing activities represent the payments made by Transport for NSW on behalf of MTS Holding Company Pty Limited. Details of these non-cash activities are provided below:

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Non cash investing activities:				
Short term interest bearing loan to Metro Transport Sydney Pty Ltd	-	-	(12)	(401)
Long term interest bearing loan to Metro Transport Sydney Pty Ltd	-	-	-	(19,738)
Investment in subsidiary	-	-	(1,178)	-
Reduction in loan and investment	-	-	21,329	-
Net assets from subsidiaries	-	-	(6,805)	-
IWE intangible asset	-	-	(14,002)	-
Transaction with owners	-	-	(522)	-
Acquisition of inventory in return for share issue	(1,178)	-	-	-
Total	(1,178)	-	(1,190)	(20,139)
Non cash financing activities:				
Issue of shares to parent	1,178	-	1,178	19,738
Short term borrowing from Transport for NSW	-	-	12	401
Total	1,178	-	1,190	20,139

17. Segment reporting

The Group operates in one segment – transport service, and, therefore, there is no requirement to prepare separate segment reporting.

18. Contingent assets and contingent liabilities

On 22 June 2012, the NSW Government announced the closure of the monorail on 30 June 2013 and subsequent removal of the infrastructure to accommodate the new convention centre at Darling Harbour. TfNSW, the Group's parent, has indicated that it will undertake the decommissioning and removal of the Monorail infrastructure on behalf of and as agent for MTS Holding Company Pty Limited. MTS Group has no contingent liabilities in this regard as at 30 June 2013.

MTS Holding Company Pty Limited
Notes to the financial statements
For the year ended 30 June 2013

19. Commitments

TfNSW is undertaking the decommissioning and removal of the Monorail infrastructure on behalf of and as agent for MTS Holding Company Pty Limited. MTS Holding Company Pty Limited has no capital contracts and as such no commitment at balance date.

20. Financial Instruments

(a) Financial risk management – objectives and policies

The Group's financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables and borrowings.

The Group board of directors has overall responsibility for risk management, including risks associated with financial instruments. Risk management policies are established to identify and analyse the risks associated with the Group's financial instruments, to set appropriate risk limits and controls and to monitor the risks and adherence to limits.

The Group's current exposure to liquidity risk, credit risk and market price risk are insignificant as detailed below. Accordingly the Group does not use derivative instruments to manage risks associated with its financial instruments.

This note presents information about the Group's exposure to liquidity, credit and market price risk and its objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

(b) Financial Instruments:

			Consolidated		Parent	
	Note	Category	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Financial assets						
Class:						
Cash and cash equivalents	5	N/A	41	539	41	-
Trade and other receivables	6	Loans and receivables	1,771	839	1,771	-
Other current financial assets	7	Loans and receivables	-	-	-	401
Other non current financial assets	7	Loans and receivables	-	-	-	19,738
			<u>1,812</u>	<u>1,378</u>	<u>1,812</u>	<u>20,139</u>
Financial liabilities						
Class:						
Trade and other payables	11	Financial liabilities at amortised cost	1,510	729	1,510	22
Borrowings	12	Financial liabilities at amortised cost	<u>415</u>	<u>401</u>	<u>415</u>	<u>401</u>
			1,925	1,130	1,925	423

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to fund its obligations as they fall due.

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate liquid funds are available to meet normal operating expenses. Where the forecast cash flows have identified a liquidity shortfall, the Group board submits a funding request to Transport for NSW, as the sole shareholder, for bridging finance to meet this shortfall.

(d) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group manages credit risk by monitoring regularly its trade and other receivables. The Group's credit risk is minimal on the basis of materiality of the Group's trade and other receivables. The Group does not carry "past due" or impaired debtors at balance date.

(e) Market price risk

Market price risk is the risk that changes in market prices such as interest rates, foreign exchange rates, and equity prices will affect the Group's income or the value of its holdings of financial instruments.

MTS Holding Company Pty Limited
Notes to the financial statements
For the year ended 30 June 2013

20. Financial Instruments (cont'd)

The Group is not exposed to changes in market prices that will affect the Group's financial performance as detailed below:

(i) Interest rate risk

Interest rate risk refers to the risk that the value of financial instruments or cash flows associated with the instrument will fluctuate due to changes in market interest rates.

The Group has no material exposure to interest rate fluctuations on its cash at bank and cash on deposit. It does not have a material risk in relation to its interest-bearing loans.

Sensitivity analysis: A change of 1% in interest rates at the reporting date would, with all other variables held constant, would have minimal impact on the Group's profits.

(ii) Currency risks

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has no material exposure to currency risks because it sources its goods and services in Australia.

(iii) Equity price risk

Equity price risk arises from fluctuations in the market values of available-for-sale securities.

The Group does not hold available-for-sale securities and, therefore, has no exposure to equity price risks.

21. Related parties and related-party transactions

(a) Directors' compensation

The directors, who are all officers of Transport for NSW, act in an honorary capacity and receive no compensation for their services or reimbursement of incidental expenses.

(b) Transactions with director related entities and economic dependency

All transactions between the Group and director related entities are disclosed in Note 7 above. The Group is dependent on the ongoing strategic, financial, and technical support of Transport for NSW to ensure the continuance of its operations.

(c) Key management personnel compensation

Mr K. Warrell is the Chief Executive Officer of MTS Holding Company Pty Limited. The compensation paid to Mr K. Warrell was \$406k including superannuation.

22. After balance date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

Deregistration of all MTS subsidiary entities: Two months after advertising, on 17 July 2013, ASIC deregistered the Metro Transport Sydney subsidiary entities and removed them from the register of companies. Deregistered Metro Transport Sydney subsidiary entities cease to exist as legal entities from this date and can no longer do anything in their own right.

MTS Holding Company Pty Limited is no longer a consolidated group following the voluntary deregistration of all MTS subsidiary entities.

End of audited financial statements

Sydney Ferries



INDEPENDENT AUDITOR'S REPORT

Sydney Ferries

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Sydney Ferries, which comprise the statement of financial position as at 30 June 2013, the income statement, 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 Ferries as at 30 June 2013, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Acting Chief Executive's Responsibility for the Financial Statements

The Acting Chief Executive is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Acting Chief Executive determines is necessary to enable the preparation of financial statements that give a true and fair view and 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 Sydney Ferries' preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sydney Ferries' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Acting Chief Executive, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

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

Independence

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

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



C J Giumelli
Director, Financial Audit Services

10 October 2013
SYDNEY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

Statement by the Acting Chief Executive

Financial statements for the year ended 30 June 2013

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 income statement, 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 Ferries as at 30 June 2013, 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.

A handwritten signature in blue ink, appearing to read "Fergus", with a stylized flourish.

.....
Fergus Gammie
Acting Chief Executive
3 October 2013

INCOME STATEMENT

For the year ended 30 June 2013

	Notes	30-Jun-13 \$000	30-Jun-12 \$000
REVENUE			
Operational revenue	2(a)	10,556	134,517
Other revenue	2(b)	46,158	28,361
Total revenue		56,714	162,878
EXPENSES EXCLUDING LOSSES			
Fleet running expenses	2(c)	2,026	17,952
Employees' benefits	2(d)	11,327	90,525
Depreciation, amortisation and impairment	2(e)	19,080	21,411
General operating expenses	2(f)	3,594	22,493
Finance costs	2(g)	-	473
Total expenses excluding losses		36,027	152,854
Net gain/(loss) on disposal of assets	2(h)	-	(203)
Other gains/(losses)	2(i)	36,689	-
NET RESULT		57,376	9,821

The accompanying notes form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2013

	Notes	30-Jun-13 \$000	30-Jun-12 \$000
NET RESULT		57,376	9,821
OTHER COMPREHENSIVE INCOME			
<i>Items that will not be reclassified to net result</i>			
Ferries revaluation reserve increment		1,799	-
Superannuation actuarial gains/(losses)		-	(9,466)
Other comprehensive income for the year		1,799	(9,466)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		59,175	355

The accompanying notes form an integral part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Notes	As at 30-Jun-13 \$000	As at 30-Jun-12 \$000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	15,538	15,097
Trade and other receivables	4	2,235	28,943
Other assets	5	-	520
Assets held for sale	6	-	34,350
Total current assets		17,773	78,910
NON-CURRENT ASSETS			
Property, plant and equipment	7	106,783	71,549
Right to Receive	8	33,685	-
Total non-current assets		140,468	71,549
Total assets		158,241	150,459
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	1,489	5,875
Employee benefits	10	830	32,678
Other liabilities	11	8,351	-
Provisions	12	2	27,158
Total current liabilities		10,672	65,711
NON-CURRENT LIABILITIES			
Provisions	12	346	106
Total non-current liabilities		346	106
Total liabilities		11,018	65,817
Net Assets		147,223	84,642
EQUITY			
Accumulated funds		138,617	77,835
Reserves		8,606	6,807
Total Equity		147,223	84,642

The accompanying notes form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2013

	Asset Revaluation Reserves		Accumulated Funds		Total Equity	
	30-Jun-13	30-Jun-12	30-Jun-13	30-Jun-12	30-Jun-13	30-Jun-12
	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July	6,807	6,807	77,835	77,480	84,642	84,287
Net result	-	-	57,376	9,821	57,376	9,821
OTHER COMPREHENSIVE INCOME						
					-	-
Ferries: revaluation reserve increment	1,799	-	-	-	1,799	-
Superannuation actuarial gains/(losses) and movement in adjustment for limitation on net assets	-	-	-	(9,466)	-	(9,466)
Total other comprehensive income	1,799	-	-	(9,466)	1,799	(9,466)
Total comprehensive income/(loss) for the year	1,799	-	57,376	355	59,175	355
Transactions with owners in their capacity as owners						
Superannuation assumed by Crown (Note 13)	-	-	3,406	-	3,406	-
Balance at 30 June	8,606	6,807	138,617	77,835	147,223	84,642

The accompanying notes form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2013

	Notes	30-Jun-13 \$000	30-Jun-12 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Service Contract Revenue		11,002	136,170
Other receipts		5,647	4,830
Interest received		327	413
Grants		45,251	-
Payments to suppliers		(13,867)	(51,817)
Payments to employees		(44,611)	(60,422)
Interest paid		-	(550)
Net cash flows from operating activities	16 (a)	3,749	28,624
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(3,307)	(11,636)
Purchases of intangible assets		-	(1,289)
Proceeds from sale of property, plant and equipment		-	1
Net cash flows from investing activities		(3,307)	(12,924)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase / (Redemption) of borrowings		-	(4,000)
Net cash flows from financing activities		-	(4,000)
Net increase/(decrease) in cash and cash equivalents		441	11,700
Cash and cash equivalents at the beginning of the year		15,097	3,397
Cash and cash equivalents at 30 June	3	15,538	15,097

The accompanying notes form an integral part of the Financial Statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Reporting entity

Sydney Ferries is a statutory corporation established by the Transport Administration Act 1988 and has the status, privileges and immunities of the Crown. Sydney Ferries is a "statutory authority" for the purposes of the Public Finance and Audit Act 1983 and is a controlled entity of Transport for NSW and the Department of Transport and is consolidated as part of the NSW Total State Sector Accounts.

Sydney Ferries was initially established to deliver safe and reliable Sydney ferry services in an efficient, effective and financially responsible manner. On 3 May 2012 the Minister for Transport announced that Harbour City Ferries (HCF) was awarded a contract to operate ferry services on Port Jackson and the Parramatta River for seven years under a new Ferry System Contract. The contract commenced on 28 July 2012.

As a result of the new Ferry System Contract, Sydney Ferries business model changed from owning ferries and related assets and operating ferry services to owning the ferry vessels and Balmain Shipyard and fixed plant and equipment.

While the change in the business model had minor impact on the accounting policies of Sydney Ferries, there has been significant changes in the amounts and types of revenue earned and expenses incurred.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements were authorised for issue by the Chief Executive Officer on the date on which the accompanying Statement by the Chief Executive was signed.

1.2 Basis of preparation

Statement of compliance

The financial statements of Sydney Ferries have been prepared as general purpose financial statements on an accrual basis in accordance with:

- applicable Australian Accounting Standards and Interpretations;
- the requirements of the NSW Public Finance and Audit Act 1983;
- the NSW Public Finance and Audit Regulation 2010; and
- Treasurer's Directions and Treasury Circulars.

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

Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain classes of property, plant and equipment, intangible assets, assets held for sale, and financial assets held for trading and available for sale which are measured at fair value.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.2 Basis of preparation (continued)

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that 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 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.

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 7 - Property, Plant & Equipment

Note 8 - Right to Receive

Note 10 - Employee Benefits

Note 12 - Provisions

Critical judgements in applying the accounting policies:

Determination of for-profit or not-for-profit

Sydney Ferries is a not-for-profit entity as profit is not its principal objective.

Going concern

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

The contract with Harbour City Ferries for the provision of ferry services provides for assets to be returned to Sydney Ferries at the end of the contract. Those assets have been brought to account as an intangible.

1.3 Revenue

Revenue is measured at the fair value of the consideration or contributions received or receivable. In most cases this is the value of the cash exchanged or exchangeable. Revenue is not recognised unless receipt is probable and the amount is reliably measurable. Revenue is recognised on major income categories as follows:

Service Contract Payments

Service Contract Payments were made to Sydney Ferries in July 2012 by Transport for NSW in accordance with an existing Ferry System Contract. The payments included a fixed and a variable component that was based on patronage and meeting Key Performance Indicators and took into account farebox collections.

These payments ceased in July 2012.

Grants

Income from grants is recognised when all of the following conditions are satisfied: the entity obtains control of the grant or the right to receive the grant; it is probable that the economic benefits comprising the grant will flow to the entity, and the amount of the grant can be measured reliably. Income from grants is measured at the fair value of the grant received or receivable. Unspent grants are accounted for as liabilities if there is a contractual obligation to refund the unspent amounts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.3 Revenue (continued)

Investment revenue

Interest revenue is recognised in the Income Statement as it accrues, using the effective interest method.

Rental revenue

Rental revenue is recognised in accordance with AASB 117 Leases on a straight-line basis over the lease term.

1.4 Leases

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.

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

1.5 Finance costs

Finance costs comprise interest payable on borrowings calculated using the effective interest method.

Finance costs are expensed as incurred and comprise:

- interest on bank overdrafts, short term and long term borrowings; and
- amortisation of discounts or premiums relating to borrowings.

1.6 Employee benefits and other provisions

Wages and salaries, annual leave, sick leave and on-costs

Liabilities for wages, salaries (including non monetary benefits) and annual leave that are expected to be settled 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. The leave liabilities for staff that transferred to HCF are retained by Sydney Ferries, with HCF submitting claims to Sydney Ferries on a regular basis for leave taken that relates to the leave entitlements accrued by staff up to and including 27 July 2012.

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.

For the comparative year the outstanding amounts of payroll tax, workers compensation insurance premiums and superannuation, 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

The long service leave liabilities for staff that transferred to HCF are retained by Sydney Ferries, with HCF submitting claims to Sydney Ferries on a regular basis for leave taken that relates to the leave entitlements accrued by staff up to and including 27 July 2012.

The liability is recognised in Other Liabilities and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

The liability for long service leave for Sydney Ferries employees is recognised in the provision for employee benefits and measured on a nominal basis having regard to the terms and conditions of these employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.6 Employee benefits and other provisions (continued)

Superannuation

Sydney Ferries' defined benefit superannuation liability has been assumed by the Crown Entity. The 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'.

The superannuation expense recognised in the Income Statement comprises:

- defined contribution plans (the expense is calculated as a percentage of the employees' salary); and
- defined benefit plans (the expense is a multiple of the employees' superannuation contributions as specified in the Treasury Circular "Accounting for Superannuation" (NSWTC 11/04))

1.7 Insurance

Appropriate insurances are purchased to cover material liability, physical damage, business interruption, and other exposures arising out of normal business operations. The cost of the insurance is expensed over the period to which the insurance cover relates.

1.8 Taxes

Accounting for Goods and Services Tax (GST)

In relation to GST, revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred by Sydney Ferries as a purchaser is not recoverable from the Australian Taxation Office. In such cases, the GST incurred 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. However, the GST components of cash flows arising from investing activities which is recoverable or payable to the Australian Taxation Office are classified as operating cash flows.

Income Tax

NSW Treasury has advised that Sydney Ferries is exempt from the *Tax Equivalent Regime for Government Businesses* (Treasury Policy Paper 03-4). Accordingly, tax effect accounting is not prepared.

State Taxes

Sydney Ferries is exempt from land tax.

1.9 Cash and cash equivalents

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.10 Trade and other receivables

Trade and other 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 accounted for in the Income Statement 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.

1.11 Impairment of financial assets

All financial assets, except those measured at fair value through profit or loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the 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 Income Statement.

When an available for sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the income statement, 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 Income Statement.

Any reversals of impairment losses are reversed through the income statement, 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.

1.12 Trade and other payables

These amounts represent liabilities for goods and services provided to Sydney Ferries and other amounts. Trade and other 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.

1.13 Financial Guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued and initially measured at fair value, where material. After initial recognition, the liability is measured at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised, less accumulated amortisation, where appropriate.

Sydney Ferries has reviewed its contracts and is not aware of any financial guarantees within its contracts as at 30 June 2013 and at 30 June 2012.

Note 15 provides disclosures on contingent liabilities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.14 Investments

Investments are initially recognised at fair value plus, in the case of investments not at fair value through profit or loss, transaction costs. Sydney Ferries 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

Sydney Ferries 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 classified as "held for trading". Gains or losses on these assets are recognised in the Income Statement.

The Hour-Glass Investment facilities are designated at fair value through profit and loss using the second leg of the fair value option. 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 Sydney Ferries.

Sydney Ferries risk management strategy is documented in its Treasury Risk Management policies which have been provided to TCorp. Compliance is monitored by Sydney Ferries management on a monthly basis.

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 balance date.

1.15 De-recognition of financial assets and financial liabilities

A financial asset is de-recognised when the contractual rights to the cash flows from the financial assets expire or if the agency transfers the financial asset:

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

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

A financial liability is de-recognised when the obligation specified in the contract is discharged or cancelled or expires.

1.16 Other Assets

Other assets are recognised on a cost basis.

1.17 Property, Plant and Equipment

Acquisition of assets and capitalisation threshold

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by Sydney Ferries. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset when initially recognised in accordance with the specific 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 item is deferred beyond normal credit terms, its cost is the cash equivalent. The deferred payment amount is effectively discounted at an asset-specific rate.

Property, plant and equipment costing \$1,000 or more individually and having a minimum expected useful life of one year or more is capitalised.

Major spares purchased specifically for particular assets or class of assets are, at the time of acquisition, included in the cost of the assets and depreciated accordingly.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.17 Property, Plant and Equipment (continued)

Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" (Treasury Policy Paper 07-01). This policy adopts fair value in accordance with AASB 116 Property, Plant and Equipment.

Each class of physical non-current asset is revalued 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. The last revaluation for ferries was completed in June 2013. Freehold land, buildings and wharf improvements were valued on 30 June 2009 based on an independent assessment.

Where available, fair value is determined having regard to the highest and best use of the asset on the basis of current market selling prices for the same or similar assets. Where market selling price is not available, the asset's fair value is measured at depreciated replacement cost. For vessels which are specialised assets, depreciated replacement cost is determined by reference to the most appropriate modern, depreciated equivalent replacement asset that provided similar economic benefits.

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

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. The accumulated depreciation is restated proportionately with the change in the gross carrying amount so that the carrying amount of the asset after revaluation equals its revalued amount.

In all other cases the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net carrying amount is restated to the revalued amount of the asset.

Increases in the carrying amounts arising on revaluation are credited to the asset revaluation reserve. To the extent that the increase reverses a decrease previously recognised profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the Income Statement.

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

Work in progress

Costs relating to property, plant and equipment that are under construction, or are otherwise incomplete, are shown in the Statement of Financial Position as work in progress and are not depreciated until the assets are brought into service.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.17 Property, Plant and Equipment (continued)

Impairment of Property, Plant and Equipment

In respect of a not-for-profit entity, value in use is the depreciated replacement cost. Hence an impairment loss is unlikely to arise on any of Sydney Ferries' assets because the carrying amount (usually depreciated replacement cost) is unlikely to exceed the recoverable amount. For vessels (which are specialised assets) held for sale, an impairment loss would arise when they are valued at market value and not disposed off in the same financial year.

Depreciation of Property, Plant and Equipment

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

Asset Class	Life	Method
Freehold buildings and wharves	40 Yrs	Straight Line
Plant and equipment	3 to 20 Yrs	Straight Line
Ferries	15 to 40 Yrs	Straight Line

Dry docking

As part of the long-term maintenance program for the fleet, all vessels undergo a major refit (dry docking) on a regular basis (every 5 years for the Freshwater class of ferries and every 2 years for the remainder of the fleet). The cost of these dockings are capitalised and depreciated over the period to the subsequent docking.

Repairs and maintenance

The cost of routine maintenance and repairs are expensed as incurred, except where they relate to the replacement of a component of an asset that increases the service potential of the asset, in which case the cost is capitalised and depreciated.

1.18 Intangible assets

Right to Receive

Sydney Ferries recognises the Right to Receive ferry spare parts inventory and fuel stocks which Harbour City Ferries (HCF) under its contract must return at the end of that contract. HCF advises Sydney Ferries the value of the Right to Receive assets as at 30 June each year based on the amount of fuel and of each inventory item and relevant values, of each of the right to receive items at the reporting date. The advice from HCF is used for the purpose of assessing impairment to the Right to Receive assets as at 30 June each year.

1.19 Provisions

A provision is recognised in the Statement of Financial Position when Sydney Ferries has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.19 Provisions (continued)

If the effect of the time value of money is material, provisions are measured using the present value of the expenditure expected to be required to settle the obligation and using a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Restoration provisions

In accordance with the Sydney Ferries' published environmental policy and applicable legal requirements, a provision for site restoration is recognised when Sydney Ferries first becomes aware of the exposure.

The provision is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, based on current legal requirements and technology. Future restoration costs are reviewed annually and any changes are reflected in the present value of the restoration provision at the end of the reporting period.

The amount of the provision for future restoration costs is capitalised and is depreciated over the useful life of the underlying asset or over the period until the restoration is undertaken. The unwinding of the effect of the discounting on the provision is recognised as a finance cost.

Restructuring

A provision for restructuring/redundancy is recognised when Sydney Ferries has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Termination benefits are recognised as an expense when Sydney Ferries is committed to terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if Sydney Ferries has made an offer of voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be estimated reliably.

1.20 Non-current assets held for sale

Non-current assets are classified as held for sale when their carrying amount will be recovered principally through a sale transaction not through continuing use. Non-current assets held for sale are recognised at the lower of carrying amount and fair value less costs to sell.

For any assets classified as "Non-current assets held for sale", an impairment loss will be recognised where the asset's carrying value is greater than its fair value less costs to sell.

Non-current assets classified as held for sale are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the Statement of Financial Position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.21 Comparatives

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

1.22 Allocation between current and non-current assets and liabilities

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the ensuing 12 months, being Sydney Ferries operational cycle. In the case of liabilities where Sydney Ferries does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months.

1.23 Equity and reserves

Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with Sydney Ferries policy on the revaluation of property, plant and equipment as discussed in note 1.17.

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

1.24 Equity transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of functions and parts thereof between NSW public sector agencies are designated as contributions by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with Australian Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities.

Transfers arising from an administrative restructure between government agencies are recognised at the amount at which the asset was recognised by the transferor government agency 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 agency does not recognise that asset.

1.25 New accounting standards and interpretations

The financial statements have adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to Sydney Ferries effective for the annual reporting period beginning 1 July 2012. The adoption of these new and revised Standards and Interpretations has not resulted in any significant changes to Sydney Ferries accounting policies.

Sydney Ferries did not early adopt any new accounting standards that are not yet effective. The following new Accounting Standards and Interpretations have not yet been adopted and are not effective as at 30 June 2013.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.25 New accounting standards and interpretations (continued)

AASB Amendment	Summary of key requirements/changes	Applicable to annual reporting periods beginning on or after	Impact on Reporting Entity's Financial Statements
AASB 9 Financial Instruments, AASB 2010-7 and 2012-6 Amendments to Australian Accounting Standards arising from AASB 9 and Transition Disclosures	AASB 9 introduces new requirements for the classification, measurement and derecognition of financial assets and financial liabilities. AASB 9 has replaced the four key categories for financial assets in AASB139 by two main measurement categories – either amortised cost or fair value. It was further amended by AASB 2010-7 to reflect amendments to accounting for financial liabilities. AASB 2012-6 defers the mandatory effective date of AASB 9 to annual report period beginning on or after 1 January 2015. It also require additional disclosures on transition from AASB 139 to AASB 9 in some circumstances.	1-Jan-15	The impact on the financial statements is not expected to be significant.
AASB 10 Consolidated Financial Statements and AASB 2012-10	AASB 10 replaces the consolidation requirements in AASB 127 and AASB Interpretation 112. AASB 10 introduces a new principles-based control model that considers power, rights and exposure to variable returns to determine whether an entity has control over an investee. The standard requires the parent entity to present consolidated financial statements as those of a single economic entity.	1-Jan-14	The impact on the financial statements is not expected to be significant.
AASB 11 Joint Arrangements and AASB 2012-10	AASB 11 replaces AASB 131 and AASB Interpretation 113. AASB 11 uses the principle of control in AASB 10 to define joint control, classifies joint arrangements as either joint operation or joint venture. Accounting for joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint venture is accounted for using the equity method, and joint operation is account for by recognising the share of assets and liabilities.	1-Jan-14	The impact on the financial statements is not expected to be significant due to the absence of material joint arrangements.
AASB 12 Disclosure of Interests in other Entities and AASB 2012-10	In line with AASB 10 and AASB 11, AASB 12 sets the disclosure requirements for entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. It helps users to better assess the nature and financial effects of an entity's investment in other entities.	1-Jan-14	The standard may impact on the type of information disclosed however there will be no impact on any amounts recognised in the financial statements.
AASB 13 Fair Value Measurement and AASB 2011-8	AASB 13 defines fair value, establishes a single framework or guidance for the measuring of fair value and requires enhanced disclosures about fair value measurements. AASB 13 applies when another standard requires or permits fair value measurements or disclosures. The standard establishes a three tier "fair value hierarchy".	1-Jan-13	The reporting entity's major assets – property, plant and equipment and investment properties are recognised at fair value. NSW Treasury is considering the implications of the changes and will provide future directions

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.25 New accounting standards and interpretations (continued)

AASB Amendment	Summary of key requirements/changes	Applicable to annual reporting periods beginning on or after	Impact on Reporting Entity's Financial Statements
AASB 119 Employee Benefits AASB 2011-10 and AASB 2011-11	AASB 119 mainly impacts the accounting for defined benefit pension schemes. The corridor approach for the recognition of actuarial gains and losses has been removed, as has the option to recognise actuarial gains and losses in profit or loss. The impact of this is that all actuarial gains and losses will be recognised in other comprehensive income in the period in which they arise. In addition, the calculation of net interest cost has changed. There will no longer be separate calculations of the expected return on plan assets and the interest cost of funding the defined benefit obligation. Instead, a single rate is applied to the net of the defined benefit obligation and plan assets.	1-Jan-13	The requirements for measurement of employer liabilities and assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities and assets, are substantially different under the revised AASB 119. The revised AASB 119 requires retrospective implementation.
AASB 127 Separate Financial Statements and AASB 2012-10	AASB 127 Consolidated and Separate Financial Statements has been renamed Separate Financial Statements. The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements (in addition to consolidated financial statements). The Standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates and jointly controlled entities are accounted for either at cost or in accordance with AASB 9 Financial Instruments.	1-Jan-14	The AASB may modify the application of this standard to the not-for-profit entities. As such it is not practical to assess the impact of its application on the reporting entity's financial statements.
AASB 128 Investments in Associates and Joint ventures and AASB 2012-10	AASB 128 prescribes the accounting for investments in associates and defines "significant influence". It sets out the requirement for the application of the equity method when accounting for investments in associates and joint ventures.	1-Jan-14	The impact on the financial statements is not expected to be significant.
AASB 1053 and AASB 2010-2 regarding differential reporting	AASB 1053 requires entities that prepare general purpose financial statements to adopt Tier 1 (full compliance with AASB) or Tier 2 (Reduced Disclosure Requirements).	1-Jul-13	NSW Treasury expects all public sector entities to prepare accounts in accordance with Tier 1 requirements.
AASB 2010-10 regarding removal of fixed dates for first time adopters	AASB 2010-10 amendments affect AASB 1 First Time Adoption of Australian Accounting Standards and provide relief for first-time adopters of Australian Accounting Standards.	1-Jan-13	The impact on the financial statements is not expected to be significant.
AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements	AASB 2011-2 removes disclosure requirements from other Standards and incorporates them into AASB 1054 to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting.	1-Jul-13	The impact on the financial statements is not expected to be significant as the standards only relocate disclosure requirements from existing standards to a new standard.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.25 New accounting standards and interpretations (continued)

AASB Amendment	Summary of key requirements/changes	Applicable to annual reporting periods beginning on or after	Impact on Reporting Entity's Financial Statements
AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities	AASB 2012-2 amends AASB 7 and AASB 132 to require disclosure of information that will enable users of financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and financial liabilities, on the financial position.	1-Jan-13	The impact on the financial statements is not expected to be significant.
AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities	AASB 2012-3 provides guidance to address inconsistencies identified in applying some of the offsetting criteria of AASB132, including clarifying the meaning of "currently has a legally enforceable right to set-off recognised amounts" and "intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously"; and that some gross settlement system may be considered equivalent to net settlement.	1-Jan-14	There is no impact on the financial statements as they merely clarify existing requirements under AASB132.
AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle	AASB 2012-5 makes amendments to the Australian Accounting Standards and Interpretations listed in paragraph 1 of the Standard. These amendments are a consequence of the annual improvements process, which provide a vehicle for making non-urgent but necessary amendments to Standards. The amendments made are largely of the nature of clarifications or removals of unintended inconsistencies between Australian Accounting Standards.	1-Jan-13	The impact on the financial statements is not expected to be significant, as the amendments are primarily clarifications and descriptions, to a number of Australian Accounting Standards.

NSW Treasury has mandated not to early adopt any of the standards that are not effective.

	Notes	30-Jun-13 \$000	30-Jun-12 \$000
2. REVENUE AND EXPENSES			
Revenue			
(a)	Operational revenue		
	Service Contract Revenue	5,435	134,517
	Lease Revenue	5,121	-
²	Total operational revenue	10,556	134,517
(b)	Other revenue		
	Interest	327	413
¹	NSW Government Grant	22,620	26,766
	Rent and advertising	7	333
	Commission	21	268
	Sundry income	-	513
	Superannuation assumed by Crown	16,509	-
	Other revenue	6,674	68
	Total other revenue	46,158	28,361
¹ Funding for restructuring arising from franchising of Sydney Ferries operations			
² Decrease in operational revenue reflects change in Sydney Ferries business model (Note 1.1)			
Expenses			
(c)	Fleet running expenses		
	Fuel and Inventory expense - labour hire, spare parts and consumables	2,026	17,952
	Total fleet running expenses	2,026	17,952
(d)	Employee benefits		
	Wages and salaries	7,860	46,526
	Redundancy and Restructuring	10	27,401
	Annual leave	334	4,142
	Long service leave	51	1,955
	Superannuation - Defined Contribution Plan	857	4,488
	Superannuation - Defined Benefits Plan	207	599
	Workers' compensation	208	2,007
	Payroll tax	1,800	3,407
³	Total employee benefits	11,327	90,525
(e)	Depreciation, amortisation and impairment		
	Depreciation	19,080	19,495
	Amortisation - intangibles	-	1,822
	Amortisation - other	-	94
	Total depreciation, amortisation and impairment costs	19,080	21,411

	30-Jun-13 \$000	30-Jun-12 \$000
2. REVENUE AND EXPENSES (Cont'd)		
Expenses		
(f) General operating expenses		
Insurances	502	1,748
Operating leases	244	2,131
Auditor's remuneration - audit of financial statements	128	196
Audit fees - Internal Audit	-	280
Hire of private ferries	453	3,923
Labour related costs	216	2,080
Temporary staff	305	2,322
Maintenance - facilities	-	708
Service fees	-	1,584
Marketing	5	146
IT & Communications	772	3,284
Professional services	366	654
Property	191	1,923
Printing	47	621
Travel & Accommodation	124	15
Administration	235	838
Audit and Risk Committee members remuneration	6	40
³ Total general operating expenses	3,595	22,493
(g) Finance costs		
Interest expense	-	473
Total finance costs	-	473
(h) Net gains/(losses) on disposal of assets		
Written down value of assets disposed	-	(203)
Total gains/(losses) on disposal of assets	-	(203)
(i) Other gains/(losses)		
Impairment on Right to Receive assets	(421)	-
Writedown on WIP assets	(2,062)	-
Ferries revaluation	39,172	-
Total gains/(losses) on disposal of assets	36,689	-
(j) Reconciliation of Maintenance expenses		
Included in total expenses are maintenance expenses for vessels consisting of:		
Labour	-	5,802
Contracted and non-labour expenditure	-	4,034
Total maintenance expenses	-	9,836

³ Decrease in expenses reflects change in Sydney Ferries business model (Note 1.1)

	Notes	30-Jun-13 \$000	30-Jun-12 \$000
3. CASH AND CASH EQUIVALENTS			
Cash		15,538	658
Cash on hand		-	79
TCorp - Hour-Glass cash facility		-	14,360
Total cash and cash equivalents		15,538	15,097

4. TRADE AND OTHER RECEIVABLES			
Trade debtors		2,105	634
Goods and services tax receivable		130	324
Prepayments		-	824
Sundry debtors		-	27,161
Total trade and other receivables		2,235	28,943

5. OTHER ASSETS			
Other assets		-	520
Total other assets		-	520

6. ASSETS HELD FOR SALE

The Ferry System Contract between the Director-General and HCF, which commenced on 28 July 2012, provides for all intangible assets and plant and equipment excluding fixed plant and equipment to be transferred to HCF for continued use in the provision of ferry services for a nominal value and for their return at the conclusion of the contract term for a nominal value. As there is not expected to be any disposal costs, these assets were valued at their depreciated replacement cost, and from 2013 are classified as Right to Receive assets.

	30-Jun-13 \$000	30-Jun-12 \$000
Assets classified as held for sale		
Intangible Assets	-	4,405
Plant and Equipment	-	4,795
Wharf leasehold improvements	-	16,521
Work in Progress	-	562
Inventory	-	8,067
Total	-	34,350

	30-Jun-13 \$000	30-Jun-12 \$000
7. Property, plant and equipment		
(a) Classes		
Land - freehold & improvements		
Gross carrying amount	5,737	5,737
Buildings - freehold		
Gross carrying amount	15,130	15,130
Less: accumulated depreciation	(9,317)	(8,942)
Total buildings - freehold	5,813	6,188
Plant and equipment		
Gross carrying amount	13,720	8,050
Less: accumulated depreciation	(7,985)	(6,728)
Total plant and equipment	5,735	1,322
Ferries		
Gross carrying amount	273,915	233,304
Less: accumulated depreciation	(197,357)	(187,407)
Total ferries	76,558	45,897
Work in progress		
Gross carrying amount	12,940	12,405
Total work in progress	12,940	12,405
Total property, plant and equipment	106,783	71,549

7. Property, plant and equipment (continued)

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

	Land-freehold & improvements \$000	Buildings- freehold \$000	Wharf improvements leasehold \$000	Plant and equipment \$000	Ferries \$000	Work in progress \$000	Total \$000
Gross carrying amount							
Balance at 1 July 2012	5,737	15,130	-	8,050	233,304	12,405	274,626
Additions				5,670	7,138	2,597	15,405
Disposals/derecognition/write-offs							-
Assets held for sale							-
Revaluations					33,473		33,473
Disposals/derecognition/write-offs						(2,062)	(2,062)
Impairment losses							-
Balance at 30 June 2013	5,737	15,130	-	13,720	273,915	12,940	321,442
Balance at 1 July 2011	5,737	15,130	27,439	25,886	222,497	13,364	310,053
Additions			518	411	10,951	12,674	24,554
Disposals/derecognition/write-offs				(162)	(144)	(155)	(461)
Assets held for sale			(27,957)	(14,600)		(562)	(43,119)
Revaluations							-
Transfers				(3,485)		(12,916)	(16,401)
Impairment losses							-
Balance at 30 June 2012	5,737	15,130	-	8,050	233,304	12,405	274,626
Accumulated Depreciation							
Balance at 1 July 2012	-	8,942	-	6,728	187,407	-	203,077
Depreciation for the year		375		1,257	17,448		19,080
Assets held for sale							-
Revaluations					(7,498)		(7,498)
Disposals/derecognition/write-offs							-
Impairment losses							-
Balance at 30 June 2013	-	9,317	-	7,985	197,357	-	214,659
Balance at 1 July 2011	-	8,557	9,808	18,698	171,348	-	208,411
Depreciation for the year		385	1,628	1,367	16,114		19,494
Assets held for sale			(11,436)	(9,805)			(21,241)
Revaluations							-
Disposals/derecognition/write-offs				(49)	(55)		(104)
Transfers				(3,483)			(3,483)
Impairment losses							-
Balance at 30 June 2012	-	8,942	-	6,728	187,407	-	203,077
Net carrying amounts							
At 1 July 2011	5,737	6,573	17,631	7,188	51,149	13,364	101,642
At 30 June 2012	5,737	6,188	-	1,322	45,897	12,405	71,549
At 1 July 2012	5,737	6,188	-	1,322	45,897	12,405	71,549
At 30 June 2013	5,737	5,813	-	5,735	76,558	12,940	106,783

Estimates Management has estimated expected usage and assessed the assets for impairment.
Valuations

- (a) Property, plant and equipment were revalued in accordance with the basis of valuation set out in Note 1.17.
- (b) The following non-current assets were independently valued by registered valuers:

Class of assets	Date of valuation	Registered valuers
Freehold land	30-Jun-09	Preston Rowe Paterson NSW Pty Limited
Land Improvements and Buildings	30-Jun-09	MDA Australia Pty. Ltd.
Ferries	30-Jun-13	Rodney Hyman Asset Services Pty. Ltd.

	Notes	30-Jun-13 \$000	30-Jun-12 \$000
8. RIGHT TO RECEIVE			
Right to Receive - Plant & Equipment		4,817	-
Right to Receive - Intangibles		4,405	-
Right to Receive - Leasehold Improvements		16,393	-
Right to Receive - Inventory (incl fuel)		8,070	-
Total Right to Receive		33,685	-

The contract with Harbour City Ferries for the provision of ferry services provides for assets to be returned to Sydney Ferries at the end of the contract. Those assets, which were classified as Assets Held for Sale as at 30 June 2012 have now been brought to account as a Right to Receive Intangible Asset.

9. TRADE & OTHER PAYABLES			
Accrued salaries, wages and on-costs		176	1,089
Trade creditors		197	2,660
Interest payable		-	79
Goods and services tax payable		61	-
Other creditors and accruals		1,055	2,047
Total payables		1,489	5,875

10. EMPLOYEE BENEFITS			
(a) Employee benefits - provisions			
Current			
Provision for annual leave - short term		449	4,334
Provision for public holidays - short term		-	425
Provision for superannuation		8	19,756
Provision for long service leave - short term		373	8,163
Total current employee benefits liabilities		830	32,678
(b) Aggregate employee benefits and related on-costs			
Current		830	32,678
Accrued salaries, wages and on-costs	9	176	1,089
Total employee benefits and related on-costs		1,006	33,767

11. OTHER LIABILITIES			
Current			
Liability for former employees' leave entitlements		8,351	-
Total		8,351	-

	Notes	30-Jun-13 \$000	30-Jun-12 \$000
12. (a) PROVISIONS			
Current provisions		2	27,158
Non-current provisions		346	106
Total provisions		348	27,264
The balance of provisions consists of:			
Provision for marine damage claims	(i)	5	5
Provision for public liability claims	(i)	285	320
Provision for marine hull damage	(i)	58	58
Provision for restructuring/redundancy	(ii)	-	26,881
Total provisions		348	27,264

(i) **Provision for insurance**

In prior period an assessment was carried out by David A Zaman Pty Ltd., Consulting Actuary on General Insurance Risk Provisions. State Transit Authority (STA) is responsible for all claims incurred prior to 1 July 2004 as Sydney Ferries was a part of STA prior to this date. The risks considered were Public Liability, Protection & Indemnity (Marine), RiverCat Wash and Marine Hull. The analysis was based directly on the actual values of the claims data. No special adjustment was made for inflationary effects on claim amounts nor was any allowance made for the time value of claim payments being spread across a period of time as the amounts are not considered material. Sydney Ferries has responsibility for these provisions as they relate to claims prior to the new ferry services contract which commenced on 28 July 2012.

(ii)

As part of the transfer of staff to HCF a transfer package was made available to all staff who transferred to HCF who were permanent at the date of transfer. The transfer payment was based on the number of years of service with a maximum of 30 weeks for six or more year of service.

(b) MOVEMENTS IN PROVISIONS

2013				
Class of provision	Opening Balance \$000	Increase/(decrease) in provision \$000	Payments \$000	Closing balance \$000
Marine damage claims	5	-	-	5
Public liability claims	320	-	(35)	285
Marine hull claims	58	-	-	58
Restructuring/redundancy	26,881	-	(26,881)	-
Total	27,264	-	(26,916)	348
2012				
Class of provision	Opening Balance \$000	Increase/(decrease) in provision \$000	Payments \$000	Closing balance \$000
Marine damage claims	47	(42)	-	5
Public liability claims	223	136	(39)	320
Marine hull claims	268	(199)	(11)	58
Restructuring/redundancy	115	27,563	(797)	26,881
Total	653	27,458	(847)	27,264

	Notes	30-Jun-13 \$000	30-Jun-12 \$000
13. TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS			
Superannuation assumed by Crown		3,406	-
Total other comprehensive income		3,406	-

14. CONTINGENT LIABILITIES

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

Contractual and other claims against Sydney Ferries arise in the ordinary course of operations. The existence or quantum of each claim is usually in dispute and the outcome cannot be measured reliably.

Sydney Ferries has made an assessment that there are no contingent liabilities as at 30 June 2013.

15. COMMITMENTS

Capital Commitments

Aggregate capital commitments for property, plant & equipment contracted for at reporting date and not provided for: **\$'000**

Not later than one year 1,789

Later than one year -

Total including GST 1,789

16 RECONCILIATION OF OPERATING RESULTS TO NET CASH FROM OPERATING ACTIVITIES

(a)		30-Jun-13	30-Jun-12
		\$000	\$000
Net result		57,376	9,821
Adjustments to reconcile net operating result to net cash from operating activities:			
Amortisation			1,916
(Gain)/Loss on disposal of PPE			202
Derecognition, impairment and write off of assets	421	-	-
Revaluation increment	(39,172)	-	-
Depreciation of non-current assets	19,080	19,495	
Other non cash items	(7,900)	155	
Changes in assets and liabilities:			
(increase)/decrease in receivables	26,708	(26,402)	
(increase)/decrease in inventories	-	(261)	
(increase)/decrease in other assets	520	(167)	
increase/(decrease) in trade and other payables	(6,277)	(894)	
increase/(decrease) in employee entitlements	(28,442)	(1,519)	
increase/(decrease) in other liabilities	8,351	-	
increase/(decrease) in other provisions	(26,916)	26,612	
(increase)/decrease in goods and services tax	-	(206)	
increase/(decrease) in revenue received in advance	-	(128)	
Net cash flows from operating activities		3,749	28,624
(b) Financing facility available			
Short-term standby credit facility	-	10,000	
Drawn down at balance date	-	-	
Facility unused at balance date		-	10,000
The short-term standby credit facility was available to meet daily cash flow requirements which arose from time to time.			
(c) Non cash financing and investing activities			
Superannuation assumed by the Crown	3,406	-	
Major Periodic Maintenance work by HCF	4,733	-	
Recognition of Manly Hydraulic Ramps and other assets	5,670	-	

17. FINANCIAL INSTRUMENTS

Sydney Ferries' principal financial instruments are outlined below. These financial instruments arise directly from Sydney Ferries' operations or are required to finance Sydney Ferries' operations. Sydney Ferries does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Sydney Ferries' main risks arising from financial instruments are outlined below, together with the Sydney Ferries' objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial report.

Risk management policies are established to identify and analyse the risks faced by Sydney Ferries, to set risk limits and control and monitor risks. Compliance with policies is reviewed by Management on a continuous basis. There have been no changes to Sydney Ferries' exposure to credit, liquidity, market and interest rate risk or objectives, policies and processes for managing the risk and the methods used to measure the risks from the prior year.

(a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount	Carrying Amount
Class:			2013	2012
			\$000	\$000
Cash and cash equivalents	3	n/a	15,538	15,097
Receivables	4	Loans and receivables ¹	2,105	27,401
Financial Liabilities				
Trade Creditors	9	Financial liabilities measured at amortised cost ²	1,428	4,494
Other Liabilities	11	Financial liabilities measured at amortised cost	8,351	-

(b) Credit Risk

Credit risk arises when there is the possibility of Sydney Ferries' debtors defaulting on their contractual obligations, resulting in a financial loss to Sydney Ferries. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of Sydney Ferries, including cash and cash equivalents and receivables and authority deposits. No collateral is held by Sydney Ferries. Sydney Ferries has not granted any financial guarantees.

Credit risk associated with Sydney Ferries financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

(i) Cash

Cash comprises cash on hand, bank balances with NSW Treasury Corporation (TCorp) and the TCorp Hour-Glass cash facility. Interest is earned on daily bank balances at the monthly average TCorp 11am unofficial cash rate, adjusted for a management fee payable to NSW Treasury.

¹ Excludes statutory receivables and prepayments which are not within the scope of AASB 7.

² Excludes statutory payables and unearned revenue which are not within the scope of AASB 7.

17. FINANCIAL INSTRUMENTS (continued)

(ii) Receivables

At the end of the reporting period there were no significant concentrations of credit risk. Credit risk is the risk of financial loss arising from another party to a contract or financial position failing to discharge a financial obligation there under. Sydney Ferries' maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the Statement of Financial Position.

2013	Government \$000	Other \$000	Total \$000
Receivables	1,812	293	2,105
Total receivables	1,812	293	2,105

2012	Government \$000	Other \$000	Total \$000
Receivables	26,814	587	27,401
Total receivables	26,814	587	27,401

Sydney Ferries has a small amount of sundry debtors who operate on 14 days payment terms. This is reconciled and reviewed on a monthly basis. There are currently no debtors whose terms are past due or impaired whose terms have been renegotiated.

2013	Total \$000	Past due but not impaired \$000	Considered impaired \$000
< 3 months overdue	-	-	-
3 months – 6 months overdue	-	-	-
> 6 months overdue	-	-	-

2012	Total \$000	Past due but not impaired \$000	Considered impaired \$000
< 3 months overdue	27,388	27,388	-
3 months – 6 months overdue	13	13	-
> 6 months overdue	-	-	-

The ageing analysis excludes statutory receivables and prepayments, as these are not within the scope of AASB 7.

(c) Liquidity risk

Liquidity risk is the risk that Sydney Ferries will be unable to meet its payment obligations when they fall due. Sydney Ferries continuously manages risk through monitoring cash flows and debt maturities and 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. Until July 2012 Sydney Ferries received fixed monthly income from Transport for NSW which assisted in managing cashflow.

17. FINANCIAL INSTRUMENTS (continued)

(c) Liquidity risk (continued)

Details of credit standby arrangements of Sydney Ferries are disclosed in Note 16(b).

No assets have been pledged as collateral. Sydney Ferries' exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

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.

The table below summarises the maturity profile of Sydney Ferries' financial liabilities, together with the interest rate exposure.

(i) Maturity analysis and interest rate exposure of financial liabilities

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

Trade creditors are non-interest bearing and are normally settled on 30 day terms.

Financial instruments maturing in						
	Carrying amount	Contractual cash flows	1 year or less	Over 1 to 5 years	More than 5 years	Non- interest bearing
	\$000	\$000	\$000	\$000	\$000	\$000
2013						
Financial liabilities						
Payables	1,428	-	-	-	-	1,428
	1,428	-	-	-	-	1,428
2012						
Financial liabilities						
Payables	4,494	-	-	-	-	4,494
	4,494	-	-	-	-	4,494

17. FINANCIAL INSTRUMENTS (continued)

(d) Fair value

The amortised cost of financial instruments recognised in the Statement of Financial Position approximates the fair value, because of the short-term nature of many of the financial instruments.

(e) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Sydney Ferries has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which Sydney Ferries operates and the time frame for the assessment (that is, until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the end of the reporting period. The analysis is performed on the same basis as for 2012. The analysis assumes that all other variables remain constant.

Interest rate risk

As Sydney Ferries has repaid all its borrowings, it does not have any interest rate risk exposure at the balance sheet date.

Sensitivity Analysis

		Carrying amount	-1%		1%	
			Surplus / Deficit	Equity	Surplus / Deficit	Equity
2013						
Financial assets			Decrease in Surplus	Decrease in Equity	Increase in Surplus	Increase in Equity
Cash and cash equivalents	15,538		(155)	(155)	155	155

17. FINANCIAL INSTRUMENTS (continued)

Interest rate risk (continued) Sensitivity Analysis (continued)

	Carrying amount	-1%	Equity	1%	Equity
		Surplus / Deficit		Surplus / Deficit	
2012					
		Decrease in Surplus	Decrease in Equity	Increase in Surplus	Increase in Equity
Financial assets					
Cash and cash equivalents	15,097	(151)	(151)	151	151

(f) Fair value recognised in the statement of financial position

Sydney Ferries 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 included within Level 1 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).

2013	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Hour Glass Investment - Cash facility	-	-	-	-
2012	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Hour Glass Investment - Cash facility	-	14,360	-	14,360

17. 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 Ferries has no direct equity investments. Sydney Ferries holds units in the following Hour-Glass Investment trusts:

Facility	Investment Sectors	Investment Horizons	2013 \$000	2012 \$000
Cash Facility	Cash, money market instruments	Up to 1.5 years	-	14,360

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

NSW Treasury Corporation (TCorp) is trustee for each of the above facilities and is required to act in the best interest of the unitholders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. However, 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 Sydney Ferries 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 collected over a ten year period, quoted at two standard deviations (i.e. 95% probability). The TCorp Hour-Glass Investment facilities are 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).

(i) impact on:

	Change in unit price	2013 \$000 Surplus	2012 \$000 Surplus
Hour Glass Investment - Cash facility	+/-1%	+/- -	+/- 143.60

18. EVENTS OCCURRING AFTER BALANCE DATE

There are no events occurring after the reporting period.

End of financial statements

22



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 2013, 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 2013, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Director-General Delegate's Responsibility for the Financial Statements

The Director-General Delegate is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Director-General Delegate determines is necessary to enable the preparation of financial statements that give a true and fair view and 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 Sydney Metro's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sydney Metro'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 other information which may have been hyperlinked to/from the financial statements.

Independence

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

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



C J Giumelli
Director, Financial Audit Services

19 September 2013
SYDNEY

Sydney Metro

Financial statements

for the year ended

30 June 2013

Statement by the Director-General Delegate

Financial statements for the year ended 30 June 2013

Pursuant to Section 41C (18) 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 2013, 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.



Arthur Diakos
Director-General Delegate
16/09/2013

SYDNEY METRO

Statement of comprehensive income

for the year ended 30 June 2013

	Note	2013	2012
		\$'000	\$'000
Revenue			
Interest income	1(c)/2	168	9,851
Total revenue		168	9,851
Operating expenditure			
Operating costs	3	41	174
Cost reimbursement claims	4	15	224
Total operating expenditure		56	398
Net Result		112	9,453
Other comprehensive income		-	-
Total other comprehensive income		-	-
Total comprehensive income for the year		112	9,453

The accompanying notes form part of these financial statements.

SYDNEY METRO

Statement of financial position

as at 30 June 2013

	Note	2013	2012
Assets		\$'000	\$'000
Current assets			
Cash and cash equivalents	5	-	4,879
Trade and other receivables	6	-	6
Total current assets		-	4,885
Total assets		-	4,885
Liabilities			
Current liabilities			
Trade and other payables	7	-	77
Provisions	8	-	30
Total current liabilities		-	107
Total liabilities		-	107
Net assets		-	4,778
Equity			
Accumulated funds	9a	-	(46,831)
Contributed equity	9b	-	51,609
Total equity		-	4,778

The accompanying notes form part of these financial statements.

SYDNEY METRO

Statement of changes in equity

for the year ended 30 June 2013

	Note	Accumulated Funds	Contributed Equity	Total
Current year – ended 30 June 2013		\$'000	\$'000	\$'000
Balance at beginning of year		(46,831)	51,609	4,778
Surplus for the year		112	-	112
Total comprehensive income for the year		112	-	112
Transactions with owners in their capacity as owners				
Equity transfer as part of administrative restructure	9a	46,719	(51,609)	(4,890)
Balance at end of year		-	-	-

	Note	Accumulated Funds	Contributed Equity	Total
Prior year – 30 June 2012		\$'000	\$'000	\$'000
Balance at beginning of year		152,584	51,609	204,193
Surplus for the year		9,453	-	9,453
Total comprehensive income for the year		9,453	-	9,453
Transactions with owners in their capacity as owners				
Equity transfer as part of administrative restructure	9a	(208,868)	-	(208,868)
Balance at end of year		(46,831)	51,609	4,778

The accompanying notes form part of these financial statements

SYDNEY METRO

Statement of cash flows

for the year ended 30 June 2013

	Note	2013	2012
		\$'000	\$'000
i) Cash flow from operating activities			
Interest received		168	9,851
Other revenue		6	4,971
Operating expenditure payments		(153)	(2,833)
Net cash flow from operating activities	11a	21	11,989
ii) Cash flow from investing activities		-	-
iii) Cash flow from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		21	11,989
Cash and cash equivalent at beginning of year		4,879	201,758
Cash transferred out as a result of administrative restructure		(4,900)	(208,868)
Cash and cash equivalents at end of year	5	-	4,879

The accompanying notes form part of these financial statements.

SYDNEY METRO

Notes to and forming part of the financial statements for the year ended on 30 June 2013

1. Significant accounting policies

The following significant policies have been adopted in the preparation of the financial statements:

(a) Reporting entity

Sydney Metro was a NSW Government agency, a corporation established on 27 January 2009 by the *Transport Administration Act 1988*. It was incorporated in Australia. Its principal address was Level 6, 18 Lee Street, Chippendale, NSW 2008.

Sydney Metro was 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 and
- manage claims relating to the discontinuation of the Sydney Metro project in February 2010.

Pursuant to section 94(1) of the *Transport Administration Act 1988 (NSW)*, on 17 June 2013, the Minister for Transport signed the *Order No. 2013/16*, to transfer of assets, rights and liabilities from Sydney Metro to Transport for NSW. This order was effective on and from 29 June 2013.

Pursuant to Clause 8 of Schedule 8A of the *Transport Administration Act 1988*, the Transport Administration (Dissolution of Sydney Metro) Proclamation 2013 was signed on 26 June 2013 appointing 1 July 2013 as the date of dissolution of Sydney Metro.

This is the last financial report for Sydney Metro. As Sydney Metro was dissolved, there will no longer be any financial or annual reporting obligations for Sydney Metro, and the entity will not be required to prepare statutory financial statements or annual reports for the reporting periods from 1 July 2013 onwards.

Sydney Metro was a controlled entity of the Department of Transport for consolidation purposes. Sydney Metro's ultimate parent was the NSW Government and it was 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.

SYDNEY METRO

Notes to and forming part of the financial statements for the year ended on 30 June 2013

1. Significant accounting policies (continued)

(b) Basis of preparation (continued)

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 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.

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

Sydney Metro was abolished as a statutory authority with effect from 1 July 2013. The assets, rights and liabilities of Sydney Metro were transferred to TfNSW on 29 June 2013. However, these financial statements have been prepared on a going concern basis, including the valuation of assets and liabilities transferred on 29 June 2013 assuming the liabilities will be met as and when they fall due.

Prior to the transfer, Sydney Metro was in a net assets position.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration or contribution received or receivable.

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*).

(d) Cash and cash equivalents

(refer note 5)

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 6)

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.

SYDNEY METRO

Notes to and forming part of the financial statements for the year ended on 30 June 2013

1. Significant accounting policies (continued)

(e) Trade and other receivables (continued)

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) Trade and other payables (refer note 7)

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.

(g) Provisions (refer note 8)

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.

A provision was 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 was raised where there is certainty as to the amount of the claim settlement.

(h) Goods and services tax (GST)

Revenue, expenses 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.

(i) 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 Sydney Metro projects.

SYDNEY METRO

Notes to and forming part of the financial statements for the year ended on 30 June 2013

1. Significant accounting policies (continued)

(j) 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. There will be no impact of these new accounting standards because this is the last set of financial statements prepared by Sydney Metro.

(k) 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*.

2. Revenue

(refer note 1(c))

Interest income

	Note	2013	2012
		\$'000	\$'000
Bank accounts		65	165
TCorp cash investment accounts		103	9,686
	1(c)	168	9,851

3. Operating expenditure

	2013	2012
	\$'000	\$'000
Professional service contractors	-	9
Labour related costs - seconded staff costs	-	(85)
Other contractors & expenses	16	211
External audit fees	25	39
Total operating expenditure	41	174

4. 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.

During the period to 30 June 2010, 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 established a detailed process applying assessment principles consistent with the *Land Acquisition (Just Terms Compensation) Act* to assess costs reimbursements claims for property and leasehold owners impacted by the Government's February 2010 decision. \$0.015m was expended for these claims in the year to 30 June 2013 (2012: \$0.220m). As at 30 June 2013, 82 claims totalling \$12.76m had been finalised.

SYDNEY METRO

Notes to and forming part of the financial statements for the year ended on 30 June 2013

5. Cash and cash equivalents

(refer note 1(d))

Note	2013	2012
	\$'000	\$'000
Cash at bank	-	2,049
NSW Treasury Corporation cash investments	-	2,830
1(d)	-	4,879

Refer to Note 10 for details regarding credit risk, liquidity risk, market risk, interest rate risk and other price risk arising from these financial instruments.

6. Trade and other receivables

(refer note 1(e))

Note	2013	2012
	\$'000	\$'000
Other Receivables	-	6
1(e)	-	6

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 10.

7. Trade and other payables

(refer note 1(f))

Note	2013	2012
	\$'000	\$'000
Other creditors and accruals	-	77
1(f)	-	77

Details regarding credit risk, liquidity risk, market risk and interest rate risk, including a maturity analysis of the above payables, are disclosed in Note 10.

8. Provisions

(refer note 1(g))

a) Provisions

	2013	2012
	\$'000	\$'000
Current		
Property reimbursement claims	-	30
	-	30

SYDNEY METRO

Notes to and forming part of the financial statements for the year ended on 30 June 2013

8. Provisions (continued)

b) Movement in provisions

	2013	2012
	\$'000	\$'000
Property reimbursement claims		
Balance at start of year	30	600
Amounts recognised during the year	-	347
Payments during the year	(30)	(794)
Unused amounts reversed	-	(123)
Balance at end of year	-	30

9. Equity

a) Accumulated funds*

	2013	2012
	\$'000	\$'000
Accumulated funds at the start of the year	(46,831)	152,584
Total changes in equity recognised in the statement of comprehensive income	112	9,453
	(46,719)	162,037
Transactions with owners in their capacity as owners	46,719	(208,868)
Equity transfer as part of administrative restructure	46,719	(208,868)
Accumulated funds at end of the year	-	(46,831)

b) Contributed equity*

	2013	2012
	\$'000	\$'000
Contributed equity at the start of the year	51,609	51,609
Equity transfer as part of administrative restructure	(51,609)	-
Contributed equity at the end of the year	-	51,609

Contributed equity relates to assets previously transferred to Sydney Metro by the then Transport Infrastructure Development Corporation (later Transport Coordination Authority and now part of Transport for NSW).

*Under a vesting order dated 17 June 2013, made pursuant to section 94(1) of the *Transport Administration Act 1988 (NSW)*, all of the assets, rights and liabilities of Sydney Metro were transferred to Transport for NSW on 29 June 2013.

SYDNEY METRO

Notes to and forming part of the financial statements for the year ended on 30 June 2013

10. 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.

The affairs of Sydney Metro are under the management and control of the Director-General of Transport for NSW.

(a) Financial instrument categories

Class	Category	Note	2013	2012
Financial assets			\$'000	\$'000
Cash and cash equivalents	N/A	5	-	4,879
Trade and other receivables	Receivables measured at invoiced amount	6	-	-
			-	4,879
Financial liabilities				
Trade and other payables	Payables measured at invoiced amount	7	-	71
			-	71

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, in 2012-13 there are no receivables.

SYDNEY METRO

Notes to and forming part of the financial statements for the year ended on 30 June 2013

10. Financial instruments (continued)

(c) Liquidity risk

Liquidity risk was the risk that Sydney Metro would 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 was to maintain a balance between continuity of funding and the minimisation of underutilised financial assets.

Sydney Metro had 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 existed during the year but was gone at year end due to dissolution of Sydney Metro. 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 was deemed insignificant based on the current assessment of risk.

Liabilities were 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) were settled in accordance with the policy set out in NSW TC 11/2. For small business suppliers, where terms were not specified, payment was made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms were not specified, payment was made no later than the end of the month following the month in which the invoice was received. For small business suppliers, where payment was not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payment to other suppliers, the Director-General Delegate (or a person appointed by the Director-General Delegate) may automatically pay the supplier simple interest. 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
30 June 2013	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accrued expenses	-	-	-	-	-	-	-	-
Total financial liabilities	-	-	-	-	-	-	-	-

	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
30 June 2012	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accrued expenses	-	71	-	-	71	71	-	-
Total financial liabilities	-	71	-	-	71	71	-	-

SYDNEY METRO

Notes to and forming part of the financial statements for the year ended on 30 June 2013

10. Financial instruments (continued)

(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 3.13% (2012: 4.27%). 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% Impact on profit	Impact on equity	+1% Impact on profit	Impact on equity
	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2013					
Bank trading accounts (Westpac)	-	-	-	-	-
Cash investments (NSW Treasury Corporation)	-	-	-	-	-
Total financial assets	-	-	-	-	-
30 June 2012					
Bank trading accounts (Westpac)	2,049	(39)	-	39	-
Cash investments (NSW Treasury Corporation)	2,830	(2,026)	-	2,026	-
Total financial assets	4,879	(2,065)	-	2,065	-

(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	2013	2012
Cash facility	Cash, money market instruments	Up to 1.5 years	\$'000 -	\$'000 2,830

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.

SYDNEY METRO

Notes to and forming part of the financial statements for the year ended on 30 June 2013

10. Financial instruments (continued)

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	
		2013	2012
		\$'000	\$'000
Hour-Glass Investment- Cash facility	+/- 1%	-	+/- 28

(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 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.

11. Notes to the statement of cash flows

(a) Reconciliation of the surplus/(deficit) to the net cash flow from operating activities

	2013	2012
	\$'000	\$'000
Surplus/(Deficit) for the year	112	9,453
Non cash adjustment	10	-
Changes in assets and liabilities		
Increase/(decrease) in payables	(77)	(1,812)
(Increase)/decrease in receivables	6	4,918
Increase/(decrease) in provisions	(30)	(570)
Net cash flow from operating activities	21	11,989

SYDNEY METRO

Notes to and forming part of the financial statements for the year ended on 30 June 2013

11. Notes to the statement of cash flows (continued)

(b) Financing Facilities

Sydney Metro had no borrowings at year end, or during the year. 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 existed during the year but was gone at year end due to dissolution of Sydney Metro. The facility has not been needed or utilised since it was initially approved.

	2013	2012
	\$'000	\$'000
NSW Treasury Corporation <i>Come and Go</i> Facility	50,000	50,000
Total approved facility	50,000	50,000

12. 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.

Sydney Metro had no contingent assets and contingent liabilities as at 30 June 2013.

13. Auditors' remuneration

The amount received, or due and receivable, by the auditors for auditing the financial statements was \$28,000 (2012: \$36,000).

14. Administrative restructure

Pursuant to section 94(1) of the Transport Administration Act 1988, the Minister for Transport signed the Transport Administration (Dissolution of Sydney Metro) Order 2013, on 17 June 2013. This Order transferred all assets, rights and liabilities of Sydney Metro to Transport for New South Wales prior to the dissolution of Sydney Metro. The assets including cash and cash equivalents \$4.9m, receivables \$0.001m and liabilities including payables \$0.01m were transferred on 29 June 2013.

15. Events after the balance sheet date

A proclamation under Clause 8 of Schedule 8A of the Transport Administration Act 1988 appointed 1 July 2013 as the date for dissolution of Sydney Metro. As stated in Note 1 (a) and Note 14, all rights, assets and liabilities of Sydney Metro were transferred to Transport for New South Wales on 29 June 2013. This is the last financial report for Sydney Metro. As Sydney Metro was dissolved, there will no longer be any financial or annual reporting obligations for Sydney Metro, and the entity will not be required to prepare statutory financial statements or annual reports for the reporting periods from 1 July 2013 onwards.

End of audited financial statements

Appendices

Contents

Appendix 1:	Acts administered by the Minister for Transport and the Minister for Roads and Ports	303
Appendix 2:	<i>Government Information (Public Access) Act 2009</i>	321
Appendix 3:	<i>Privacy and Personal Information Protection Act 1998</i>	325
Appendix 4:	<i>Public Information Disclosures Act 1994</i>	326
Appendix 5:	Management and structure, including Executive Performance Statements	327
Appendix 6:	Management and activities	361
Appendix 7:	Response to matters raised by Auditor General	374
Appendix 8:	After balance date events	374
Appendix 9:	Exemptions from the Financial Reporting Code	374
Appendix 10:	Major assets	375
Appendix 11:	Land disposals	375
Appendix 12:	Disclosure of controlled entities	376
Appendix 13:	Disclosure subsidiaries	376
Appendix 14:	Internal audit and risk management disclosure	377
Appendix 15:	Risk management and insurance	378
Appendix 16:	Credit card certification by the Director General	379

Appendix 17:	Human Resources	380
Appendix 18:	Equal Employment Opportunity (EEO)	385
Appendix 19:	Work Health and Safety (WHS)	388
Appendix 20:	Disability Plan	389
Appendix 21:	Multicultural Policies and Services Program	391
Appendix 22:	Agreements with the Community Relations Commission	393
Appendix 23:	Implementation of price determinations	394
Appendix 24:	Payment of accounts	395
Appendix 25:	Time for payment of accounts	395
Appendix 26:	Grants to non-government community organisations	396
Appendix 27:	Overseas travel by TfNSW officers	401
Appendix 28:	Payments to consultants	403
Appendix 29:	Research and development	405
Appendix 30:	Waste Reduction	407
Appendix 31:	Bus contract regions	408
Appendix 32:	CityRail network	409
Appendix 33:	CountryLink network	410
Appendix 34:	Sydney Ferries network	411
Appendix 35:	Sydney Light Rail network	411
Appendix 36:	NSW regional air services network	412

Appendix 1: Acts and subordinate legislation administered by the Minister for Transport and the Minister for Roads and Ports.

This appendix also includes legislative change made in 2012-13. There were no significant judicial decisions in the reporting period that affects Transport for NSW.

Minister for Transport

• <i>Air Navigation Act 1938</i> • <i>Air Transport Act 1964</i> › Air Transport Amendment (Deregulated Routes) Order 2008 › Air Transport Regulation 2006 • <i>Broken Hill to South Australian Border Railway Agreement Act 1968</i> • <i>City of Sydney Act 1988</i> (Part 4A and Schedule 2, jointly with the Minister for Roads and Ports (remainder, the Minister for Local Government)) • <i>Civil Aviation (Carriers' Liability) Act 1967</i> • <i>National Rail Corporation (Agreement) Act 1991</i> • <i>Parking Space Levy Act 2009</i> › Parking Space Levy Regulation 2009 • <i>Passenger Transport Act 1990</i> › Passenger Transport (Drug and Alcohol Testing) Regulation 2010 › Passenger Transport Regulation 2007	› Rail Safety (Offences) Regulation 2008 (a regulation originally under the Rail Safety Act 2008, a regulation under the <i>Passenger Transport Act 1990</i> on and from 07.12.2012, repealed on 15.02.2013) • <i>Rail Safety Act 2008</i> (until 20.01.2013 – replaced by Rail Safety National Law) › Rail Safety (Drug and Alcohol Testing) Regulation 2008 (until 20.01.2013 – replaced by Rail Safety (Adoption of National Law) Regulation 2012) › Rail Safety (General) Regulation 2008 (until 20.01.2013 – replaced by Rail Safety National Law) › Rail Safety (Offences) Regulation 2008 (a regulation originally under the <i>Rail Safety Act 2008</i> until 07.12.2012, then a regulation under the <i>Passenger Transport Act 1990</i>, until its repeal on 15.02.2013) • <i>Rail Safety (Adoption of National Law) Act 2012</i> (commenced 20.01.2013) › Rail Safety National Law National Regulations 2012 (South Australian regulations adopted for	- NSW by the Rail Safety National Law - commenced for NSW 20.01.2013) › Rail Safety (Adoption of National Law) Regulation 2012 (commenced 20.01.2013) • <i>Railway Construction (Maldon to Port Kembla) Act 1983</i> • <i>Transport Administration Act 1988</i> (except parts, the Minister for Roads and Ports) › Transport Administration (General) Regulation 2005 (provisions relating to the parts of the Act administered by the Minister for Transport) (provisions relating to the parts of the Act administered by the Minister for Transport) › Transport Administration (Staff) Regulation 2012 (provisions relating to the parts of the Act administered by the Minister for Transport) (provisions relating to the parts of the Act administered by the Minister for Transport)
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Changes to Acts and subordinate legislation administered by the Minister for Transport 2012 – 2013

Legislation name	Commencement	Description of change
<i>Transport Administration Act 1988</i> Proclamation 2012 No 293	Commenced on 29.06.2012 with effect on 01.07.2012	Proclamation pursuant to clause 8 of Schedule 9 of the <i>Transport Administration Act 1988</i> to appoint 1 July 2012 as the day the Public Transport Ticketing Corporation was dissolved.
<i>Transport Legislation Amendment Act 2011</i> Proclamation 2012 No 277	Parts of the Act commenced on 01.07.2012.	To commence Schedule 4 (relating to abolition of the Country Rail Infrastructure Authority) on 01.07.2012.
Transport Administration (Staff) Regulation 2012 (2012 No 437)	Commenced on 01.09.2012.	This Regulation replaced, with some alterations, the Transport Administration (Staff) Regulation 2005, which was repealed on 1 September 2012 under the staged repeal process. The Regulation deals with the following matters: a) procedures for the appointment and promotion of State Transit Authority staff, RailCorp staff and Sydney Ferries staff, b) certain conditions of employment relating to that staff, c) disciplinary proceedings relating to that staff and staff of the Transport Service, d) the temporary suspension of Roads and Maritime Services staff pending the institution or determination of disciplinary action or the determination of charges for offences.
Transport Administration (General) Amendment (Transport Cleaning Services) Regulation 2012 (2012 No 479)	Commenced on 28.09.2012.	Amended the Transport Administration (General) Regulation 2005 to constitute Transport Cleaning Services as a public subsidiary corporation of RailCorp. Transport Cleaning Services will exercise the functions of RailCorp with respect to cleaning and improved presentation of rolling stock, railway stations and platforms, rolling stock maintenance facilities and rail yard facilities.

Legislation name	Commencement	Description of change
Passenger Transport Amendment (Kings Cross Taxi Fare Pre-payment) Regulation 2012 (2012 No 486)	Commenced on 12.10.2012.	Amended the Passenger Transport Regulation 2007: a) to provide for a trial for 12 months of a taxi fare pre-payment scheme for taxi-cabs which are hired by passengers at specified taxi zones in Kings Cross on or after 9.00 pm on a Friday or Saturday night or other designated night and before 6.00 am the next morning, b) to provide for offences, and penalty notices for offences, relating to payment of fares and deposits under that scheme, c) to extend the Central Coast taxi fare pre-payment scheme for taxi-cabs until the end of the Kings Cross trial.
City of Sydney Act 1988 Sections 51L, 51M and 51N containing notification and consultation requirements of new Part 4A commenced. as inserted by the <i>City of Sydney Amendment (Central Sydney Traffic and Transport Committee) Act 2012</i>	Commenced on 05.10.2012.	The Amendment Act inserted a new Part in the <i>City of Sydney Act 1988</i> establishing a Central Sydney Traffic and Transport Committee consisting of representatives of the State government and the Sydney City Council to provide for effective co-ordination of transport and traffic management in the Sydney Central Business District. New sections 51L, 51M and 51N were not commenced with the other amendments which occurred on Assent to the Act. (Administered jointly with the Minister for Roads and Ports)
Rail Safety (General) Amendment (Disclosure of Information) Regulation 2012 (2012 No 527)	Commenced on 19.10.2012.	Amended the Rail Safety (General) Regulation 2008 to authorise the disclosure or communication by certain persons of certain information obtained in the administration of the <i>Rail Safety Act 2008</i> to the National Rail Safety Regulator Project Office and the National Rail Safety Regulator.
Statute Law (Miscellaneous Provisions) Act (No 2) 2012 (2012 No 95)	Relevant provisions commenced on 04.01.2013	Amendments effecting statute law revision (Schedule 2) to: 2.1 <i>Air Transport Act 1964</i> – to update references to the Director-General, identification of the office at which an application for a licence is to be lodged and a reference to staff.
Passenger Transport Amendment (Registration Labels) Regulation 2012 (2012 No 587)	Commenced on 30.11.2012.	Amended the Passenger Transport Regulation 2007 to make a minor consequential amendment to reflect the abolition of the requirement to affix registration labels to light motor vehicles and trailers.

Legislation name	Commencement	Description of change
<i>Passenger Transport Amendment (Ticketing and Passenger Conduct) Act 2012</i> (Act No 75 of 2012) Commencement Proclamation 2012 No 595	Commenced on 07.12.2012	Amended the <i>Passenger Transport Act 1990</i>: a) to transfer to that Act provisions relating to ticketing and conduct offences of persons on trains and other railway premises from the Rail Safety Act 2008, b) to include provisions enabling a “smartcard” ticketing system to be introduced on trains, buses and ferries, and c) to make other amendments relevant to the enforcement of these provisions. Amended other legislation consequentially.
Passenger Transport Amendment (Ticketing) Regulation 2012 (2012 No 596)	Commenced on 07.12.2012.	Amended the Passenger Transport Regulation 2007 to replace the provisions relating to ticketing (which currently only apply to buses and ferries) so as to extend them to train travel and to include specific provisions relating to smartcards. The amendment regulation also amended the Rail Safety (Offences) Regulation 2008 consequentially to remove provisions relating to ticketing.
Rail Safety (General) Amendment (Offences) Regulation 2012 (2012 No 598)	Commenced on 07.12.2012.	Amended the Rail Safety (General) Regulation 2008 to prescribe certain offences under that Regulation and the <i>Rail Safety Act 2008</i> as offences for which a penalty notice may be issued. The amendments transfer certain penalty notice provisions from the Rail Safety (Offences) Regulation 2008 as a consequence of the <i>Passenger Transport Amendment (Ticketing and Passenger Conduct) Act 2012</i>.
Transport Administration (General) Amendment (Sydney Trains and NSW Trains) Regulation 2012 (2012 No 607)	Commenced on 07.12.2012.	Amended the Transport Administration (General) Regulation 2005 to constitute Sydney Trains and NSW Trains as public subsidiary corporations of RailCorp and to enable the corporations to exercise the functions of RailCorp in relation to the operation of rail passenger services and associated functions.

Legislation name	Commencement	Description of change
<i>Rail Safety (Adoption of National Law) Act 2012</i> (2012 No 82)	Commenced on 20.01.2013.	The Act is the NSW component of the Rail Safety National Law scheme. It applies the Rail Safety National Law as a law of NSW and enables the Independent Transport Safety Regulator to exercise functions of the National Rail Safety Regulator. The Act also makes amendments to legislation in relation to the functions of Transport for NSW and Roads and Maritime Services, makes consequential amendments (to the <i>Passenger Transport Act 1990</i> and the <i>Transport Administration Act 1988</i>), and repeals the <i>Rail Safety Act 2008</i> (along with the regulations under that Act). Note that the Rail Safety National Law National Regulations 2012 were published on the NSW legislation website on 13.12.2012. These regulations apply under the NSW Application Act and commenced on the same day as Part 10 Division 9 of the National Law commenced in NSW.
<i>Rail Safety (Adoption of National Law) Regulation 2012</i> (2012 No 662)	Commenced on 20.01.2013.	Regulations to re-make with minor variations the provisions contained in the Rail Safety (Drug and Alcohol Testing) Regulation 2008 which was repealed by the <i>Rail Safety (Adoption of National Law) Act 2012</i> .
<i>Passenger Transport Amendment (Passenger Conduct) Regulation 2013</i> (2013 No 40)	Commenced on 08.02.2013 except clause 3 and Schedule 1 which commenced on 15.02.2013.	Repealed the Rail Safety (Offences) Regulation 2008 on 15.02.2013 and amended the Passenger Transport Regulation 2007 to: a) rewrite the conduct offences for passenger transport vehicles to extend them to trains b) include additional offences relating to trains that were covered by the Rail Safety (Offences) Regulation 2008 c) prescribe certain new offences d) extend the offence of having possession of anything intended to damage property to possession on public passenger vehicles
<i>Passenger Transport (Drug and Alcohol Testing) Amendment (NSW Forensic & Analytical Science Service) Regulation 2013</i> (2013 No 174)	Commenced on 03.05.2013.	Replaced a reference in clause 3 of the Passenger Transport (Drug and Alcohol Testing) Regulation 2010 to the Division of Analytical Laboratories, ICPMR, Health Reform Transitional Organisation Western with "NSW Forensic & Analytical Science Service" to reflect a change of name.

Legislation name	Commencement	Description of change
Passenger Transport Amendment (Authorised Officers) Regulation 2013 (2013 No 340)	Commenced on 28.06.2013.	Amended the Passenger Transport Regulation 2007 to enable members of staff of Sydney Trains to be appointed to exercise the functions of authorised officers in relation to all modes of transport under the <i>Passenger Transport Act 1990</i> . Previously, members of staff of Sydney Trains were only prescribed as authorised officers in relation to rail passenger services and railway premises.

Acts and subordinate legislation administered by the Minister for Roads and Ports

This appendix also includes legislative change made in 2012-13. There were no significant judicial decisions in the reporting period that affect Transport for NSW.

Minister for Roads and Ports

• <i>City of Sydney Act 1988</i> (Part 4A and Schedule 2, jointly with the Minister for Transport (remainder, the Minister for Local Government) From 05.10.2012. • <i>Driving Instructors Act 1992</i> › Driving Instructors Regulation 2009 • <i>Marine Pollution Act 1987</i> › Marine Pollution Regulation 2006 • <i>Marine Pollution Act 2012</i> (uncommenced) • <i>Marine Safety Act 1998</i> › Marine Safety (Commercial Vessels) Regulation 2010 › Marine Safety (General) Regulation 2009 • <i>Marine Safety Legislation (Lakes Hume and Mulwala) Act 2001</i> • <i>Maritime Services Act 1935</i> › Management of Waters and Waterside Lands Regulations – N.S.W.	› Port Authority – Land Traffic Control Regulations – N.S.W. • <i>Motor Vehicles Taxation Act 1988</i> › Motor Vehicles Taxation Regulation 2008 • <i>Navigation Act 1901</i> • <i>Photo Card Act 2005</i> › Photo Card Regulation 2005 • <i>Ports and Maritime Administration Act 1995</i> › Ports and Maritime Administration Regulation 2012 • <i>Recreation Vehicles Act 1983</i>, Parts 4 and 6 (remainder, the Minister for the Environment) • <i>Road Transport (Driver Licensing) Act 1998</i> › Road Transport (Driver Licensing) Regulation 2008 • <i>Road Transport (General) Act 2005</i> › Road Transport (General) Regulation 2005	› Road Transport (Mass, Loading and Access) Regulation 2005 • <i>Road Transport (Safety and Traffic Management) Act 1999</i> › Road Rules 2008 › Road Transport (Safety and Traffic Management) Regulation 1999 • <i>Road Transport (Vehicle Registration) Act 1997</i> • Road Transport (Vehicles Registration) Regulation 2007 • <i>Roads Act 1993</i> (except parts, the Minister for Primary Industries, parts, the Minister for the Environment, and parts, the Minister for Local Government) › Roads Regulation 2008 • <i>Sydney Harbour Tunnel (Private Joint Venture) Act 1987</i> • <i>Tow Truck Industry Act 1998</i> › Tow Truck Industry Regulation 2008
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- *Transport Administration Act 1988*, Part 4A, Divisions 1 to 3, so far as it relates to Roads and Maritime Services, Part 6, and so much of the Act as relates to Roads and Maritime Services (remainder, the Minister for Transport)
 - › Transport Administration (General) Regulation 2005 (provisions relating to the parts of the Act administered by the Minister for Roads and Ports)
 - › Transport Administration (Staff) Regulation 2012 (provisions relating to the parts of the Act administered by the Minister for Roads and Ports)

Changes to Acts and subordinate legislation administered by the Minister for Roads and Ports 2012 - 2013

Legislation name	Commencement	Description of change
Driving Instructors Amendment (Fees) Regulation 2012 (2012 No 243)	Commenced on 01.07.2012.	Amended the Driving Instructors Regulation 2009 to increase the fees payable in connection with the administration of the <i>Driving Instructors Act 1992</i>. The fee increases were generally in line with movements in the Consumer Price Index.
Photo Card Amendment (Fee and Penalty Notice Offences) Regulation 2012 (2012 No 244)	Commenced on 01.07.2012.	Amended the Photo Card Regulation 2005 to: a) increase the fee for the issue and replacement of a new Photo Card, b) increase the penalties for certain offences dealt with by way of a penalty notice issued under the <i>Photo Card Act 2005</i>. The fee and penalty increases were generally in line with movements in the Consumer Price Index.
Road Transport (Driver Licensing) Amendment (Fees) Regulation 2012 (2012 No 245)	Commenced on 01.07.2012.	Amended the Road Transport (Driver Licensing) Regulation 2008 to increase certain fees payable under the <i>Road Transport (Driver Licensing) Act 1998</i>. The increases were generally in line with movements in the Consumer Price Index.
Road Transport (Safety and Traffic Management) Amendment (Tow-away Charge) Regulation 2012 (2012 No 246)	Commenced on 01.07.2012	Amended the Road Transport (Safety and Traffic Management) Regulation 1999 to increase the tow-away charge for removal of unattended motor vehicles or trailers. The increase was generally in line with movements in the Consumer Price Index.
Road Transport (Vehicle Registration) Amendment (Fees and Heavy Vehicle Registration Charges) Regulation 2012 (2012 No 247)	Commenced on 01.07.2012.	Amended the Road Transport (Vehicle Registration) Regulation 2007 to: a) increase certain registration fees and renewal of registration fees for motor vehicles and trailers, b) increase certain fees payable for inspection and other services provided by Roads and Maritime Services, and c) provide for annual registration charges for chargeable heavy vehicles for the 2012-2013 financial year. The fee increases were generally in line with movements in the Consumer Price Index. The registration charges were consistent with those set for 2012 - 2013 by the National Transport Commission.

Legislation name	Commencement	Description of change
Road Amendment (Penalty Notice Offences) Regulation 2012 (2012 No 248)	Commenced on 01.07.2012.	Amended the Roads Regulation 2008 to increase the penalty for offences dealt with by way of a penalty notice issued under section 243 the <i>Roads Act 2008</i> . The increases were generally in line with movements in the Consumer Price Index.
Tow Truck Industry Amendment (Maximum Fees) Regulation 2012 (2012 No 249)	Commenced on 01.07.2012.	Amended the Tow Truck Industry Regulation 2008 to increase certain maximum fees that can be charged by the holder of a tow truck operators licence or a tow truck drivers certificate for the towing, salvage or storage of a motor vehicle that has been involved in an accident or that has been stolen, or for any service that is related to the towing, salvage or storage of such a motor vehicle. The fee increases were generally in line with movements in the Consumer Price Index.
State Revenue and Other Legislation Amendment (Budget Measures) Act 2012 (2012 No 46)	Commenced on 01.07.2012.	This Act was cognate with other Budget Bills. It amended road related legislation to increase traffic and parking fines by 12.5% effective 01.07.2012. Schedule 3 Amendments to increase traffic and parking fines 3.1 Amendment of Road Transport (General) Regulation 2005 3.2 Amendment of <i>Motor Vehicles Taxation Act 1988</i> 3.3 Amendment of Road Rules 2008 3.4 Amendment of <i>Road Transport (Safety and Traffic Management) Act 1999</i>
Road Transport Legislation Amendment (Offender Nomination) Act 2012 (2012 No 17)	Commenced on 01.07.2012.	Assent on 11.04.2012. Parts commenced on Assent. Schedules 1[3], 2.1 and 2.2. proclaimed to commence on 01.07.2012 (Proclamation 2012 No 307) The Act amended the <i>Road Transport (General) Act 2005</i> to make further provision with respect to the nomination of offenders for certain camera recorded and parking offences and consequential and minor amendments.

Legislation name	Commencement	Description of change
Road Transport (General) Amendment (Vehicle Sanctions) Act 2012 (2012 No 23)	Commenced on 01.07.2012.	Assent on 03.05.2012. Parts commenced on Assent. The remaining uncommenced provisions of the Act were proclaimed to commence on 01.07.2012. (Proclamation 2012 No 276) The Act amended the <i>Road Transport (General) Act 2005</i> in relation to sanctions for offences involving police pursuits, high range speeding and certain other driving offences.
Road Transport Legislation Amendment (Fees) Regulation 2012 (2012 No 309)	Commenced on 01.07.2012.	Amended the Road Transport (General) Regulation 2005 to increase the daily storage fee for an impounded vehicle. Amended the Road Transport (Mass, Loading and Access) Regulation 2005 to increase the fees for: i) the issue of Class 1, 2 or 3 permits, or a permit under Division 6 or 7 of Part 2 of that Regulation, ii) the issue of a permit exempting a person from the operation of any of the provisions of clause 53(1) of that Regulation relating to the protection of loading or equipment of vehicles, and iii) an application to be accredited under a Mass Management Accreditation Scheme. The fee increases were generally in line with movements in the Consumer Price Index.
Roads Amendment (Authorised Officers) Regulation 2012 (2012 No 312)	Commenced on 06.07.2012.	The object of this Regulation was to prescribe staff of Transport for NSW as a class of persons who may be authorised by Roads and Maritime Services or any other roads authority to exercise the functions of an authorised officer under the <i>Roads Act 1993</i>.

Legislation name	Commencement	Description of change
Road Transport (Vehicle Registration) Amendment (Release of Information to Toll Operators) Regulation 2012 (2012 No 433)	Commenced on 31.08.2012.	This Regulation enabled Roads and Maritime Services to enter into agreements with other toll operators that authorise the release to those toll operators of the name and address of a registered operator of a vehicle and the identification details of the vehicle. Roads and Maritime Services is required to consult with the Privacy Commissioner before entering into such an agreement.
Road Transport (Vehicle Registration) Amendment (Registration Charge Exemptions and Refunds) Regulation 2012 (2012 No 431)	Commenced on 01.09.2012.	Amend the Road Transport (Vehicle Registration) Regulation 2007: a) to provide exemptions from the requirement to pay registration charges for certain heavy vehicle trailers that are converter dollies or owned by small operators, and b) to provide for the refund of registration charges that have already been paid for the 2012–2013 financial year in respect of such trailers. The exemptions did not affect any requirement to pay administrative fees with respect to the registration of such heavy vehicle trailers.
Management of Waters and Waterside Lands Amendment (Fees) Regulation 2012 (2012 No 441)	Commenced on 01.10.2012.	Amended the Management of Waters and Waterside Lands Regulation – N.S.W. to adjust the fees relating to occupation licences payable under the <i>Maritime Services Act 1935</i>. Fee increases were generally in line with movements in the Consumer Price Index.
Marine Safety Legislation Amendment (Fees) Regulation 2012 (2012 No 442)	Commenced on 01.10.2012.	Amended the Marine Safety (Commercial Vessels) Regulation 2010 and the Marine Safety (General) Regulation 2009 to adjust certain fees payable under the <i>Marine Safety Act 1998</i>. Fee increases were generally in line with movements in the Consumer Price Index.

Legislation name	Commencement	Description of change
Ports and Maritime Administration Regulation 2012 (2012 No 407)	Commenced on 01.09.2012 (except as provided in relation to staff director elections).	Regulation to replace the Ports and Maritime Administration Regulation 2007 which was repealed on 01.09.2012 by section 10(2) of the Subordinate Legislation Act 1989. The regulation deals with: a) port charges, including new provision to enable charges payable under the Act for the occupation of a wharf site by a vessel to be calculated by reference to the total number of passengers arriving on the vessel, b) the Port Botany Landside Improvement Strategy, c) prescribing the boundaries of specified ports, d) the manner in which the staff director of a Port Corporation is to be elected, e) the establishment of a Maritime Advisory Council, f) prescribing certain legislation to be included in the definition of marine legislation in section 3(1) of the Act.
Road Transport (Safety and Traffic Management) Amendment (Removal of Unattended Vehicles) Regulation 2012 (2012 No 469)	Commenced on 21.09.2012.	The <i>Road Transport (Safety and Traffic Management) Act 1999</i> enables an authorised officer to remove an illegally parked vehicle from a prescribed place if the officer considers the vehicle is causing, or unless removed is likely to cause, danger to the public or undue traffic congestion. This Regulation amended the Road Transport (Safety and Traffic Management) Regulation 1999 to prescribe a freeway as a prescribed place from which an illegally parked vehicle may be so removed.

Legislation name	Commencement	Description of change
<i>City of Sydney Act 1988</i> Sections 51L, 51M and 51N containing notification and consultation requirements of new Part 4A commenced. (as inserted by the <i>City of Sydney Amendment (Central Sydney Traffic and Transport Committee) Act 2012</i> (2012 No 47))	Commenced on 05.10.2012.	The Amendment Act inserted a new Part in the <i>City of Sydney Act 1988</i> establishing a Central Sydney Traffic and Transport Committee consisting of representatives of the State government and the Sydney City Council to provide for effective co-ordination of transport and traffic management in the Sydney Central Business District. New sections 51L, 51M and 51N were not commenced with the other amendments which occurred on Assent to the Act. (Administered jointly with the Minister for Transport)
Road Amendment (Miscellaneous) Rules 2012 (2012 No 533)	Commenced on 01.11.2012.	Amended the Road Rules 2008: a) to implement (with some modifications) the amendments made to the Australian Road Rules by the National Transport Commission (Model Amendments Regulations: Australian Road Rules—Package No. 7) Regulations 2008 and the National Transport Commission (Model Amendments Regulations: Australian Road Rules—Package No. 8) Regulations 2009 of the Commonwealth and the Model Amendments Regulations: Australian Road Rules—Package No. 9 published by the National Transport Commission, and b) to make other miscellaneous amendments.
Road Transport (Driver Licensing) Amendment (Miscellaneous) Regulation 2012 (2012 No 534)	Commenced on 01.11.2012.	Amended the Road Transport (Driver Licensing) Regulation 2008 in relation to demerit point offences that are consequential to amendments made to the Road Rules 2008.
Road Transport (General) Amendment (Miscellaneous) Regulation 2012 (2012 No 535)	Commenced on 01.11.2012.	Amended the Road Transport (General) Regulation 2005 in relation to penalty notice offences that are consequential to amendments made to the Road Rules 2008.
Road Transport (General) Amendment (Private Car Parks) Act 2012 (2012 No 86)	Commenced on 20.11.2012.	Amended the <i>Road Transport (General) Act 2005</i> in relation to the disclosure of information by Roads and Maritime Services in connection with the recovery of car park fees.

Legislation name	Commencement	Description of change
<i>Statute Law (Miscellaneous Provisions) Act (No 2) 2012</i> (2012 No 95)	Relevant provisions commenced on 04.01.2013	Amendments effecting statute law revision (Schedule 2) to: 2.31 Road Transport (General) Regulation 2005 – to correct cross-references in clause 78 2.32 Road Transport (Safety and Traffic Management) Regulation 1999 – to correct the spelling of a street name in Schedule 3 2.38 Tow Truck Industry Regulation 2008 – to update references to a body (“RTA” to “RMS”) 2.39 <i>Transport Administration Act 1988</i> – to remove references to the former Public Transport Ticketing Corporation and provisions relating to that body Repeals of redundant provisions (Schedule 3): Clause 2 <i>Ports and Maritime Administration Act 1995</i> Section 111 and Schedule 3 – which were the repeal provisions for certain earlier legislation.

Legislation name	Commencement	Description of change
<i>Ports Assets (Authorised Transactions) Act 2012</i> (2012 No 101)	Commenced on 26.11.2012.	[The administration of this Act has been allocated to the Treasurer but certain provisions affect the Minister for Roads and Ports as “portfolio Minister” of a transaction SOC under the Act or of a port SOC.] In addition to its substantive provisions, the Act made the following amendments to legislation administered by the Minister for Roads and Ports: <i>Marine Safety Act 1998</i> Amended by Schedule 6.2 to specify officers, employees and agents of a private port operator of a private port as persons who may be appointed as authorised officers (new s.96 (1)(f)). <i>Ports and Maritime Administration Act 1995</i> Amended by Schedule 6.3: i) to provide a special regulatory regime for private ports, including provision for the regulation of activities at private ports by means of directions given by the private port operator for the purpose of maintaining or improving safety and security at the port, and conferring information gathering powers on private port operators, and ii) to institute a price monitoring scheme to monitor charges imposed by private port operators, and. iii) to provide for certain existing port charges to be charged by private port operators, and iv) to provide for a new port charge (a port infrastructure charge to fund investment in ports) to be charged at both public and private ports. Ports and Maritime Administration Regulation 2012 Amendments by Schedule 6.4 to Part 2 Port charges and Part 3 Port Botany Landside Improvement Strategy. <i>Sydney Harbour Tunnel (Private Joint Venture) Act 1987</i> Amendment by Schedule 6.7 to “Schedule 4 The ancillary sites” to insert mention of land subject of a lease under the <i>Ports Assets (Authorised Transactions) Act 2012</i> as land excluded from Schedule 4.

Legislation name	Commencement	Description of change
Photo Card Amendment (Seniors and Carers Fee Concessions) Regulation 2012 (2012 No 568)	Commenced on 26.11.2012.	Extended the categories of people who are not required to pay a fee for a Photo Card. The concession was extended to holders of NSW Seniors Cards and people in NSW who receive a carer allowance from the Commonwealth Government.
Road Amendment (Electronic Parking Permits) Rules 2012 (2012 No 579)	Commenced on 23.11.2012.	Amended the Road Rules 2008 to allow holders of electronic parking permits to be exempt from certain parking restrictions which then applied only to holders of printed parking permits, including with respect to parking in special event parking areas, metered parking areas, ticket parking areas, coupon parking areas and areas which are the subject of permissive parking signs.
Road Transport (Safety and Traffic Management) Amendment (Electronic Parking Permits) Regulation 2012 (2012 No 580)	Commenced on 23.11.2012.	Amended the Road Transport (Safety and Traffic Management) Regulation 1999 to provide that electronic parking permits may be issued by a parking authority in respect of a vehicle.
Road Transport (Vehicle Registration) Amendment (Registration Labels) Regulation 2012 (2012 No 570)	Commenced on 01.01.2013 except transitional provision (Schedule 1[8]) which commenced on publication (23.11.2012).	Amended the Road Transport (Vehicle Registration) Regulation 2007 to abolish the requirement that registration labels be issued and affixed to light motor vehicles and trailers (gross vehicle mass of up to 4.5 tonnes). Also made consequential amendments, including in relation to persons driving vehicles who are unaware of the registration status of the vehicle, and transitional provisions.
Roads Amendment (Roads Authority) Regulation 2012 (2012 No 571)	Commenced on 23.11.2012.	Amended the Roads Regulation 2008 to declare Roads and Maritime Services to be the roads authority for certain (unclassified) public roads in the vicinity of the M5 West Motorway which are to be used for access in connection with the M5 West widening project.
Marine Safety (General) Amendment (Miscellaneous) Regulation 2012 (2012 No 584)	Commenced on 30.11.2012.	Amended the Marine Safety (General) Regulation 2009 to extend lifejacket wear obligations and various other primarily safety related amendments. Amended the Marine Safety (General) Regulation 2009 and the Marine Safety (Commercial Vessels) Regulation 2010 to update references to the former Maritime Authority so that they refer to Roads and Maritime Services.

Legislation name	Commencement	Description of change
Graffiti Legislation Amendment Act 2012 (2013 No 57) (Commencement Proclamation 2012 No 599)	Commenced on 10.12.2012.	Amendments to the following legislation to support the graffiti licence order provisions of the amended <i>Graffiti Control Act 2008</i> : <i>Road Transport (Driver Licensing) Act 1998</i> Road Transport (Driver Licensing) Regulation 2008
Road Amendment (Seatbelt Exemption) Rules 2012 (2012 No 604)	Commenced on 14.01.2013.	Amended the Road Rules 2008 to remove the exemption for taxi drivers from the requirement for drivers of motor vehicles to wear a seatbelt while driving.
Road Amendment (Power-Assisted Pedal Cycles) Rules 2012 (2012 No 622)	Commenced on 14.12.2012.	Amended the Road Rules 2008 to include power-assisted pedal cycles (which include pedalecs) in the definition of bicycle .
Road Transport (Driver Licensing) Amendment (Power-Assisted Pedal Cycles) Regulation 2012 (2012 No 623)	Commenced on 14.12.2012.	Amended the Road Transport (Driver Licensing) Regulation 2008 to extend the exemption of certain vehicles from the requirement to comply with certain driver licensing provisions under the <i>Road Transport (Driver Licensing) Act 1998</i> to include power-assisted pedal cycles.
Road Transport (Vehicle Registration) Amendment (Power-Assisted Pedal Cycles) Regulation 2012 (2012 No 624)	Commenced on 14.12.2012.	Amended the Road Transport (Vehicle Registration) Regulation 2007 to extend the exemption of certain pedal cycles from the application of provisions of the Regulation concerning the registration of registrable vehicles to include power-assisted pedal cycles.
Roads Amendment (Barangaroo) Regulation 2013 (2013 No 29)	Commenced on 30.01.2013.	Amended the Roads Regulation 2008 to continue in force, for a further 5 years, a provision declaring the Barangaroo Delivery Authority to be the roads authority for certain public roads in the vicinity of Barangaroo.
Road Transport (Vehicle Registration) Amendment (M5 East Tunnel) Regulation 2013 (2013 No 62)	Commenced on 01.03.2013.	Amended the Road Transport (Vehicle Registration) Regulation 2007 to enable Roads and Maritime Services to suspend the registration of a heavy vehicle for up to 3 months if 3 or more offences are committed under clause 16(1) of the Protection of the Environment Operations (Clean Air) Regulation 2010 involving the emission of excessive air impurities by the heavy vehicle while it is being used in the M5 East Tunnel.

Legislation name	Commencement	Description of change
<i>Transport Administration Amendment (Community Road Safety Fund) Act 2012</i> (2013 No 70) (Commencement Proclamation 2013 No 155)	Commenced on 01.05.2013.	Amended the <i>Transport Administration Act 1988</i> to insert a new Division 3B Community Road Safety Fund in Part 8.
Road Transport (Safety and Traffic Management) Amendment (NSW Forensic & Analytical Science Service) Regulation 2013 (2013 No 178)	Commenced on 03.05.2013.	Replaced a reference in clause 129 of the Road Transport (Safety and Traffic Management) Regulation 1999 to the Division of Analytical Laboratories, ICPMR, Health Reform Transitional Organisation Western with "NSW Forensic & Analytical Science Service" to reflect a change of name.
<i>State Owned Corporations Legislation Amendment (Staff Directors) Act 2013</i> (2013 No 36)	Commenced on 03.06.2013.	<i>Ports and Maritime Administration Act 1995</i> Amended by Schedule 2.3 of the <i>State Owned Corporations Legislation Amendment (Staff Directors) Act 2013</i> . Section 18 Special provision for election of staff director – omitted.
<i>State Owned Corporations Legislation Amendment (Staff Directors) Act 2013</i> (2013 No 36)	Commenced on 03.06.2013.	<i>Ports and Maritime Administration Regulation 2012</i> Amended by Schedule 2.4 of the <i>State Owned Corporations Legislation Amendment (Staff Directors) Act 2013</i> . Part 5 Staff director elections – omitted. Schedule 2 Forms – omitted.
Marine Safety (General) Amendment (Exemptions Relating to Lifejackets) Regulation 2013 (2013 No 256)	Commenced on 07.06.2013.	The Regulation amended the Marine Safety (General) Regulation 2009: a) to exempt persons on board canoes or kayaks from the requirement to wear an appropriate lifejacket when the vessel is being operated more than 100 metres from the shore on enclosed waters, and b) to exempt the operators of canoes or kayaks from the obligation to ensure that each person on board the canoe or kayak complies with that requirement. The exemptions are subject to conditions, including conditions relating to the qualifications of canoeists and kayakers and their supervision by qualified persons.

Appendix 2: Obligations under the *GIPA Act*

1. Review of proactive release program - Clause 7(a)

Under section 7 of the *Government Information (Public Access) Act 2009 (GIPA Act)*, agencies must at least annually review their programs for releasing government information. This is to identify the kinds of information that can be made publicly available.

TfNSW recently completed the redevelopment of the Information and Privacy service across the Transport cluster.

The new operating model has been designed to deliver consistency in the way that the agencies in the Transport cluster comply with the requirements of the *GIPA Act*, including the identification of information for proactive release. Development of the model involved analysing the current agency programs for proactive release and the ways that decisions are made about releasing information.

As a result of this review, general categories of information were identified for considered release across all of the agencies. The new information and privacy service across the Transport cluster is targeted at finding and creating opportunities to identify categories of information which are held by the Transport cluster which may be suitable for proactive release. It may also lead to promoting business practices which lead to the ongoing identification of such information.

2. Number of access applications received - Clause 7(b)

In 2012-13 TfNSW received 95 access applications (including withdrawn applications but not invalid applications).

3. Number of refused applications for Schedule 1 information - Clause 7(c)

TfNSW refused nine access applications because the information requested was information referred to in Schedule 1 to the *GIPA Act* that is, there was an overriding public interest against disclosure. Of those applications, three were refused in full, and six refused in part.

4. Statistical information about access applications - Clause 7(d) and Schedule 2

Table A: Number of applications by type of applicant and outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	6	7	4	11	0	0	0	0
Members of Parliament	7	8	0	7	0	0	0	1
Private sector business	1	1	0	1	0	0	0	1
Not for profit organisations or community groups	2	1	0	0	0	2	0	0
Members of the public (application by legal representative)	6	3	1	2	0	0	0	0
Members of the public (other)	7	3	0	2	0	3	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.

Table B: Number of applications by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	23	21	5	21	0	5	0	3
Access applications that are partly personal information applications and partly other	6	2	0	2	0	0	0	0

* A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

The total number of decisions in Table B should be the same as Table A.

Table C: Invalid applications	
Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act	
	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	6
Executive Council information	2
Contempt	2
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. If so, each such consideration is to be recorded (but only once per application). This also applies to Table E.

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act

	Number of occasions when application not successful
Responsible and effective government	17
Law enforcement and security	0
Individual rights, judicial processes and natural justice	8
Business interests of agencies and other persons	13
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	34
Decided after 35 days (by agreement with applicant)	1
Not decided within time (deemed refusal)	49
Total	84

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal review	0	1	1
Review by Information Commissioner*	0	1	1
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
Total	0	2	2

*The Information Commissioner does not have the authority to vary decisions, but can make recommend

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review
Applications by access applicants	1
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	1

Appendix 3: Privacy Management Plan

Clause 6 of the Annual Reports (Department) Regulation 2010 requires NSW Government Agencies to provide a statement of the action taken by them comply with the requirements of the *Privacy and Personal Information Protection Act 1998 (PPIP Act)* and provide statistical details of any review carried out under Part 5 of the *PPIP Act*.

In compliance with section 33 of the *PPIP Act* Transport for NSW has a Privacy Management Plan which includes:

- Information about the development of policies and practices to ensure compliance by the agency with the requirements of the *PPIP Act* and the *Health Records and Information Privacy Act 2002 (HRIP)*, if applicable
- Communicating those policies and practices to persons within TfNSW
- The procedures that the agency adopts in relation to any internal review under Part 5 of the *PPIP Act*, and
- Such other matters as are considered relevant by TfNSW in relation to privacy and the protection of personal information held by the agency.

The Plan is being reviewed and is located on TfNSW's website, www.transport.nsw.gov.au.

TfNSW recently completed redeveloping the Information and Privacy service across the Transport cluster. The new model has been designed to ensure greater consistency in managing personal information held by each of the

agencies to achieve the best possible results for members of the public.

Part of the function of the new model will be the review, revision and/or redevelopment of the privacy management plans of the transport agencies to ensure that they are best designed to provide the highest standard of information about the compliance with the information protection and health records principles in the *PPIP* and *HRIP Acts*.

The Privacy Officer for TfNSW is the Principal Manager, Information and Privacy who can be contacted by telephone on 8202 3321.

Privacy Reviews

During 2011-12 TfNSW was not involved in any reviews of conduct relating to the use, access or release of personal information.

Appendix 4: *Public Disclosures Act 1994*

In accordance with section 31 of the *Public Interest Disclosures Act 1994*, Transport for NSW must include in its annual report the information below.

Information Requested	Number
Number of public officials who have made a Public Interest Disclosure (PID) to TfNSW	1
Number of PIDs received by category:	
• corrupt conduct	3
• maladministration	0
• serious and substantial waste of public money or local government money (as appropriate)	0
• government information contraventions	0
• local government pecuniary interest contraventions	0
The number of PIDs finalised by TfNSW	4

1) Whether the public authority has a Public Interest Disclosures policy in place.

The Public Interest Disclosures Policy and Procedures document for TfNSW was launched with the establishment of the new agency in November 2011. The policy has been amended in relation to the recent amendments to the Act.

2) What action the head of the public authority has taken to ensure that his or her staff awareness responsibilities under section 6E(1)(b) of the Act have been met.

The Director General has approved and undertaken the following activities to ensure TfNSW staff and contractors are aware of the *Public Interest Disclosures Act 1994* (the Act) and TfNSW's internal reporting policies and procedures:

- The Public Interest Disclosures Policy and Procedures document is on the intranet under a Conduct and Ethics page, where internal reporting hotlines and the Code of Conduct are also located. This page provides information on the significance and purpose of the Act.
- The Code of Conduct which refers to the Act is a key document presented to staff upon commencement and promoted during new employees/contractors 'Welcome Day'.
- New employees/contractors also receive an email with an online video message from Minister Berejiklian that includes the requirement to read and confirm the Code of Conduct is understood.
- The Statement of Business Ethics includes information regarding the Act and all vendors were sent a copy in September 2012.
- The Director General reminded staff of the confidential reporting channels available to report suspected corrupt conduct, maladministration and serious and substantial waste in an intranet message in September 2012.
- A number of training and presentation sessions have been provided to TfNSW staff and senior officers on corruption awareness and the role of the Corruption Prevention Unit, which have included information about the Act and its protections.
- The Corruption Prevention Unit with the Organisational Development branch developed an e-learning module for TfNSW with a section on Public Interest Disclosures.
- A representative of the Ombudsman's office came to TfNSW to run a refresher session for our Nominated Disclosure Officers and the Ombudsman's checklist for PIDs was circulated to the NDOs and a copy placed on the intranet.

Appendix 5: Management and structure, including Executive Performance Statements

Names, offices and qualifications of principal officers as at 30 June 2012.

Department of Transport Senior Executive Service

Name	Position	SES Level	Qualifications
Les Wielinga	Director General	8	BE (Civil), Grad Dip Mgmt (Technology Management)

TfNSW Transport Executive

Name	Position	Senior Service Level	Qualifications
Rodd Staples	Project Director North West Rail Link	6	Bachelor of Engineering (Civil), Masters of Finance (Business)
Tony Braxton-Smith	Deputy Director General Customer Experience	6	Masters of Business Administration
Carolyn McNally	Deputy Director General Planning and Programs	6	Bachelor of Arts (Sociology & English Literature)
Chris Lock	Deputy Director General Transport Projects	6	Bachelor of Science (Honours) Building Economics & Measurement
Rachel Johnson	Deputy Director General Freight and Regional Development	6	Bachelor of Science (Honors) Aeronautical Engineering Science, Certificate in Education (Math & Science)
Tim Reardon	Deputy Director General Policy and Regulation	6	Bachelor of Technology (Engineering & Management); Graduate Certificate in Natural Resources; Diploma of Engineering (Civil); Business Management Certificate, AIM; Company Directors Diploma, AICD
Fergus Gammie	Deputy Director General Transport Services	6	Bachelor of Arts, Executive Certificate in Management
Fran McPherson PSM	Executive Director Human Resources and Business Services	6	Executive Management Certificate at University of Technology, FAIM Graduate studies in Public Sector Management
Arthur Diakos	Chief Financial Officer Finance, Audit and Strategy	6	Bachelor of Business (Accounting Major & Finance Sub-major), FCPA

Performance and Numbers of Executive Officers

The total number of Transport Senior Service employees with remuneration equal to or exceeding Senior Executive Service (SES) Level 1 (total remuneration package \$163,000) as at 30 June 2013 was 410.

Of the 410 employees, there are 118 women (28.78 %).

As shown below, there were a total of 85 individuals in receipt of remuneration equal to or exceeding SES Level 5 throughout the reporting period.

Comparison of Transport Senior Service - By Grade As at 30 June 2012 & 30 June 2013

	Financial Year 2011-12			Financial Year 2012-13		
	Female	Male	Total	Female	Male	Total
Transport Senior Service Level						
Transport Senior Service Level 1	24	110	134	66	161	227
Transport Senior Service Level 2	4	17	21	19	39	58
Transport Senior Service Level 3	9	26	35	23	58	81
Transport Senior Service Level 4	3	15	18	4	22	26
Transport Senior Service Level 5	2	6	8	3	5	8
Transport Senior Service Level 6	3	6	9	3	7	10
Grand Total	45	180	225	118	292	410⁽¹⁾ (2)

Note 1: 101 staff provide cluster wide corporate and shared services.

Note 2: 128 staff are allocated to capital works projects.

Name:	Les Wielinga
Position:	Director General
Level:	Senior Executive Service Level 8
Total remuneration package (including Recruitment Allowance):	\$519,200
Period:	1 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Provided overarching leadership in the developing, coordinating and implementing of the NSW Government's transport plans and their associated policies, reforms, projects and services
- Led, advised and directed TfNSW and operating agencies on the strategic direction of their organisations, the direction of reform, investment and the resolution of commercial, customer service and performance issues
- Promoted the overall safety and security of the NSW transport system
- Oversaw the planning, maintenance and delivery of transport infrastructure and services to the benefit of the people of NSW and to support the social and economic needs of the State
- Guided the prioritisation, procurement and delivery of integrated solutions for transport infrastructure across NSW to cater for population and economic challenges and to build a sustainable future
- Provided expert advice to the Premier and Portfolio Ministers on strategies and policies to further the objectives of the Government for the delivery of transport services.

Name:	Fergus Gammie
Position:	Deputy Director General Transport Services
Level:	Transport Senior Service Level 6
Total remuneration package:	\$412,213
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Procured rail, bus, light rail, ferry and ticketing services across New South Wales
- Led development and implementation of performance based services agreements for public transport services in NSW
- Ensured Rail Services Contracts reflected new rail operating model for Sydney Trains and NSW Trains
- Led review of State Transit Authority operations
- To improve customer satisfaction:
 - Led continued rollout of Opal ticketing system and successful initial trials
 - Initiated reform of Passes and Schemes administration
 - Oversaw launch of Live Traffic upgrade to iPad, Android and iPhone
- To improve transport emergency and security readiness, oversaw:
 - Development of Hazard Assessment guide, a review of emergency plans for Sydney CBD, Parramatta CBD and Newcastle CBD
- As Chairman of Metro Transport Sydney oversaw management and operation of Sydney's Light Rail
- Acted as Chief Executive Officer for Sydney Ferries Corporation.

Name:	Anthony Braxton-Smith
Position:	Deputy Director General Customer Experience
Level:	Transport Senior Service Level 6
Total remuneration package:	\$441,263
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Real-time service information for customers was improved, with the releases of apps for Sydney Trains and STA bus customers. The service is being extended to other buses in Sydney and Newcastle
- Brand, marketing, communications and customer acquisition programs were delivered for the field trial of the new Opal Card integrated ticket
- A new strategy was implemented for transport portfolio brands. A program of rationalising printed materials and websites commenced
- Pilot installations of a new wayfinding system design were completed at Milson's Point and Circular Quay
- Initiatives to improve rail services customer experience included: presentation improvement of all carriage interiors; a sustained blitz on graffiti removal from carriage exteriors; establishing the Transport Cleaning Service; extending the Quiet Carriage program; upgrading Circular Quay station as a pilot for station modernisation; and a "radio school" for rail staff making announcements
- Support was provided to the North West Rail Link project team in validating customer requirements to be included in bid documents
- A review of the complaint management systems used in the Transport cluster was completed
- Several new road safety and boating safety advertising campaigns were created and the annual program revised to improve its communication effectiveness. A Multicultural Plan was developed for the Transport cluster, to be implemented over three years
- Existing Customer Value Propositions were applied to inform a number of key plans and programs in Transport.

Name:	Rachel Johnson
Position:	Deputy Director General Freight & Regional Development
Level:	Transport Senior Service Level 6
Total remuneration package:	\$399,238
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Contributed to the process that led to the leasing of Port Botany and Port Kembla. The leasing raised more than \$5 billion for NSW government
- A Draft NSW Freight and Ports Strategy was released
- Negotiated with the Commonwealth Government on the Northern Sydney Freight Corridor, securing \$840 million to complement \$220 million from the NSW Government
- Finalised the Metropolitan Freight Network and the South Sydney Freight Line lease and license. Progressed planning and design work for the Maldon to Dombarton Rail Link
- The NSW Freight Advisory Council was established to advise the Minister for Roads and Ports on strategic issues affecting freight industry efficiency and productivity
- The inaugural NSW Grain Harvest Management Scheme delivered a long awaited solution for industry and significant productivity improvements for NSW agriculture

- Informed the IPART review of grain line access. Gained a doubling of access fees and secured proceeds for an accelerated upgrade program for remaining lines
- Collaborated with local councils and industry to enhance productivity and economic benefit
- Established Australia's first Bureau of Freight Statistics
- Oversaw transition of the Port Botany Landside Improvement Strategy program from the State Planning Commission to TfNSW. This will make truck and rail freight more efficient
- Gained funding for recurrent requirements for the Lower Hunter Rail Bypass, Western Sydney Freight Line and Intermodal Terminal and Strategic Noise Action Plan projects
- A Marine Pollution Controller for NSW was appointed.

Name	Carolyn McNally
Position:	Deputy Director General Planning & Programs
Level:	Transport Senior Service Level 6
Total remuneration package:	\$409,744
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Led and managed development of the first NSW Long Term Transport Master Plan. It is the first integrated transport strategy for NSW. It covers the next 20 years and integrates all modes of transport
- Completed modal plans integral to the NSW Long Term Transport Master Plan. These include Sydney's Light Rail Future and Sydney's Ferries Future
- Established a framework for the progressive delivery and implementation of key projects, initiatives and actions outlined in the NSW Long Term Transport Master Plan
- Prepared the Transport Capital Budget for 2013-14 for growth of and enhancements to public transport, roads and maintenance of transport assets
- Oversaw the progressive implementation of the Transport Access Program. This is delivering more accessible, secure and integrated transport infrastructure across the public transport network
- Supported the continued focus of the Bureau of Transport Statistics on providing accessible, accurate and credible transport data and forecasts.

Name	Timothy Reardon
Position:	Deputy Director General Policy & Regulation
Level:	Transport Senior Service Level 6
Total remuneration package:	\$403,338
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Delivered more modern passenger transport, road and maritime laws and regulations in NSW
- Advised on policy and regulations for all major plans, infrastructure and service initiatives
- Delivered the NSW transport system safety regime to establish Sydney Trains and NSW Trains
- Delivered fares policy for the Opal Card ticketing system
- Developed a Clearways Strategy to relieve congestion on Sydney's major road network
- Delivered more taxi licences in NSW to better meet peak demands
- Delivered new air service licences in NSW
- Delivered national transport regulations in NSW for the rail, heavy vehicle and maritime industries
- Delivered a NSW Road Safety Strategy 2012-2021
- Delivered a Maritime Policy Agenda 2012-2015.

Name	Christopher Lock
Position:	Deputy Director General Transport Projects
Level:	Transport Senior Service Level 6
Total remuneration package:	\$513,546
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Delivered the 45th (of 78) Waratah trains to service. This year, 35 Waratahs entered service at a deployment rate faster than any other new fleet for Sydney
- Completed 23 Transport Access projects including Mt Druitt commuter car park, Newtown Station upgrade and Sydenham Easy Access project
- Finalised planning and contracting for the decommissioning and demolition of the Sydney Monorail
- Commissioned the Kingsgrove to Revesby Quadruplication, the largest project in the \$2 billion rail clearways program
- Finalised feasibility analysis of the \$1.6 billion dollar CBD and South East Light Rail project. Substantially progressed construction of the Light Rail Inner West Extension and let the light rail vehicles contract
- Completed enabling works, let the major contract and commenced construction for Wynyard Walk
- Commissioned Glenfield Station, part of the South West Rail Program, ahead of schedule
- All major contracts for the \$1 billion Northern Sydney Freight Corridor were let and work commenced on each of the three projects
- Completed the setting up of the Assets Standards Authority, (which began operations on 1 July 2013).
- Effectively transitioned some \$2 billion of capital projects and the Novorail Alliance from RailCorp to TfNSW.

Name:	Rodd Staples
Position:	Project Director North West Rail Link
Level:	Transport Senior Service Level 6
Total remuneration package:	\$432,490
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Led the completion of planning and transition into the delivery phase of the North West Rail Link (NWRL), the first stage of Sydney's rapid transit network
- Successfully oversaw the establishing of a NWRL Advisory Board to provide strategic oversight of the project to NSW Government
- Led the procurement of three major contracts for the delivery of the \$8.3 billion NWRL. This included intensive engagement with industry in Europe, the United States and Asia on the delivery strategy for the operation's Trains and Systems contract. The first of the major contracts, the Tunnels Station and Civil Works, has been awarded
- Effectively led the management of works in Sydney's north-west as construction commenced on the project
- Led the NWRL Delivery Office to achieve all key NWRL milestones on time, including obtaining all State and Federal environmental approvals and acquisition of land required to enable the major delivery contracts.

Name:	Arthur Diakos
Position:	Chief Financial Officer
Level:	Transport Senior Service Level 6
Total remuneration package:	\$403,338
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Strategically focused financial and budget management advice
- Strategic finance, economic, audit, risk, strategic procurement, corruption prevention, corporate planning and corporate performance functions embedded within TfNSW
- TfNSW relationship lead – NSW Treasury and Audit Office of NSW
- Directed the development and delivery of:
 - 2012-13 Transport cluster budget and efficiency strategies
 - Connections Corporate Plan, Results, Operations and Services Plan and TfNSW audit program
 - Economic appraisal, business case, risk management and corruption prevention frameworks
 - Public Interest Disclosures, business continuity, incident management and strategic procurement policies
 - Transport revenue and funding strategy
 - TfNSW entities and Transport consolidated statutory accounts
 - Key performance indicator and system based executive management reporting
 - Financial closure of light rail companies and consolidation into MTS Holding Company Ltd
 - Contributed to the development and delivery of Corporate and shared services efficiency reviews and the wider Transport reform programs.

Name:	Frances McPherson
Position:	Executive Director Human Resources & Business Services
Level:	Transport Senior Service Level 6
Total remuneration package:	\$399,238
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Responsible for TfNSW Information Technology, Legal and Governance, Transport Shared Services, Human Resources, Information and Investigations, and Organisational Development functions.
- Delivery of the design, planning and implementation of the consolidated Transport Senior Service and forward alignment strategy with the Government's executive reform agenda involving TfNSW, Sydney Trains, NSW Trains, STA and RMS senior executives
- Implementation and delivery to date of the Corporate and Shared Services Reform Program across all Transport agencies and TfNSW
- Achievement of the design, planning and establishment of the transport-wide Senior Service Payroll to the RMS platform
- Oversight the delivery and endorsement of the Transport-wide Information Technology Strategy
- Directed the delivery and endorsement of the transport wide Human Resources Strategy
- Development and delivery of a Transport-wide Corporate Policy Framework
- Achieved the transition to TfNSW of the Transport-wide Organisational Development functions and new structure established and filled
- Responsible for the delivery of the new delegations implemented Transport wide for Transport Shared Services, Organisational Development and Transport Senior Service
- Delivery of the Transport-wide Investigations functional model.

Name: Anand Thomas	
Position:	Project Director Clearways / Auburn Stabling / LGCUP
Level:	Transport Senior Service Level 4
Total remuneration package:	\$317,750
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Managed the delivery of the Rail Clearways Program, Auburn Stabling Project and Lidcombe to Granville Corridor Upgrade Program
- Managed the completion of major design and construction components of the Liverpool Turnback Project
- Managed the completion of design and commencement of construction of the Auburn Stabling Project Stage 1.
- Managed the commissioning of the Kingsgrove to Revesby Quadruplication Project

Name: Michael Hickey	
Position:	Principal Manager Reliability & Operations
Level:	Transport Senior Service Level 3
Total remuneration package:	\$287,632
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Instrumental in the commissioning of the \$700+ million Kingsgrove to Revesby Quadruplication Project.
- Managed 348 Reliability Inspections and 252 Safeworking inspections
- Conducted a post implementation audit of the Monthly Certificate of Works in Progress. Recommended required improvements that have now been implemented.

Name: Charlotte Stanfield	
Position:	Project Director Development
Level:	Transport Senior Service Level 3
Total remuneration package:	\$256,486
Period:	23 November 2012 to 30 June 2013

Significant achievements for the reporting period

- Led the Wyong to Newcastle Rail Enhancement Program project team in establishing the program to begin development stage tasks
- Provided project establishment and development advice on a number of other programs.

Name:	David Gainsford
Position:	Technical Director Planning and Environment Services
Level:	Transport Senior Service Level 3
Total remuneration package:	\$273,163
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Managed Planning, Environment and Sustainability functions for TfNSW's Transport Projects Division
- Coordinated input to the review of Planning legislation and the Rail Infrastructure Noise Guidelines
- Managed stakeholders associated with environment and planning processes
- Coordinated the transition of previous RailCorp projects into TfNSW planning and environmental systems.

Name:	David Roberts
Position:	Chief Engineer
Level:	Transport Senior Service Level 4
Total remuneration package:	\$370,682
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Responsible for the concept, development and introduction of the Authorised Engineering Authority for Existing Projects (AEOEP) arrangement that allowed TfNSW projects to migrate from RailCorp to the new model introduced by the Asset Standards Authority (ASA) on 1 July 2013 without affecting TfNSW Projects.
- Oversaw the revising of TfNSW Engineering Management System to reflect emerging needs
- Initiated a project to formalise the 'Requirements Management' process in TfNSW. It was adopted at the end of 2012 and is now a standard. Established an Urban Design Group to promote good design practice.

Name:	Geoffrey Walker
Position:	Principal Manager Engineering Assurance
Level:	Transport Senior Service Level 3
Total remuneration package:	\$285,116
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Developed and published the AEOEP Management Plan. This was successfully assessed by the Asset Standards Authority
- Extended the Assurance Review process to include a formal certificate of 'No Objection to Construction', to record acceptable review outcomes up to the Approved for Construction stage.
- Reduced average design review turnaround times to less than 10 days. Increased the design review capability of Engineering Assurance threefold.

Name:	Glenn Bentley
Position:	Project Director Northern Sydney Freight
Level:	Transport Senior Service Level 4
Total remuneration package:	\$413,435
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- | | | |
|---|--|--|
| <ul style="list-style-type: none"> • Managed the ongoing delivery of the Northern Sydney Freight Corridor Program • Managed the achieving of environmental planning approvals for North Strathfield Rail Underpass and Gosford Passing Loops projects | <p>Managed the progress towards obtaining formal planning approval with Department of Planning and Infrastructure for the Epping to Thornleigh Third Track project</p> | <p>Managed completion and award of major procurements for:</p> <ul style="list-style-type: none"> • Design and construction contract for the Gosford Passing Loops • Alliance contract for the North Strathfield Rail Underpass project • Alliance contract for the Epping to Thornleigh Third Track. |
|---|--|--|

Name:	James White
Position:	Technical Director Project Property Services
Level:	Transport Senior Service Level 3
Total remuneration package:	\$324,833
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

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|--|---|--|
| <ul style="list-style-type: none"> • Managed acquisition and control of lands and interests from mid- and high-rise commercial and multi-use CBD buildings for delivery of the Wynyard Walk | <ul style="list-style-type: none"> • Achieved settlement of private sector disputes at the Chatswood Transport Interchange • Established a framework, process and memorandums of understanding for the control of | <p>lands and other interests required for the CBD and South East Light Rail project</p> <ul style="list-style-type: none"> • Established the North Ryde Station Precinct as an Urban Activation Precinct for mixed use, transit-orientated development. |
|--|---|--|

Name:	Scott Lyall
Position:	Director Project Delivery
Level:	Transport Senior Service Level 5
Total remuneration package:	\$456,125
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> • Managed ongoing delivery of nine programs of work, with a combined expenditure for the year of \$1.2 billion. The Kingsgrove to Revesby Quadruplication project (the largest project of the Rail Clearways program) was completed, commissioned and brought in to service by the | <p>agreed milestone in April 2013. The remaining programs continue to perform generally to the required time, cost, quality, and safety standards</p> <ul style="list-style-type: none"> • Successfully oversaw transition of three significant programs of work – Automatic Train | <p>Protection, Digital Train Radio System and Power Supply Upgrade, from RailCorp to TfNSW</p> <ul style="list-style-type: none"> • Managed the transition from RailCorp to TfNSW of a fourth program, the Lidcombe to Granville Corridor upgrade. |
|--|---|---|

Name: Michael Magney	
Position:	Director Project Development
Level:	Transport Senior Service Level 5
Total remuneration package:	\$352,908
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Developed the CBD & South East Light Rail project through to final business case and transition to delivery
- Completed scoping for the Maldon to Dombarton Rail Line Project
- Successfully completed the final business case gateway for Wynyard Station upgrade
- Provided infrastructure and cost inputs for development of Sydney's Rail Future and the Rapid Transit Project - Second Harbour Crossing.

Name: Graham Jackson	
Position:	Technical Director Safety & Quality
Level:	Transport Senior Service Level 3
Total remuneration package:	\$298,332
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Successfully safety change managed integration of the following projects from RailCorp to TfNSW:
 - Digital Trains Radio, Automatic Train Protection, Power Supply Upgrade and
- Lidcombe – Granville Corridor Upgrade Program
- Varied the TfNSW rail safety accreditation to encompass the Inner West Light Rail Extension
- Oversaw International Standards Organisation (ISO) accreditation to ISO 9001 & ISO 18001 for TfNSW's Transport Projects Division.

Name: Simon Hussey	
Position:	Project Director Inner West Extension
Level:	Transport Senior Service Level 4
Total remuneration package:	\$271,625
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Oversaw and managed the awarding of the Monorail removal contract. There was extensive coordination with stakeholders such as City of Sydney, RMS, Traffic Control Centre, Infrastructure NSW which minimised risk
- Oversaw and managed the contract for acquiring light rail vehicles. It has enabled procurement of vehicles in less time than historic means
- Oversaw and managed the procurement and award of leased vehicles, which will allow an earlier than planned opening of the Inner West Light Rail Extension.

Name: John Templeman	
Position:	Project Director Transport Access Program
Level:	Transport Senior Service Level 4
Total remuneration package:	\$382,365
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Project managed the continuing implementation of the \$770 million Transport Access Program. TfNSW is delivering transport Interchanges, commuter car parks, station upgrades and easy access upgrades at rail stations
- During the reporting period, 11 easy access upgrades, three station upgrades and eight transport interchanges were completed. Another 18 easy access upgrades, three station upgrades and 13 transport interchanges and car parks are underway
- Delivered all projects within budget allocation and generally within scheduled timeframes. No recorded significant safety or environmental incidents.

Name: Craig Gillman	
Position:	Technical Director Program Management Office
Level:	Transport Senior Service Level 3
Total remuneration package:	\$262,656
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Developed Divisional Business Plan and delivered associated reporting on progress against it
- Implemented and monitored capital budgeting and forecasting for the \$13 billion capital portfolio
- Implemented new capital expenditure monthly report and cashflow performance reporting for all capital projects
- Developed and implemented portfolio risk and contingency modelling and identified significant opportunities to bring forward new projects within the existing capital envelope.

Name: Andrew Baré	
Position:	Project Director Wynyard Walk
Level:	Transport Senior Service Level 5
Total remuneration package:	\$338,250
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Managed the establishment of the Wynyard Walk project team and ongoing project delivery
- Established and maintained key project stakeholder relationships and formalised stakeholder requirements
- Oversaw administration of time, cost and risk management; exceeded safety targets; and achieved major milestones within the agreed dates for the project's concept, scope definition, procurement, early works for public use and design phases.

Name:	Bevan Brown
Position:	Technical Director Commercial
Level:	Transport Senior Service Level 4
Total remuneration package:	\$364,539
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Strategy and management of the commercial capability for the expanded portfolio of programs now totalling in excess of \$9 billion to complete
- TfNSW's representative contributing to the Government task force responding to the independent NSW Government-commissioned Collins Inquiry into Insolvency in the NSW Construction Industry
- Managed TfNSW's contribution to Rail Services Contracts developed with RailCorp, Sydney Trains and NSW Trains
- Managed with Legal Counsel the vesting process to transfer contracts from RailCorp to TfNSW for the Automatic Train Protection, Power Supply Upgrade, Digital Train Radio System, Lidcombe to Granville Corridor Upgrade Program and Glenfield Transport Interchange programs.

Name:	Peter Whelan
Position:	Technical Director Project Communication
Level:	Transport Senior Service Level 3
Total remuneration package:	\$273,593
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Established and maintained effective working relationships with community stakeholders including local councils, commercial and retail businesses, community organisations, residents and transport customers
- Oversaw the implementation of all project-related communication and stakeholder engagement programs for specific projects
- Oversaw an extensive Industry Engagement Program, including over 20 Industry Briefings and round tables, to support the procurement and delivery of individual projects
- Developed strong relationships and supporting processes with internal stakeholders.

Name:	Darren Hayward
Position:	Deputy Project Director
Level:	Transport Senior Service Level 5
Total remuneration package:	\$350,000
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Managed the ongoing delivery of the South West Rail Link Program within financial, safety and environmental targets
- Achieved major milestones within agreed dates, including the opening of Glenfield Station ahead of schedule
- Continued leadership focus on safety, environment, rail reliability and rail safety across the Program
- Engineering Excellence Award for Glenfield Commuter car park awarded by Engineers Australia.

Name: Martin Walsh	
Position:	Project Director Light Rail Development
Level:	Transport Senior Service Level 3
Total remuneration package:	\$288,922
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Led the development of the Light Rail Strategic Plan that established the feasibility of the 12 km CBD and South East Light Rail project, estimated to cost \$1.6 billion
- Led the design and establishing of the Light Rail project development and delivery organisation
- Developed key stakeholder relationships and Memoranda of Understanding with the key stakeholders
- Managed the development of the project Business Case.

Name: Michael Barnfield	
Position:	Deputy Project Director
Level:	Transport Senior Service Level 3
Total remuneration package:	\$328,851
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Delivered the Glenfield to Leppington Rail Line project with no lost time injuries, no safety infringement notices, minimal issues with key stakeholders and no environmental infringement notices
- Delivery of the Glenfield to Leppington Rail Line project within budget and the current completion dates; achieved annual expenditure within a variance of 5 per cent
- Managed the Design and Construct Contract without any major disputes
- Achieved a high resolution rate for all contractor claims.

Name: David Dalton	
Position:	Principal Manager Engineering Services
Level:	Transport Senior Service Level 3
Total remuneration package:	\$255,302
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Ensured that the Engineering Services team continued to deliver high quality design and engineering management services and maintained project delivery schedules during major reforms to the rail industry in NSW
- Ensured that the Engineering Services team resource levels were sufficient to respond to several large engineering programs that were transferred from RailCorp to TfNSW management.

Name: Kate Barnes	
Position:	Project Director
Level:	Transport Senior Service Level 4
Total remuneration package:	\$306,885
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Led the successful transfer and transition of 12 major capital works projects with a total budget of around \$3.6 billion from RailCorp to TfNSW
- Conducted multiple due diligence reviews of the transferred projects and successfully negotiated Memorandums of Understandings with RailCorp for the effective management of the projects during the transition phase
- Designed and established new project organisations to deliver the transferred projects and led a large internal and external recruitment program
- Provided overarching leadership and direction to the Digital Train Radio System and Automatic Train Protection projects
- Led the change management processes across all divisional disciplines while conducting extensive staff and union consultation with affected staff.

Name: Kim Crestani	
Position:	Principal Manager Architecture & Station Precinct North West Rail Link
Level:	Transport Senior Service Level 4
Total remuneration package:	\$293,431
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Managed the Expression of Interest and tender for the master planning of North West Rail Link adjoining lands precincts, including extensive engagement with industry
- Managed the development of the Urban Design Guidelines for the Surface and Viaduct Civils contract and the Operations Trains and Systems contract
- Participated in the procurement and assessment of the major construction and delivery contracts, ensuring quality urban design is incorporated into specifications
- Participated in the planning of city-shaping projects as member of the Design Review Panel led by the Government Architect

Name: Thomas Gellibrand	
Position:	Deputy Project Director, Customer Strategy & Planning, North West Rail Link
Level:	Transport Senior Service Level 3
Total remuneration package:	\$351,423
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Led finalisation of the NWRL Business Case for NSW Cabinet consideration
- Oversaw the finalising of the NWRL Sustainability Strategy and its implementation across the three major contracts
- Led the preparation, exhibition, finalisation and negotiation of appropriate conditions of approval for Environmental Impact Statement (EIS) 1 and EIS 2 for NWRL
- Led the NWRL land acquisition program to support the major contracts program
- Established a Precinct Planning Program with Department of Planning and Infrastructure and local councils.

Name: Trevor Newman	
Position:	Director Program & Finance North West Rail Link
Level:	Transport Senior Service Level 3
Total remuneration package:	\$262,901
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Implemented program controls for the planning and procurement phases of the NWRL coordinating business areas to ensure project milestones were achieved
- Directed the development of the NWRL capital cost estimate through the planning and design phase of the project to achieve NSW Government approval of the project budget and annual funding
- Established comprehensive budget and change control procedures for the project's delivery phase.

Name: Warwick Proctor	
Position:	Deputy Project Director, Governance and Controls North West Rail Link
Level:	Transport Senior Service Level 4
Total remuneration package:	\$284,070
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Managed the successful development of an Integrated Management System for the NWRL Delivery Office
- Successfully managed the development and roll out of a NWRL Project Safety Management Plan. It aligns with the Transport for NSW Safety Management System
- Led the procurement and roll out of a project communication system
- Managed procurement services provided to the NWRL Delivery Office.

Name:	Colin Rudd
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Position:	Deputy Project Director Project Delivery North West Rail Link
Level:	Transport Senior Service Level 5
Total remuneration package:	\$398,951
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Successfully concluded the procurement of the first major NWRL contracts package, the Tunnels Station and Civil Works, ahead of program and within budget
- Managed tendering process for the second major NWRL contracts package, the Surface, Viaducts and Civil Works
 - Managed the tendering process for third major contracts package, for the Operations, Trains and Systems
- Managed the Early Works contract with works being delivered on time and within budget.

Name:	Christopher O'Brien
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Position:	General Manager Freight Strategy Policy & Industry Relations
Level:	Transport Senior Service Level 4
Total remuneration package:	\$333,125
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Led design of structure and content of TfNSW's Freight and Ports Strategy. Led development of work program to deliver it
 - TfNSW representative on Interdepartmental Steering Committee for the leasing of Port Botany and Port Kembla following a six-month competitive bidding process
- Developed the role, tasks and designed the structure for the NSW Cargo Movement Coordination Centre
 - Managed the transition of the Port Botany Landside Improvement Strategy program from Sydney Ports Corporation to TfNSW, enabling further improvements in truck freight efficiency and also improved efficiency in rail
- Oversaw development of submissions, successful in obtaining endorsement from the FIC for funding from the FRD 2012-13 budget allocation and priority allocation for recurrent requirements in 2013-14 for the Lower Hunter Rail Bypass, Western Sydney Freight Line and Intermodal Terminal and Strategic Noise Action Plan priority projects.

Name:	John Karaboulis
Position:	Executive General Manager Service Procurement & Performance
Level:	Transport Senior Service Level 5
Total remuneration package:	\$392,329
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Oversaw the development and implementation of Rail Services Contracts with Sydney Trains and NSW Trains; an operations and maintenance contract with Transdev for Sydney Light Rail; and Sydney's Double Decker Bus trial
- Developed and implemented the Sydney Metropolitan Bus System Contract procurement process
- This included successfully completing tender and negotiation processes
- Developed and began implementation of a procurement strategy for Outer Metropolitan Bus System Contracts
- Managed the implementation of Ferry Operational Control and Information System on Sydney ferry services, the Public Transport Information and Priority System to private bus operators, and establishment of the Transport Officer function
- Oversaw and led the development of an Enterprise Asset Management Strategy for the Transport cluster.

Name:	Kenneth Roughley
Position:	General Manager Ticketing Program
Level:	Transport Senior Service Level 3
Total remuneration package:	\$270,326
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Completed restructuring of the Ticketing Services and Passes and Schemes, while amalgamating and aligning the ticketing teams previously under Railcorp, Ministry of Transport, STA and Sydney Ferries
- Initiated customer service improvements with complaints, refund & replacement ticket services and streamlining of reseller processes
- Additional projects such as the International Students Program and the transfer of Transit Shops completed as scheduled and within budget
- Passes and Schemes Operational Reform program deliverables on schedule.

Name: Phillip Akers	
Position:	Executive General Manager
Level:	Transport Senior Service Level 4
Total remuneration package:	\$262,459
Period:	01 October 2012 to 30 June 2013

Significant achievements for the reporting period

- The TMC introduced mobile phone apps and improvements to the Live Traffic website. The apps have now reached over 500,000 downloads and Live Traffic is one of the most visited government websites
 - The TMC delivered the traffic and transport arrangements for more than 120 special events in Sydney
 - A strategic placement of heavy vehicle tow trucks was implemented during peak periods to lessen the impact of incidents on the network
 - A Police Mobile Response team was established
- Both helped the TMC meet its performance measure of on average, clearing 98 per cent incidents on principal transport routes in Sydney within 40 minutes for 12 consecutive months.

Name: Terence Brown	
Position:	Principal Manager Rail Service Contracts & Road Agreements
Level:	Transport Senior Service Level 3
Total remuneration package:	\$282,227
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Continued to drive transition to the cross modal security model and revenue protection services, including the development of a Network Revenue Protection Framework
- Managed the development and implementation of new rail services contracts for Sydney Trains and NSW Trains, including development the new integrated governance framework for the contracts
- Managed the development of a Statement of Intent between TfNSW and Roads and Maritime Services for provision of services, the relationship protocol between TfNSW and RMS, and the establishment of the new governance structure
- For Light Rail, managed the development of a new operations and maintenance contract, and development of and transition to a new rolling stock maintenance contract.

Name: Craig Dunn	
Position:	Principal Manager Bus & Ferry Services Contracts
Level:	Transport Senior Service Level 3
Total remuneration package:	\$256,353
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Managed bus and ferry services contracts within budget
- Completed the rollout of the Passenger Transport Information and Priority System (PTIPS) to all Metropolitan and Outer Metropolitan contract buses
- Facilitated the introduction of Real Time Bus applications
- Led and managed the introduction of a two year trial of eight new double deck buses
- Managed the delivery of the School Bus Safety Community Advisory Committee final report to government
- Managed the successful transition of Sydney Ferries to Harbour City Ferries.

Name: Gregory Ellis	
Position:	General Manager ETS
Level:	Transport Senior Service Level 4
Total remuneration package:	\$306,885
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Led effectively the Electronic Ticketing System (including the prime contractor) to implement Opal and the underlying system. This involved coordination with all public transport operators and associated government agencies
 - The following Opal customer trial milestones were achieved:
 - Ferry (Neutral Bay) on 7 December 2012
 - Extension to Manly ferry on 8 April 2013 and
 - Rail (Eastern Suburbs and City Circle) on 14 June 2013
- Detailed planning has also been done to finalise ferry and rail rollouts and the extension of Opal to bus and light rail.

Name: William Grant	
Position:	General Manager Service Planning & Improvement
Level:	Transport Senior Service Level 4
Total remuneration package:	\$262,236
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Finalised the first-ever rail service specification to guide timetable development, enabling the most significant timetable re-write in 25 years
- Developed a program of evidence-based timetable reviews, resulting in 10 new routes being funded for rollout in 2013-14
- Developed CBD congestion management strategies covering traffic, parking, infrastructure, operational and service initiatives
- Developed a Strategic Ferry Operations Plan to provide a 10 year plan for service and asset improvement.

Name:	Samuel Lackey
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Position:	Principal Manager Economic & Funding Services
Level:	Transport Senior Service Level 3
Total remuneration package:	\$261,375
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

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|--|---|---|
| <ul style="list-style-type: none"> • Provided economic and financial advisory support throughout the Transport cluster • Prepared economic and financial analyses for the Transport Access Program as well as rail, safety and customer experience programs, contributing to them progressing to receiving funding | <ul style="list-style-type: none"> • Carried out financial modelling to support programs investing in critical infrastructure including the WestConnex Project business case, the F3 M2 Motorway "Missing Link" Unsolicited Proposal, and the M2 and M5 Motorway Upgrades involving a public private partnership | <ul style="list-style-type: none"> • Prepared financial model and data for optimisation of assets. |
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Name:	Martin Berry
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Position:	General Manager Investment Programs
Level:	Transport Senior Service Level 4
Total remuneration package:	\$314,557
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

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|---|---|--|
| <ul style="list-style-type: none"> • Led and managed the transport contribution for assessing unsolicited proposals • Developed a cost and risk assessment framework to support the TfNSW gateway assurance process | <ul style="list-style-type: none"> • Led the Transport cluster business case assessments for several major investments. Strategic investment advice was provided | <ul style="list-style-type: none"> • Developed and finalised the Transport cluster 10 year planned capital investment budget. |
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Name:	Stephen Enticott
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Position:	General Manager Transport Planning
Level:	Transport Senior Service Level 4
Total remuneration package:	\$306,885
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

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|---|--|---|
| <ul style="list-style-type: none"> • Provided technical direction for completed strategies including: • The NSW Long Term Transport Master Plan, Sydney's Rail Future, Sydney's Light Rail Future and Sydney's Ferry Future | <ul style="list-style-type: none"> • Also assisted strategies still under development • Provided inputs to a review of a planning White Paper, Urban Activation Precincts, Housing Growth Areas, assessment of major redevelopment applications and ad hoc | <p>transport planning inputs to major projects including WestConnex and North West Rail Link</p> <ul style="list-style-type: none"> • Provided inputs to Nation Building 2 funding submission to Federal Government. |
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Name:	Stephen Fox
Position:	Director Finance and Revenue
Level:	Transport Senior Service Level 4
Total remuneration package:	\$292,125
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Provided strategically focused economic policy, financial and budget management advice
- Delivered 2012-13 Transport cluster budget and efficiency strategies
- Delivered economic appraisal and business case frameworks
- Developed transport revenue and funding strategy
- Delivered TfNSW and Transport cluster consolidated statutory accounts
- Provided system based executive management financial reporting
- Provided financial closure of light rail companies and consolidation into MTS Holding Company Ltd.

Name:	Anthony Wing
Position:	General Manager Efficiency & Effectiveness
Level:	Transport Senior Service Level 4
Total remuneration package:	\$283,669
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Ensured new infrastructure is consistent with customer focus and whole-of-transport pricing and social policies
- Ensured legislation supports a seamless, integrated transport network and an efficient and effective roads licensing and registration scheme
- Led ongoing pricing, performance and social access policy for NSW transport and roads including Opal fares, an integrated NSW Transport Disability Action Plan 2012-17, more peak hour taxis for Sydney, and a new Sydney Clearways strategy
- Led licensing, registration and accreditation policy for NSW transport and roads: for example, better safety for community transport customers, laws to deter unsafe driving, and rewards for good driving.

Name:	Margaret Prendergast
Position:	General Manager Road Safety
Level:	Transport Senior Service Level 5
Total remuneration package:	\$306,871
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- The provisional road toll for 2012-13 of 349 fatalities which is 37 or 10 per cent fewer fatalities than 2011-12. This equates to 4.75 fatalities per 100,000 population
- Published the NSW Road Safety Strategy 2012-2021, Motorcycle Safety Strategy and the first Annual Review of Speed Cameras. Oversaw delivery of a Speed Camera Strategy and the inaugural NSW Breakdown Safety Strategy which launched in August 2012
- Introduced a new Safer Drivers Course and in remote areas a P1 Restricted Licence pilot scheme
- Introduced mandatory seat belt wearing for taxi drivers
- Supported increased high visibility operations for NSW Police

- Developed a new approach to assist rollout of flashing lights for every NSW school by end 2015
- Implemented new road safety awareness campaigns, including 'Plan B' to target drink driving and 'Get Your Hand Off It' targeting mobile phone distraction.

Name: Bernard Carlon

Position: Principal Manager Strategy & Policy
 Level: Transport Senior Service Level 3
 Total remuneration package: \$269,575
 Period: 10 December 2012 to 30 June 2013

Significant achievements for the reporting period

- Released the NSW Road Safety Strategy and NSW Motorcycle Strategy and began development of pedestrian, cycling and Aboriginal road safety sub-strategies
- Introduced significant young driver safety initiatives including: A new Safer Drivers Course for learner drivers designed to address the major road safety risks they typically face
- A remote communities two year trial of a new restricted P1 licence for young people for driving to education, employment and medical appointments
- Development of whole-of government submissions and response to Staysafe inquiries into Driver and Road User Distraction and Non-registered Motorised Vehicles.

Name: Catherine Foy

Position: General Manager Customer Service
 Level: Transport Senior Service Level 4
 Total remuneration package: \$267,909
 Period: 01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Launched Google Transit, allowing customers to plan their public transport trips via Google Maps
- Launched Google Indoor Maps allowing mobile device user customers to navigate through major stations
- Led the design and delivery of Bus Apps to Sydney Buses and Newcastle Buses customers, extending into the private bus network in Blacktown. Also led the design and delivery of Train Apps to Sydney Trains customers
- Commenced Wayfinding pilots with trial and testing of new signage at Milsons Point and Circular Quay
- Completed with Sydney Trains the refreshing of Springwood and Circular Quay and commenced refreshing Central Station Grand Concourse, Town Hall and Martin Place stations.

Name:	Rita Harding
Position:	General Manager Marketing & Product Development
Level:	Transport Senior Service Level 3
Total remuneration package:	\$283,669
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Developed an integrated brand strategy for the Transport cluster that is understood, applied consistently across customer communications and accommodates the future business priorities across the group
- Design and development of the customer facing brand programs to support the establishment of Sydney Trains and NSW TrainLink
- Development, execution and refinement of the marketing and launch plan for the Opal integrated electronic ticket customer trial that recruited more than 13,000 customers
- Designed and delivered customer experience requirements for the North West Rail Link project, Sydney's Light Rail project and Rail Futures Simplification program
- Delivered a new Maritime Safety Campaign (A Life Jacket Never Ruined a Day on the Water)
- Developed, produced and implemented a number of new road safety campaigns including 'Plan B' drink driving and 'Get Your Hand Off It' mobile distraction campaigns.

Name:	Catrina Cresswell
Position:	Legal Counsel - Project/ Commercial
Level:	Transport Senior Service Level 3
Total remuneration package:	\$270,326
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Participant in the Legal Co-ordination Group responsible for establishing Sydney Trains and NSW Trains. Contributions included negotiating Rail Services Contracts with TfNSW for Sydney Trains and NSW Trains, a Services Agreement between Sydney Trains and NSW Trains, and a Memorandum of Understanding between Transport Cleaning Services and Sydney Trains
- Participated in:
 - Preparing the Sydney Trains and NSW Trains Fares and Ticketing Handbook
 - Preparing new Standard Access Agreements for third party rail operators, and
 - Vesting Orders for the transfer of assets to Sydney Trains and/or NSW Trains.

Name:	Christopher Diekman
Position:	Deputy General Counsel, Roads and Maritime Services
Level:	Transport Senior Service Level 4
Total remuneration package:	\$314,557
Period:	23 November 2012 to 30 June 2013

Significant achievements for the reporting period

- With General Counsel RMS, delivered management and supervision of legal services provided to RMS by in-house lawyers and external legal service providers, and development of capability within its legal branch
- Implemented in-house transport portfolio legal services reforms within RMS
- Provided legal advice on significant issues and projects to RMS and TfNSW.

Name:	David Campbell-Williams
Position:	Legal Counsel - Litigation
Level:	Transport Senior Service Level 3
Total remuneration package:	\$270,326
Period:	01 November 2012 to 30 June 2013

Significant achievements for the reporting period

- Provided timely advice to senior managers and line managers relating to commercial and engineering disputes, land acquisition disputes, and *Government Information (Public Access) Act 2009* access applications and appeals
- Represented RailCorp and managed internal staff and external lawyers in relation to Coronial Inquests and investigations by regulators
- Monitored expenditure on external legal service providers and managed the services provided to RailCorp
- Provided training to project managers on the avoidance of adverse outcomes when defending claims under the *Building and Construction Industry Security of Payment Act*.

Name:	James Smith
Position:	Legal Counsel - Enviro Planning Property
Level:	Transport Senior Service Level 3
Total remuneration package:	\$263,733
Period:	29 January 2013 to 30 June 2013

Significant achievements for the reporting period

- Provided strategic legal advice on environment, planning and property law matters to support the business and operations of RMS
- Assisted with proposed legislative changes and new legislation and regulations (including environmental planning Instruments) relating to RMS' operations
- Promoted early intervention strategies in complex, sensitive and litigious matters. Directed the promotion of positive dispute resolution strategies to minimise expenditure and maximise outcomes of disputes, actions and potential liabilities.

Name:	Katharine Lee
Position:	Legal Counsel Project/Commercial
Level:	Transport Senior Service Level 3
Total remuneration package:	\$270,326
Period:	23 November 2012 to 30 June 2013

Significant achievements for the reporting period

- Worked with stakeholders and multi-disciplinary teams, managed and oversaw the work of external law firms and provided quality legal advice and services for RMS major infrastructure projects
- Used positive dispute avoidance strategies and alternative dispute resolution methods to minimise expenditure and maximise outcomes of contractual claims and disputes
- Contributed to the implementation of collaborative working arrangements across the Transport portfolio in-house legal teams.

Name:	Margaret Sneddon
Position:	Legal Counsel - Project/Commercial
Level:	Transport Senior Service Level 3
Total remuneration package:	\$256,250
Period:	15 October 2012 to 30 June 2013

Significant achievements for the reporting period

- Provided advice and strategic direction on significant contractual disputes
- Provided legal advice, support and direction on significant Request for Proposals, including operations and maintenance contracts and major infrastructure projects
- Provided legal support and advice on infrastructure projects that led to early resolution of potential disputes.

Name:	Michelle Graham
Position:	Legal Counsel - Property
Level:	Transport Senior Service Level 3
Total remuneration package:	\$270,326
Period:	22 October 2012 to 30 June 2013

Significant achievements for the reporting period

- Provided timely legal advice to RailCorp on property, environment and commercial law issues
- Managed external legal service providers and monitored their expenditure.

Name:	Vin Singh
Position:	Legal Counsel - Property
Level:	Transport Senior Service Level 3
Total remuneration package:	\$270,326
Period:	15 October 2012 to 30 June 2013

Significant achievements for the reporting period

- Provided timely advice to senior managers and line managers relating to property and commercial contracts, disputes and mediation
- Briefed external legal service providers and managed the sale of Martins Creek Quarry
- Managed services provided to RailCorp by external legal service providers and monitored expenditure.

Name:	Heather Oswald
Position:	Deputy General Counsel
Level:	Transport Senior Service Level 4
Total remuneration package:	\$314,557
Period:	01 September 2012 to 30 June 2013

Significant achievements for the reporting period

- Led the transition of the RailCorp in-house legal team into TfNSW's centralised legal service. Managed day-to-day legal services for RailCorp
- Contributed to the successful establishment of Sydney Trains, NSW Trains and Transport Cleaning Services
- Worked with stakeholders, multi-disciplinary teams, managing and overseeing the work of external law firms and providing quality legal advice and services for RailCorp
- Used positive dispute avoidance strategies and alternative dispute resolution methods to minimise expenditure and maximise outcomes of contractual claims and disputes.

Name:	Barbara Filipowski
Position:	Legal Counsel - Projects Commercial Safety
Level:	Transport Senior Service Level 3
Total remuneration package:	\$270,326
Period:	01 November 2012 to 30 June 2013

Significant achievements for the reporting period

- Worked collaboratively with stakeholders and multi-disciplinary teams managing and overseeing the work of external law firms and providing quality legal advice and services for Transport for NSW's infrastructure projects
- Utilised positive dispute avoidance strategies and alternative dispute resolution methods to minimise expenditure and maximise outcomes of contractual claims and disputes
- Contributed to the implementation of collaborative working arrangements across the Transport portfolio in-house legal teams.

Name:	Andrew Jones
Position:	Legal Counsel
Level:	Transport Senior Service Level 3
Total remuneration package:	\$270,326
Period:	22 April 2013 to 30 June 2013

Significant achievements for the reporting period

- Provided legal advice for the Waratah Train PPP.

Name:	David Ebert
Position:	General Manager Procurement Transport Shared Services
Level:	Transport Senior Service Level 3
Total remuneration package:	\$270,326
Period:	24 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Provided support for Transport cluster agencies to deliver a significant improvement in Accounts Payable performance and particularly for payments to Small Business Vendors
- Implemented Purchasing Cards and the integrated Creditor Management System for Transport for NSW and State Transit Authority
- Provided support for the successful establishment of Sydney Trains and NSW Trains.
- Delivered the Cashback Online Claim System
- Contributed to the development of the Transport Shared Services functional structure

Name:	Gerard Schipp
Position:	Group General Manager Transport Shared Services
Level:	Transport Senior Service Level 5
Total remuneration package:	\$333,125
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Led the implementation of the Transport Shared Services reform, including consultation with staff and unions to develop a revised operating model and structure
- Developed a comprehensive Service Catalogue, Service Level Agreement and Pricing model for the delivery of shared services
- Led a number of early benefit and quick-win initiatives to achieve significant savings within the Transport cluster. These included RailCorp Payroll reform, P-Card Implementation, and outsourced facility management.
- Began the transition of self-managed funds and claims management to the Treasury Managed Fund

Name: Nazareno Lucarini	
Position:	General Manager HR Service Delivery Transport Shared Services
Level:	Transport Senior Service Level 3
Total remuneration package:	\$255,000
Period:	17 December 2012 to 30 June 2013

Significant achievements for the reporting period

- Consolidated and optimised Human Resources, including co-location of HR Service Centres
- Successfully established the TfNSW SAP payroll. Brought the Department of Transport, Independent Transport Safety
- Regulator and Office of Transport Safety Investigations payroll back in-house. Also transitioned Country Rail Infrastructure Authority and the Transport Construction Authority onto the payroll. Both became part of TfNSW on 1 July 2012
- Consolidated Workers' Compensation services and Return to Work services
- Developed Workers' Compensation Case Management Specialist Services Operating Model.

Name: Steven Beasley	
Position:	General Manager Financial Transport Shared Services
Level:	Transport Senior Service Level 3
Total remuneration package:	\$270,326
Period:	01 January 2013 to 30 June 2013

Significant achievements for the reporting period

- Delivered Financial Services and provided timely and accurate reports to transport agencies
- Developed the Transport Shared Services Financial Services organisational structure, position description development, staff impact analysis and co-located staff
- Delivered for the establishing of NSW Trains and Sydney Trains, provided back office transactions for Service NSW and the TfNSW Enterprise Resource Planning project.

Name: Alastair Bor	
Position:	General Manager Business Solution & Change Information Technology
Level:	Transport Senior Service Level 4
Total remuneration package:	\$348,500
Period:	19 November 2012 to 30 June 2013

Significant achievements for the reporting period

- Built a high calibre team to deliver complex business outcomes. Implemented Relationship Management, Solution Architecture, Business Analysis, Project and Program Management.
- Developed relationship management and reporting processes to build a comprehensive view of IT Business Solution demand across TfNSW
- Delivered high benefit strategic initiatives such as Crashlink, the ASA website and real-time bus tracking for STA, Newcastle and Blacktown buses. Aligned existing IT projects to new Enterprise Program Management Office standards.

Name: Ajoy Ghosh	
Position:	General Manager Security & Risk Information Technology
Level:	Transport Senior Service Level 3
Total remuneration package:	\$270,326
Period:	04 December 2012 to 30 June 2013

Significant achievements for the reporting period

- Appointed as Transport's Senior Responsible Officer under the NSW Government's Digital Information Security Policy
- Responsible for implementing Digital Information Security Policy within the Transport cluster
- Built the TfNSW Security & Risk Group IT team.

Name: David Allan	
Position:	General Manager Strategy & Architecture Information Technology
Level:	Transport Senior Service Level 4
Total remuneration package:	\$307,500
Period:	29 October 2012 to 30 June 2013

Significant achievements for the reporting period

- Coordinated development of the Transport cluster IT Strategy to enable coordinated delivery of optimal technology investments and capabilities to deliver the NSW Long Term Transport Master Plan
- Recruited the IT Strategy & Architecture Team
- Provided IT strategy and architecture direction for major business and technology programs.

Name: George Roins	
Position:	Legal Counsel - Projects Commercial Safety
Level:	Transport Senior Service Level 3
Total remuneration package:	\$270,326
Period:	08 October 2012 to 30 June 2013

Significant achievements for the reporting period

- Provided legal advice and general legal services in connection with commercial transactions that included:
 - the establishment of the Police Transport Command
 - the franchising of Sydney Ferries
 - the establishment of Sydney Trains and NSW Trains
 - the acquisition of the light rail and monorail
 - the restructure of the rail heritage operations, and
- the procurement of various strategic services across the Transport cluster
- Managed legal services provided by external counsel
- Contributed to the development of the TfNSW NSW legal team.

Name: Helen Vickers	
Position:	Group Corporate Counsel
Level:	Transport Senior Service Level 5
Total remuneration package:	\$379,250
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Responsible for the delivery of legal services for Transport for NSW and for deployment of staff to the legal teams of Sydney Trains, NSW Trains and Roads and Maritime Services
- Responsible for establishing and managing the Transport portfolio legal panel that provides legal services across the Transport cluster. Other NSW Government agencies have also been provided with access to the legal panel
- Responsible for leading the cross-agency legal team's work to support establishing Sydney Trains and NSW Trains, which began operations on 1 July 2013
- Responsible for delivery of secretariat services to support the Transport Advisory Board and executive management committees of Transport for NSW.

Name: Paul Passmore	
Position:	General Manager Organisational Development
Level:	Transport Senior Service Level 4
Total remuneration package:	\$276,750
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Led the reform project to define and implement the approved operating model for the provision of Organisational Development services across the Transport cluster
- Led establishment of the TfNSW Registered Training Organisation
- Led the commencement of a unified Graduate Program for the Transport cluster
- Led deployment of an interim Learning Management System within TfNSW and distributed e-learning programs that address critical issues.

Name: Stephen Novis	
Position:	General Manager Enterprise PMO Information Technology
Level:	Transport Senior Service Level 3
Total remuneration package:	\$270,326
Period:	17 December 2012 to 30 June 2013

Significant achievements for the reporting period

- Established an Information Technology Enterprise Program Management Office. It brings together a set of principles, processes and techniques for effective portfolio, program and project management. It will assist in bridging the gap between strategy/policy-makers and delivery arms of TfNSW
- Developed a draft consistent cluster wide project delivery framework
- Established a draft multi-year program of IT work for the Transport cluster. It is being aligned to the TfNSW IT strategy and annual cluster-wide planning.

Name: Stephen O’Gorman	
Position:	Deputy Corporate Counsel
Level:	Transport Senior Service Level 4
Total remuneration package:	\$314,557
Period:	01 September 2012 to 30 June 2013

Significant achievements for the reporting period

- Provided strategic independent legal advice and legal services to support the business and operations of the Transport cluster
- Managed the quality, cost effectiveness and timeliness of legal services provided by in-house legal counsel and external law firms
- Contributed to the development of Transport for NSW and Transport agency legal team capability as high performing legal teams, operating as informed purchasers of external legal services.

Name: Timothy Catley	
Position:	Group General Manager Information Technology
Level:	Transport Senior Service Level 5
Total remuneration package:	\$394,625
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Working with agency and IT leadership teams delivered a Transport cluster-wide IT strategy, defining the IT operating model and detailing the strategic investments
- Designed and implemented a workforce transformation plan that delivered new group capabilities
- Established the Enterprise Resource Planning program which will deliver the Transport cluster SAP solution
- Established the Transport Next Generation Infrastructure Services program. It is responsible for tendering transport shared IT infrastructures.

Name: Michael Street	
Position:	General Manager IT Commercial Management
Level:	Transport Senior Service Level 3
Total remuneration package:	\$270,326
Period:	21 January 2013 to 30 June 2013

Significant achievements for the reporting period

- Designed and established the new Group IT Commercial function and structure
- Provided leadership to the market sourcing activity establishing consistent IT Infrastructure Services for the whole of the Transport cluster.

Name: Mark Emberson	
Position:	Principal Manager, Service Development & Transition Information Technology
Level:	Transport Senior Service Level 3
Total remuneration package:	\$270,326
Period:	07 January 2013 to 30 June 2013

Significant achievements for the reporting period

- Defined and designed the IT capability for TfNSW to be an integrator between suppliers and consumers
- A new IT process has been introduced that automates the processing of orders from TSS facilities departments into IT
- Introduced collaboration tools into the Burwood office to improve productivity, reduce reliance on paper and promote a better working environment.

Name: David Cowperthwaite	
Position:	Principal Manager, Delivery Management Information Technology
Level:	Transport Senior Service Level 3
Total remuneration package:	\$270,326
Period:	07 December 2012 to 30 June 2013

Significant achievements for the reporting period

- Co-led the design, review and subsequent implementation phase of the new Group IT Service Delivery organisation for the Transport cluster
- Ensured evolving needs of the Cluster have received satisfactory levels of IT service delivery
- Managed a program of IT infrastructure improvements across TfNSW's Delivery
- Management teams that included significantly improved e-mail, high availability infrastructure and IT Infrastructure changes associated with the creation of Sydney and NSW Trains.

Name: Susie George	
Position:	Group General Manager Human Resources
Level:	Transport Senior Service Level 5
Total remuneration package:	\$379,250
Period:	09 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Led the establishment of the Human Resources (HR) structure for Transport for NSW.
- Implemented the TfNSW HR Advisory Service, providing day to day people and policy advice to business across the Transport cluster
- Launched the TfNSW HR Strategy that provides the direction for a strategic people approach to address identified workforce challenges over the next five years
- Performance development and review was implemented for TfNSW to align with business and strategic planning and values
- Led the implementation of the Human Resources reporting framework providing key workforce metrics to the Executive and the business to enable strategic people decision making.

Name: Kirsty Dwyer	
Position:	General Manager Business Partners & Workforce Strategy Human Resources
Level:	Transport Senior Service Level 3
Total remuneration package:	\$261,375
Period:	17 September 2012 to 30 June 2013

Significant achievements for the reporting period

- Established Human Resources Steering Committee. It is intended to provide effective governance around HR initiatives and solutions
- Led a program design of learning interventions to educate staff and managers on their accountability for workplace behaviour and preventing bullying and harassment, and conflict resolution
- Led the team of HR Business Partners responsible for supporting the establishment of Sydney Trains and NSW Trains, realignment of structures in Roads and Maritime Services, transitions in TfNSW and STA.
- Implemented the HR Business Partner structure and operating model across the Transport cluster

Name: Vladas Leonas	
Position:	Deputy Group CIO
Level:	Transport Senior Service Level 4
Total remuneration package:	\$328,000
Period:	01 July 2012 to 30 June 2013

Significant achievements for the reporting period

- Ensured the evolving domains within the Group IT Service Delivery team meet the changing IT requirements across the Transport cluster
- Defined and designed the IT capability for TfNSW to operate as an integrator between suppliers and consumers.
- Provided critical advice for creating the interfaces between IT Service Delivery with the newly formed centralised strategic IT functions and TfNSW business units
- Centralised Data Recovery Processes for Investigations and Forensics across the cluster under TfNSW Operational Security

Name: Mark Stephen Paige	
Position:	Legal Counsel, Project Commercial Safety (CBD)
Level:	Transport Senior Service Level 3
Total remuneration package:	\$270,326
Period:	14 January 2013 to 30 June 2013

Significant achievements for the reporting period

- Worked closely with external lawyers and teams from Transport Services on legal aspects relating to the rail restructuring
- This included:
 - Rail Services and Services contracts between TfNSW and the parties:
 - the global safety interface agreement between TfNSW and Sydney Trains
- documents relating to the organisational development functions to be provided by TfNSW to both RMS and STA post 1 July 2013
- finalisation of a number of funding, consultancy and intellectual property agreements.

Appendix 6: Management and activities

NSW 2021 is the State Government's 10-year plan to make NSW number one. It guides policy and decision making in conjunction with the budget process. It outlines how government agencies will deliver on priorities for local communities and regions across NSW.

NSW 2021 clearly establishes the State Government's focus on delivering an integrated, customer-focused transport system, and

provides Transport for NSW with guidance in delivering on these priorities.

The NSW Government has set up public reporting against *NSW 2021*. The latest progress report can be accessed at: www.2021.nsw.gov.au

The following table gives an overview of transport-related performance indicators.

- **Targets:** these were either carried over from the previous State Plan (i.e. 2016 completion) or developed in the new *NSW 2021* plan for a later date (e.g. for 2020).
- **Missing targets:** these are either under development or have not yet been approved for publication.

Performance indicator	09/10	10/11	11/12	12/13	NSW 2021 target (by)
Public transport					
Customer Satisfaction (%)					
Trains	n/a	n/a	n/a	79	n/a
Ferries	n/a	n/a	n/a	94	n/a
Buses	n/a	n/a	n/a	79	n/a
Light Rail	n/a	n/a	n/a	91	n/a
Taxis	n/a	n/a	n/a	n/a	n/a
Passenger journeys (m)					
CityRail	289.1	294.5	303.6	306.2	n/a
CountryLink	1.81	1.89	2.0	1.85	n/a
Sydney Ferries	14.3	14.5	14.8	14.9	n/a
Metropolitan buses - STA	153.6	153.7	154.1	154	n/a
Metropolitan buses - PBO	41.2	45.0	49.2	50.6	n/a
Outer metropolitan buses	15.0	15.6	16.0	15.8	n/a
Light Rail	2.8	2.7	3.9	4.15	n/a
Passenger journeys growth (%)					
CityRail	-1.1	1.8	3.1	0.9	n/a
CountryLink	7.5	4.5	5.8	-7.4	n/a
Sydney Ferries	0.2	1.1	1.8	1.2	n/a
Metropolitan buses - STA	-2.1	0.1	0.3	-0.1	n/a
Metropolitan buses - PBO	1.9	9.3	9.3	2.8	n/a
Outer metropolitan buses	-0.2	3.4	2.8	-1.0	n/a
Light Rail	3.6	-1.3	43.9	4.4	n/a
On-time running (%)					
CityRail	95.9	94.6	93.4	94.2	92
CountryLink	74.8	72.7	62.1	73.7	n/a
Sydney Ferries	98.1	98.5	98.8	99.1	98.5
Metropolitan buses - STA ²⁾	n/a	91.2	90.8	90.3	95
Metropolitan buses - PBO ²⁾	n/a	91.5	93.3	94.7	95
Complaints (per 100,000 passenger journeys)					
CityRail	7.6	7.3	7.7	8.6	n/a

Performance indicator	09/10	10/11	11/12	12/13	NSW 2021 target (by)
CountryLink	92.7	139.7	154.8	143.6	n/a
Sydney Ferries	4.4	4.7	3.3	4.1	n/a
Metropolitan buses – STA	18.3	18.5	17.3	17.1	n/a
Metropolitan buses – PBO	25.7	27.9	26.5	21.1	n/a
Outer metropolitan buses	24.1	25.8	24.0	27.5	n/a
Peak hour journeys to/from work by public transport (%)					
Sydney CBD	76.6	74.4	73.5	n/a	80 (2016)
Parramatta CBD	39.6	41.0	41.2	n/a	50 (2016)
Newcastle CBD	14.5	15.6	16.9	n/a	20 (2016)
Wollongong CBD	8.7	8.2	8.5	n/a	15 (2016)
Liverpool CBD	15.7	14.4	13.5	n/a	20 (2016)
Penrith CBD	20.2	21.3	19.5	n/a	25 (2016)
Journeys to/from work by public transport within Greater Sydney Metro	23.9	22.5	22.2	n/a	28 (2016)
Sustainable modes (%)					
Bicycle trips at the local/district level within Greater Sydney Metro	1.9	2.2	2.5	n/a	4.4 (2016)
Walking trips at the local/district level within Greater Sydney Metro	22.4	22.4	22.8	n/a	25 (2016)
Roads					
Road fatalities	n/a	n/a	n/a	94	n/a
Total	445	355	396 ¹⁾	349 ¹⁾	341 (2016)
Per 100,000 population	6.3	4.9	5.5 ¹⁾	4.7 ¹⁾	4.3 (2016)
Per 100m VKT	0.67	0.53	0.59 ¹⁾	0.52 ¹⁾	0.43 (2016)
Incident clearance time on principal transport routes for 98% of incidents (mins)	n/a	39.98	38.17	38.15	40
State roads that meet national road smoothness standard (%)	91.5	91.2	91.1	n/a	93 (2016)
Freight					
Freight movements by rail through NSW ports (%)	18.8	14.0	14.5	14.2	28 (2020)

Notes:

n/a Data not available or not available at the time of print

1) Figures are provisional

2) Measured by sample survey at commencement of trip

CBD: central business district

PBO: privately-owned bus operators

STA: State Transit Authority

VKT: vehicle kilometres travelled

Further footnotes for road fatalities:

- Fatality data for 2009-10 and 2010-11 have been finalised.
- Fatality data for 2011-12 are provisional figures as at 1 July 2012.
- Fatality data for 2012-13 are provisional figures as at 1 July 2013.
- Fatality rates for 2009-10 to 2012-13 are based on the ABS published population and travel data as at August 2013.
- The 2016 target for fatalities is based on a 30 per cent pro rata reduction in fatalities by 2021 from the 2008 to 2010 baseline.
- The 2016 targets for fatality rates were based on expected population and travel growth as at 2011 when the State Road Safety Strategy was initially drafted.
- The 2016 target for the fatality rate per population was based on an estimated population of 7,927,000 in 2016 (latest figure as at December 2012 was 7,349,000).
- The 2016 target for the fatality rate per 100 million vehicle kms was based on estimated travel figure of 78.694 billion km in 2016 (latest figure as at June 2012 was 66.712 billion km).
- The fatality rates per 100,000 population and per 100 million vehicle kms for 2009-10 to 2012-13 have been recalculated using published figures as at August 201

External performance reviews

TfNSW is performance-focused, where individuals and teams are accountable for delivering outcomes. It measures performance at all levels, based on how effectively TfNSW contributes to what it must deliver for customers and the community.

Enhancing performance measurement capability is an ongoing priority. While many performance indicators are already measured and monitored, including the targets outlined in the NSW Government's 10 year strategic plan *NSW 2021*, TfNSW will continue to develop ways of demonstrating the achievement of outcomes and strategies in its performance frameworks.

The performance of TfNSW's service providers is also important, not only because TfNSW provides funding, but because often the providers are responsible for service interactions with TfNSW's customers.

Statements of Expectations, Statements of Intent and service contracts are some of the

mechanisms used to drive performance with TfNSW's service providers and to make sure all are working together. TfNSW measures the performance of its service providers according to the transactional elements of service contracts as well as their contribution to organisational outcomes.

An integrated performance reporting structure provides comprehensive information on Transport cluster-wide performance to support government objectives in integrated planning, strategic decision making and resource allocation.

TfNSW's formal performance management tools include:

NSW 2021 Performance Report – a report to Cabinet of the Transport cluster's contribution to achieving the goals of *NSW 2021*.

Executive Dashboard Reporting System – a regular report to the Executive on the status of a range of high-level corporate performance indicators.

Director General performance meetings – regular forums between the Director General and each member of the Executive and the respective senior management team. This is to discuss the performance of each Division against agreed strategies, initiatives and risk mitigation.

Individual performance reviews – a formal agreement between the Director General and each member of the Executive that defines responsibilities and deliverables. The actions outlined in these reviews are delivered through the business planning process. Performance reviews also reflect the personal contribution of individuals to the organisation achieving its goals.

TfNSW manages performance in an ongoing performance cycle. It has the following phases and key elements:

Plan	Commit	Monitor and act	Review
Purpose and values	Senior Service and individual performance reviews	Regular performance meetings	Mid and full year performance reports
Direction setting	Business plans	<i>NSW 2021</i> reporting	Mid and full year business plan reports
Resource allocation, decision making	Budget Papers	Business planning process	Annual Report

Internal reviews

During the year internal audits were made in the following areas:

- The North West Rail Link project
- Information Technology Infrastructure Performance
- Country Rail contract management
- Opal Electronic Ticketing technology preparedness
- Rail Service contract management
- Development of the Freight and Ports strategy
- Metropolitan Bus contract management

- Transport Shared Services transactional management
- Safety, Health, Environment and Quality Management, and
- Integrated Transport Information Services Program.

Value added as a result of the reviews included improvements to how management:

- Framed and applied corporate strategies, policies and regulations
- Governed corporate accountabilities
- Managed infrastructure asset portfolios, programs and projects

- Optimised operational performance, and
- Procured and managed the supply of goods, services and human resources.

During the year, the Auditor General undertook a performance review, "Managing Gifts and Benefits". This included Transport for NSW. The recommendations by the Auditor General are supported and are being implemented by TfNSW.

All management action plans arising from reviews undertaken by Internal Audit and the Auditor General were reported to and monitored by the Director General. They were also overseen by TfNSW's Audit and Risk Committee.

Transport Infrastructure Expenditure

In the 2012-13 financial year the government announced a major focus on building new transport infrastructure. The total transport infrastructure expenditure in 2012-13 was \$6.2 billion, funded from a variety of funding sources including State Government funding, Public Private Partnerships and contributions from the Federal Government. 2012-13 represented a record level of transport infrastructure expenditure for NSW.

Major expenditure in 2012-13 included:

- \$3.0 billion on Roads and Maritime including major upgrades on the Pacific Highway, continuing work on the Hunter Expressway and ancillary works and works on the Great Western Highway, Princes Highway, Hume Highway and Central Coast Highway
- \$2.7 billion for passenger rail including the South West Rail Link, the North West Rail Link, improving the capacity and reliability of the Northern Sydney Freight Corridor and the Transport Access Program
- \$117 million for new buses, including buses for State Transit and for private operators
- Other major investments including \$86.7 million on Electronic Ticketing and \$81.6 million for the Inner West extension of Sydney Light Rail.

	Location	Status	Announced Completion date	Announced Est tot cost \$000	Total Exp to 30/6/12	Exp in 2012-13 \$000
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Roads & Traffic Authority of NSW

Established Sydney Roads						
Alfords Point Road, Brushwood Drive to Georges River (Planning)	Alfords Point		n.a.	n.a.	1,040	592
Anzac Bridge Structural Upgrades	Pymont		2015	60,000	31,212	26,435
Epping Town Centre, Road and Intersection Upgrades	Epping		n.a.	-	-	63
Heathcote Road, Upgrade of Deadman's Creek Bridge (Planning)	Sandy Point		n.a.	n.a.	662	893
Mona Vale Road, McCarrs Creek Road to Powder Works Road (Planning)	Ingleside		n.a.	n.a.	1,560	845
Showground Road, Old Northern Road to Carrington Road (Planning)	Castle Hill		n.a.	n.a.	1,329	301
Windsor Bridge over Hawkesbury River Replacement	Windsor		n.a.	n.a.	5,341	7,145
Easing Sydney's Congestion						
Pinch Point Strategy	Various		2017	125,000	-	18,549
M2 Enhancements, Windsor Road to Lane Cove Road (State and Private Sector Funded)	Baulkham Hills - Macquarie Park		2013	550,000	16,036	-
M5 Widening, King Georges Road to Camden Valley Way (State and Private Sector Funded)	Beverly Hills - Prestons		2014	400,000	20,659	9,770
WestConnex Motorway Enabling Works (Port Botany and Sydney Airport)						
General Holmes Drive, Remove Rail Level Crossing (Planning, State and Federal Funded)	Mascot		n.a.	n.a.	2,237	121
Port Botany and Sydney Airport Transport Improvement Plan (State and Federal Funded)	Mascot, Botany		n.a.	n.a.	636	949
Western Sydney Growth Roads						
Bringelly Road, Camden Valley Way to King Street (Planning and Preconstruction)	Leppington		n.a.	n.a.	2,916	3,960
Camden Valley Way, Bringelly Road to Ingleburn Road, Widen to 4 Lanes (Planning and Preconstruction)	Leppington		2015	-	9,134	2,794

	Location	Status	Announced Completion date	Announced Est tot cost \$000	Total Exp to 30/6/12	Exp in 2012-13 \$000
Camden Valley Way, Ingleburn Road to Raby Road, Widen to 4 Lanes	Leppington, Catherine Field		2015	-	18,290	17,104
Camden Valley Way, Raby Road to Oran Park Drive (Cobbitty Road), Widen to 4 Lanes	Catherine Field		2015	-	11,791	6,270
Campbelltown Road, Camden Valley Way to Denham Court Road (Planning)	Ingleburn		n.a.	n.a.	1,658	1,291
Narellan Road, Camden Valley Way to F5 Freeway	Narellan, Campbelltown		n.a.	n.a.	905	2,542
Erskine Park Link Road, Old Wallgrove Road to Lenore Lane	Eastern Creek		2013	48,000	13,475	29,400
Old Wallgrove Road, M7 Motorway to Erskine Park Link Road (Planning)	Eastern Creek		n.a.	n.a.	1,729	3,705
Richmond Road, Bells Creek to Townson Road, Widen to 4 Lanes	Marsden Park, Colebee		2014	n.a.	1,678	9,243
Richmond Road, Townson Road to Grange Avenue, Widen to 4 Lanes (Planning)	Marsden Park		n.a.	-	2,135	2,206
Schofields Road, Windsor Road to Tallwong Road, Widen to 4 Lanes	Rouse Hill		2014	n.a.	13,526	24,526
Schofields Road, Railway Terrace to Veron Road	Schofields		n.a.	-	674	926
Schofields Road, Tallawong Road to Richmond Road (Planning and Preconstruction)	Schofields		n.a.	-	7,155	-140
Werrington Arterial Stage 1, M4 Motorway to Great Western Highway (Planning, State and Federal Funded)	Claremont, Meadows		n.a.	n.a.	491	1,242
Richmond Bridge Congestion Study (Planning, Federal Funded)	Richmond		n.a.	n.a.	1,147	1,173
The Northern Road, Camden Valley Way to Bringelly Road (Planning)	Oran Park		n.a.	n.a.	7,373	488
Central Coast Roads						
Central Coast Highway, Brisbane Water Drive, Manns Road Intersection Upgrade (Planning and Preconstruction)	West Gosford		n.a.	n.a.	61,672	12,734

	Location	Status	Announced Completion date	Announced Est tot cost \$000	Total Exp to 30/6/12	Exp in 2012-13 \$000
Central Coast Highway, Matcham Road to Ocean View Drive, Widen to 4 Lanes	Wamberal		2013	80,000	52,516	24,438
Pacific Highway, Narara to Lisarow Upgrade, Manns Road to Railway Crescent (Planning)	Narara - Lisarow		n.a.	n.a.	8,554	847
Pacific Highway, Lisarow to Ourimbah, Railway Crescent to Glen Road, Widen to 4 Lanes (Planning)	Lisarow		n.a.	n.a.	10,971	3,519
Pacific Highway, Wyong Road Intersection Upgrade (Planning)	Tuggerah		n.a.	n.a.	1,552	1,742
Pacific Highway, Wyong Town Centre Upgrade (Planning)	Wyong		n.a.	n.a.	2,807	992
F3 Freeway, Wyong Road to Doyalson Link Road, Widen to 6 Lanes (Planning)	Tuggerah -Wyee		n.a.	n.a.	751	2,901
Sparks Road, new intersection to support Warnervale Town Centre (planning)	Warnervale		n.a.	-	-	1,904
Terrigal Drive, Charles Kay Drive Intersection Upgrade (Planning)	Terrigal		n.a.	n.a.	1,197	1,664
Central Coast Highway, Carlton Road to Matcham Road, Widen to 4 Lanes	Erina Heights	Completed	2012	75,000	69,710	8,880
Central Coast Highway, Wisemans Ferry Road Intersection Upgrade	Kariong	Completed	2013	13,000	3,586	7,704
F3 Freeway, Wyong Road Interchange Upgrade	Tuggerah	Completed	2013	18,000	2,867	8,150
Great Western Highway & Bells Line of Road						
Woodford to Hazelbrook, Station Street to Ferguson Avenue, Widen to 4 Lanes (State and Federal Funded)	Woodford, Hazelbrook		2014	175,000	118,016	40,395
Bullaburra, Ridge Street to Genevieve Road, Widen to 4 Lanes	Bullaburra		2015	n.a.	11,398	7,808
Bullaburra to Wentworth Falls, Genevieve Road to Tableland Road, Widen to 4 Lanes	Bullaburra, Wentworth Falls		2014	85,000	26,493	20,634
Mount Victoria to Lithgow (State and Federal Funded)	Mount Victoria, Hartley		n.a.	n.a.	36,532	14,850
Kelso, Ashworth Drive to Stockland Drive, Widen to 4 Lanes (Planning)	Kelso		n.a.	n.a.	4,594	6,609

	Location	Status	Announced Completion date	Announced Est tot cost \$000	Total Exp to 30/6/12	Exp in 2012-13 \$000
Lawson, Ferguson Avenue to Ridge Street, Widen to 4 Lanes	Lawson	Completed	2012	220,000	203,933	13,756
Wentworth Falls East, Tableland Road to Station Street, Widen to 4 Lanes (State and Federal Funded)	Wentworth Falls	Completed	2012	115,000	109,187	7,852
Hunter Roads						
Cormorant Road, Industrial Drive to Stockton Bridge, Widen to 4 Lanes (Planning)	Kooragang Island		n.a.	n.a.	423	587
Hunter Expressway (F3 to Branxton) (State and Federal Funded)	Seahampton - Branxton		2013	1,700,000	848,678	532,572
Nelson Bay Road, Bobs Farm to Anna Bay, Stage 3	Anna Bay		2015	n.a.	3,526	3,010
New England Highway, Scone Rail Level Crossing Study (Planning, Federal Funded)	Scone		n.a.	n.a.	796	619
New England Highway Upgrade of roundabouts	Maitland		2015	n.a.	587	1,691
New England Highway, Replacement of Aberdeen Bridge over Hunter River (Federal Funded)	Aberdeen		2014	n.a.	3,784	12,257
Newcastle Inner Bypass, Shortland to Sandgate	Sandgate		2013	133,000	59,930	44,154
F3 Freeway to Raymond Terrace (Planning)	Hexham		n.a.	n.a.	12,211	1,424
Hunter Expressway Ancillary Works, Cameron Park Drive Intersection Upgrade	Cameron Park	Completed	2013	21,000	3,864	14,051
Hunter Expressway Ancillary Works, Wallsend to Broadmeadow	Wallsend - Broadmeadow		2013	40,000	11,464	17,615
Pacific Highway						
Herons Creek to Stills Road (State and Federal Funded)	Herons Creek		2013	60,000	24,791	21,301
Oxley Highway to Kempsey (Planning and Preconstruction, State and Federal Funded)	Port Macquarie - Kempsey		n.a.	n.a.	43,139	38,014
Frederick to Eungai, Dual Carriageways (State and Federal Funded)	Clybucca		2016	n.a.	16,955	73,442

	Location	Status	Announced Completion date	Announced Est tot cost \$000	Total Exp to 30/6/12	Exp in 2012-13 \$000
Warrell Creek to Urunga (Planning and Preconstruction, State and Federal Funded)	Nambucca Heads		n.a.	n.a.	61,617	13,445
Warrell Creek to Nambucca Heads, Dual Carriageway	Macksville		2016	n.a.	-	5,136
Nambucca Heads to Urunga, Dual Carriageways (State and Federal Funded)	Urunga		2016	n.a.	691	37,837
Coffs Harbour Bypass (Planning, State and Federal Funded)	Coffs Harbour		n.a.	n.a.	43,940	1,608
Coffs Harbour (Sapphire) to Woolgoolga, Dual Carriageways (State and Federal Funded)	Woolgoolga		2014	705,000	407,645	219,880
Woolgoolga to Ballina (Planning and Preconstruction, State and Federal Funded)	Grafton, Maclean		n.a.	n.a.	128,333	66,986
Devils Pulpit Upgrade, Dual Carriageways (State and Federal Funded)	Tabbimoble		2013	77,000	22,330	32,104
Tintenbar to Ewingsdale, Dual Carriageways (State and Federal Funded)	Bangalow		2014	862,000	170,619	158,019
Bulahdelah Upgrade, Dual Carriageways (State and Federal Funded)	Bulahdelah	Completed	2013	315,000	206,145	85,067
Failford Road to Tritton Road (Planning)	Failford		n.a.	n.a.	5,252	533
Kempsey Bypass, Dual Carriageways (Federal Funded)	Kempsey	Completed	2013	618,000	480,419	134,481
Gerringong Upgrade, Mount Pleasant to Toolijooa Road	Gerringong		2015	310,000	43,043	87,691
Foxground and Berry Bypasses (Planning and Preconstruction)	Berry		n.a.	n.a.	45,097	18,334
Berry to Bomaderry Upgrade (Planning)	Berry - Bomaderry		n.a.	n.a.	1,592	4,506
South Nowra Duplication, Kingham Street to Forest Road	Nowra		2014	62,000	16,160	27,193
Termeil Creek Realignment (Planning)	Termeil		n.a.	n.a.	916	389
Dignams Creek Realignment (Planning)	Dignams Creek		n.a.	n.a.	3,926	1,466
Bega Bypass (Federal Funded)	Bega		2014	60,000	9,522	28,745
Victoria Creek Realignment	Central Tilba	Completed	2013	40,000	18,175	12,121

	Location	Status	Announced Completion date	Announced Est tot cost \$000	Total Exp to 30/6/12	Exp in 2012-13 \$000
Regional NSW Major Road Upgrades						
Barton Highway, Safety Improvements (Federal Funded)	Murrumbateman		2014	n.a.	1,205	51
Holbrook Bypass, Dual Carriageways (State and Federal Funded)	Holbrook		2013	247,000	107,092	96,494
Newell Highway Overtaking Lanes	Various		2014	n.a.	629	3,100
New England Highway, Bolivia Hill Upgrade (Planning, Federal Funded)	Bolivia		n.a.	n.a.	364	1,060
New England Highway, Tenterfield Bypass (Planning, Federal Funded)	Tenterfield		n.a.	n.a.	139	835
Summerland Way, Additional Crossing of the Clarence River at Grafton (Planning)	Grafton		n.a.	n.a.	10,755	3,118
Picton Road Safety Treatments	Wilton - Mount Keira		2013	43,600	10,470	18,525
Bridges for the Bush						
Olympic Highway, Replacement of Kapooka Bridge and Approaches (Planning)	Kapooka		n.a.	n.a.	3	2,293
Oxley Highway, Replacement of Gunnedah Bridge over Railway (planning)	Gunnedah		n.a.	n.a.	16	799
Snowy Mountains Highway, widen Bemboka River Bridge at Morans Crossing	Bemboka		n.a.	n.a.	189	468
Kamilaroi Highway, Replacement of Tulludunna Bridge over Namoi River (Planning)	Wee Waa		n.a.	n.a.	277	396
Cobb Highway, Second Bridge over Murray River (Planning, NSW Contribution)	Moama - Echuca		n.a.	n.a.	-	-
Kamilaroi Highway, Replacement of Beemery Bridge over Bogan River	Beemery		2013	7,300	4,162	3,612
Paterson Road, Upgrade of Dunmore Bridge over Paterson River	Woodville		2013	14,500	10,209	7,121

	Location	Status	Announced Completion date	Announced Est tot cost \$000	Total Exp to 30/6/12	Exp in 2012-13 \$000
Other Major Programs						
Shared use pathway bridge Over Nepean River adjacent to Victoria Bridge	Penrith		n.a.	n.a.	640	611
Waterfall Way, Replacement of Burdett Park Creek Culvert	Fernmount		2013	n.a.	1,523	3,486
Thornton Railway Bridge	Thornton	Completed	2012	20,000	16,431	969
Transport Access Program - Commuter Wharf Upgrade	Various		2015	97,200	49,400	16,167
Capital Maintenance						
Burns Bay Road, Upgrade of Tarban Creek Bridge	Hunters Hill		2013	n.a.	4,187	1,620
Limeburners Creek Road, Upgrade of Clarence Town Bridge over Williams River (Planning)	Clarence Town		n.a.	n.a.	4,150	233
Timber Bridge Strengthening and Replacement Program	Various		n.a.	n.a.	41,686	13,889
Lawrence Hargrave Drive, Northern Amphitheatre, Slip Stabilisation	Coalcliff		n.a.	n.a.	3,522	2,522
Minor Works						607,441
Other Minor Works						177,208
						3,018,066

TfNSW

140 Replacement Buses for State Transit Authority	Various		2013	68,224		74,453
60 Replacement Buses for Private Operators	Various		2013	27,254		16,411
69 Growth Buses	Various		2013	31,740		26,107
Business System Improvements	Sydney		2016	151,300		9,586
Country Rail Bridge Renewals	Various		2013	3,193		5,373
Country Rail Rerailing	Various		2013	15,405		10,671
Country Rail Steel Resleepering	Various		2013	43,350		51,960
Bus Depots	Various		2013	-	700	193
Light Rail - Inner West Extension	Various		2014	-	53,499	81,595
Light Rail Development	Various		-	-	11,171	21,436
Minor works Preplanning Provision Crn	Various					2,309
Minor Works Computer Equipment						29,731

	Location	Status	Announced Completion date	Announced Est tot cost \$000	Total Exp to 30/6/12	Exp in 2012-13 \$000
Electronic Ticketing System - Delivery Phase	Various		2015	-	167,127	86,698
Minor Works						328
						416,851

Sydney Ferries

Circular Quay and Manly Hydraulic Ramp Replacement	Sydney		2013	5,195	600	4,448
Ferry Operations and Customer Information System	Various		2013	14,841	12,591	1,570
Upgrade of CCTV Wharf Infrastructure	Various		2016	1,158	734	-
Minor works						5,589
						11,607

State Transit Authority

Business and Asset Management Systems Upgrade	Various		2013	658		73
Depot Facilities and Heritage Upgrade	Waverley	Completed	2014	2,350		1,807
Depot Infrastructure Upgrade	North Sydney		2013	1,600		218
Depot Infrastructure Upgrade	Leichhardt		2013	1,400		1,187
Security Systems on Buses	Various		2013	1,548		1,393
Depot Facilities Upgrade	Various		2015	9,500	1,592	2,124
Northern Region Capacity Upgrade	Brookvale		2013	750	255	4
Safety Systems on Buses	Various	Completed	2013	1,275	50	1,225
Minor works						1,410
						9,441

	Location	Status	Announced Completion date	Announced Est tot cost \$000	Total Exp to 30/6/12	Exp in 2012-13 \$000
Rail Corporation NSW						
Asset Maintenance Works						207,243
Assets and Facilities Safety and Security	Various		2017	-	93,162	7,917
Automatic Train Protection	Various		2020	-	56,556	31,149
Business Support Systems	Various		2017	-	166,966	25,811
Clearways	Various		2014	2,019,505	1,807,387	125,507
Digital Train Radio	Various		2016	-	98,112	40,448
Hurstville Station Upgrade	Hurstville		2014	34,900	22,681	320
Internal Emergency Door Release	Various		2015	51,730	13,183	4,765
Level Crossing Upgrades	Various		2017	-	18,638	1,432
Lidcombe to Granville - Corridor Upgrade	Various		2019	-	68,577	58,894
Mechanised Track Patrol	Various		2016	38,810	13,385	11,405
Network Communications Systems	Various		2017	-	53,228	13,111
North West Rail Link	Various		2019	-	92,900	352,108
Northern Sydney Freight Corridor	Various		2017	-	47,742	116,331
Outer Suburban Cars -Tranche 3	Various		2013	473,800	431,106	23,972
Passenger Information	Various		2017	-	72,618	2,854
Plant and Equipment Acquisitions	Various		2017	-	88,854	3,674
Power Supply	Various		2017	-	345,680	85,616
Rollingstock Upgrades	Various		2017	-	56,961	4,631
Signalling Improvements	Various		2017	-	18,943	51
South West Rail Link	Various		2017	2,122,255	697,598	536,450
Southern Sydney Freight Line - ARTC Interface	Various		2013	74,635	60,275	13,098
Stabling Upgrades Preliminary Works	Various		2017	-	15,760	-952
Transport Access Program	Various		-	-	65,914	78,808
Waratah Rollingstock - Enabling and Ancillary Works	Various		2014	-	527,017	49,250
Wynyard Walk	Sydney		2015	-	28,363	49,716
Epping Chatswood Rail Line - Finalisation (Minor works)						5,686
RailCorp Minor Works Other (Minor works)						42,080
Public Private Partnerships Leased Rollingstock - Waratahs						833,036
						2,724,411

Appendix 7: Response to matters raised by Auditor General

The Auditor General in the Statutory Audit Reports for the year ended 30 June 2013 has raised no matters of significance.

Appendix 8: After balance date events

Sydney Trains and NSW Trains

Commencing on 1 July 2013, Sydney Trains and NSW Trains will replace Rail Corporation of New South Wales operating train services in New South Wales.

The new entities will be controlled entities of the Department of Transport for the purposes of financial reporting and as such will form part of the consolidated financial statements for the Transport cluster for 2013-14.

Transport Senior Service

The NSW Government recently announced executive reforms that will consolidate the Senior Executive Service, Senior Officers and other executives into a single group.

In the Transport cluster there will be a transition to the new executive structure over the next three years.

To accommodate this transition, from 1 July 2013 all senior executive staff working in Transport for NSW, Roads and Maritime Services, the

State Transit Authority, Sydney Trains and NSW Trains will form part of the Transport Senior Service, and will be employed by the Transport Service.

The budgets for the salary and related costs of Transport Senior Service staff working in each agency will remain with the agency; with those staff assigned to that agency and the salary and related costs recovered by the Transport Service from the relevant Transport cluster entities commencing in July 2013.

Appendix 9: Exemptions from the Financial Reporting Code

In 2012-13, the Treasurer under section 45E of the Public Finance & Audit Act 1983 approved exemptions from fully complying with the Financial Reporting Code. The exemptions included:

- TfNSW is not required to prepare consolidated financial statements on the basis that its controlled

entities are included in the Department of Transport's consolidated financial statement.

- Department of Transport is not required to include the Budget column in the consolidated financial statements.

However, it must include a note in the consolidated financial statement to disclose the budget and aggregated actual expenditure and revenue of the Department and TfNSW, and discuss variances in the budget review note.

Appendix 10: Major assets

TfNSW's physical assets consist of country rail infrastructure, land and buildings, office leasehold fit-outs, computer equipment and systems and office furniture. TfNSW leases its motor vehicles and office space.

In addition, TfNSW also reports in its financial statements the NSW Government's emerging interest in the Ultimo / Pyrmont Light Rail, the work-in-progress on the extension of the existing Light Rail system, property acquisitions for transport corridors and the funding of new

buses under the Sydney Metropolitan Service Contracts, and Metropolitan and Outer Metropolitan Bus System Contracts.

These new bus assets are brought to account as deemed finance leased assets.

Appendix 11: Land disposals

Transport for NSW acquires and holds properties for the purpose of constructing major transport projects in accordance with its functions under the *Transport Administration Act*.

On completion of the projects and subject to the lands not being required for operational purposes, the assets are either transferred to other government agencies for approved functions or divested in accordance with Government Guidelines.

For the financial year ended 30 June 2013, a number of properties were divested in three separate transactions:

- 27-31 Waterloo Road, Macquarie Park, following a public tender, to a private company at a price of \$1.9 million
- 426 – 430 Victoria Avenue, Chatswood, following a public tender, to a private company at a price of \$15.8 million, and
- M2 Parcel 5, Wicks Road, Macquarie Park, and 1-25 Delhi Rd, North Ryde, having been transferred to Landcom (Urban Growth) at a market valuation of \$45 million as a declared Urban Activation Precinct for development in accordance with Government policy.

Proceeds have either been returned to Treasury or are being used to fund other transport projects.

No properties were sold to people with a family or business connection to the person responsible for approving the disposal. All documents relating to the disposal of properties are available under the *Government Information (Public Access) Act 2009*.

Appendix 12: 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 2012:

- Transport for NSW
- Transport Service
- Rail Corporation
- Sydney Trains (from 7 December 2012)
- NSW Trains (from 7 December 2012)
- Roads and Maritime Services and its Divisions
- State Transit Authority and its Division
- Sydney Ferries
- Sydney Metro
- MTS Holding Company Pty Limited (from 12 March 2012)*
- Metro Transport Sydney Pty Limited (from 23 March 2012)*
- Sydney Light Rail Co Pty Limited (from 23 March 2012)*
- Metro Transport Security Co Pty Limited (from 23 March 2012)*
- Pyrmont Light Rail Co Limited (from 23 March 2012)*
- SLR Corporate Development Pty Limited (from 23 March 2012)*
- Light Rail Construction Co Pty Limited (from 23 March 2012)*.

Sydney Metro ceased operations on 30 June 2013.

Each of the entities provides transport services and while the consolidated financial statements provide the financial results of the group. Each entity will also prepare separate financial statements as at 30 June 2013, except these companies in the MTS Group (*) which were all deregistered on 17 July 2012.

Appendix 13: Disclosure of subsidiaries

MTS Holding Company Pty Ltd, a proprietary limited liability company, is a wholly owned subsidiary of Transport for NSW.

TfNSW incorporated MTS Holding Company Pty Ltd on 12 March 2012, with the company subsequently

acquiring all the shares of the Metro Transport Sydney Pty Ltd group. All the companies in the MTS Group were deregistered on 17 July 2013.

Appendix 14: Internal audit and risk management disclosure



Internal Audit and Risk Management Disclosure for the 2012 – 2013 Financial Year

- Department of Transport
- Transport for NSW
- Transport Service of NSW
- MTS Holding Company Pty Limited
- Sydney Metro
- Sydney Ferries

I, Les Wielinga, am of the opinion that the entities listed above have internal audit and risk management processes in operation 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.

These processes provide a level of assurance that enables the senior management of the entities listed above to understand, manage and satisfactorily control risk exposures.

I am of the opinion that the Audit and Risk Committees for the entities listed above are constituted and operate 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 2012	26 November 2016
Ms Gerry Brus	19 November 2011	18 November 2015
Mr Tim Reardon	22 November 2011	21 November 2014

NSW Treasury issued Guidance on Shared Arrangements and Subcommittees for Audit and Risk Committees (TPP 12-04). I am aware of the implications of this guidance in relation to the above entities and arrangements are being developed to manage this transition.


Les Wielinga
Director General
08.08.13

Appendix 15: Risk management and insurance

Risk management

The Transport for NSW approach to risk management is embodied in a framework that complies with the NSW Treasury Audit and Risk Management Policy (TPP 09-05) and conforms to the Australian and New Zealand International Standard for Risk Management (AS/NZS ISO 31000).

The TfNSW Risk Management Framework assists it to identify, assess, manage and report risks and opportunities and sets limits to manage exposure to risks. It is reviewed annually. TfNSW continues to improve both its capacity and capability to manage risk. It is focused on the following supporting elements:

- Policy and processes
- Strategy and plans
- People and culture
- Information technology, and
- Performance measurement.

The Risk Management Policy and supporting Standard and Procedures commits TfNSW to managing risk as a strategic business objective. The policy recognises that effective management of risk increases the likelihood of success, and reduces the probability of failure and the uncertainty of achieving TfNSW's overall objectives.

Risk management processes and outcomes are key inputs to the running of TfNSW's business and are integrated within business strategy, planning and budgeting processes. Business Units include material risks within their Business Plans and report to the Executive quarterly on the management of these risks.

TfNSW has allocated appropriate resources to training and enhancing the awareness and competence of key stakeholders in order to continually improve its capability to manage risks and opportunities. The risk management process also enables continuous feedback at all stages and promotes a transparent and learning environment for managing risks and opportunities.

An online Risk Management Information System is being introduced to assist with embedding a risk management culture within the business. This software will be used to facilitate the management of risks at all levels within the agency and to manage enterprise and operational risk registers and reporting.

Executive committees meet quarterly to monitor and review identified and emerging risks and opportunities, as well as the associated management strategies and plans. The committees also provide strategic leadership and program assurance by identifying, monitoring, and reviewing opportunities to continually improve TfNSW's risk management performance.

Insurance

TfNSW is insured under NSW's Treasury Managed Fund (TMF). TfNSW's policy is based on TMF's Statement of Cover. TMF is a self-insurance scheme provided by SICorp, a branch within the NSW Department of Finance & Services to cover all the insurable risks of the participating government agencies. The TMF provides the following areas of cover for TfNSW:

- Workers Compensation
- Liability (Public Liability, Professional Indemnity, Directors & Officers Liability and Product Liability)

- Property
- Comprehensive Motor Vehicle and
- Miscellaneous Risks

The NSW Treasury now requires all NSW Government agencies, other than State Owned Corporations, to place Principal Arranged Insurance (PAI) through SICorp for all government capital works projects estimated to cost \$10 million or more. Contractor arranged insurances (CAI) are required for any contract not covered by PAI. CAI is taken out by the contractor to protect themselves against potential risks and liabilities that could arise as a result of services provided under the contract. A certificate of currency must be provided by contractors engaged by TfNSW.

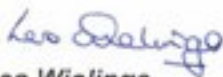
TfNSW also purchased commercial insurance policies for NSW Heritage Railways and Country Rail Network (CRN). CRN was previously managed by Country Rail Infrastructure Authority until its functions were absorbed into TfNSW on 1 July 2012.

Previous combined commercial insurance arrangements continued between CRN, Sydney Trains and NSW Trains. The insurance provided includes Industrial Special Risks and Comprehensive Liability Insurance. Broadform Liability Insurance is provided for Heritage Railways.

TfNSW owns MTS Holding Company Pty Limited. MTS owns and operates the light rail network in Sydney. MTS obtains its own commercial insurance to cover Workers compensation, Directors and Officers liability, Compulsory Third Party, Industrial Special Risks, Combined Liability, Excess Liability, Marine Property in Transit and Motor Vehicles.

Appendix 16: Certification of credit card usage for the year ended 30 June 2013

I certify that Credit Card usage in the Department of Transport and Transport for NSW during the year ended 30 June 2013 was in accordance with the Premier's Memoranda and Treasurer's Directions.


Les Wielinga
Director General
06.06.13.

Appendix 17: Human Resources

Significant reform occurred across the Transport cluster to increase performance and value for money.

This included implementing Transport for NSW's cluster Human Resources (HR) structure as well as those for Finance, Legal and Governance, and Information Communications Technology. Work continued to establish a Transport Shared Services (TSS) division to provide streamlined services across the cluster for services such as payroll, recruitment and procurement.

An HR structure implemented on 1 November 2012 provides coordinated strategic, operational and transactional services across the Transport cluster. An HR Advisory Service was established in April to provide day-to-day people and policy advice across the cluster.

A TfNSW Organisational Development branch set up this year brought together previously disparate resources located in several agencies to deliver a more effective and efficient service across the Transport cluster. There are four key areas: Capability Services, Learning Services, Change & Leadership Services and Service Quality & Assurance.

In a collaborative effort across the cluster to support the reform agenda, new organisational structures have been built and are providing advice to managers and businesses on effective people and change management.

TfNSW implemented a program to achieve the Public Service Commission Executive Structure Reform agenda. This builds on work completed to establish new legislation for Transport Senior Services and the ongoing implementation of Senior Service performance reviews.

Interfaces across the Transport cluster as well as across the NSW Government are critical to success.

To support the HR teams, partnership principles have been drafted for review. A series of regular meetings and governance committees have been established to ensure conversations and decision making are in the interests of the whole Transport cluster.

Support the development of a capable, cohesive and safe workforce

In May, the Transport cluster HR Strategy was launched. It provides the strategic people approach to address workforce challenges over the next five years. It will directly contribute to developing future transport businesses.

A revised set of Transport values was launched. Implementation activities included Living our Values leadership talks and team-based values workshops. Values fact sheets and a revised intranet page contributed, along with an inaugural recognition award program based on these values.

An interim workforce plan is being developed across the Transport cluster to support a consistent, comprehensive approach to workforce planning.

TfNSW is committed to zero tolerance of bullying and harassment to build a safe and positive work environment. A program to achieve this has been implemented across the cluster. It includes a mandatory e-learning program, as well as face to face manager training.

Performance development and review is regarded as critical for the Transport cluster. All Transport

Senior Service staff participate in goal setting and reviews. Work has begun to similarly involve all Transport Award staff. A cluster wide Critical Conversations program was introduced. Its aim is to provide managers with the skills to plan and undertake critical conversations within their teams which contribute to overall performance.

Succession planning and workforce talent management are other focus areas. Pilot sites are currently trialling the tools and templates that will assist in identifying potential leaders and successors for critical roles to ensure continuous operation of high quality transport services to the people of NSW.

The team worked to transition to an approved structure, ensuring readiness to assume responsibility for cluster-wide organisation development functions from 1 July 2013.

TfNSW was recognised as a Registered Training Organisation. Uninterrupted delivery of mission critical training (including supporting the establishment of Sydney Trains and NSW Trains) was successfully achieved.

Scholars, Cadets and Graduates

In December 2012, administration of all Scholar, Cadet and Graduate Programs across the Transport cluster was centralised in TfNSW. A unified program will recruit all future scholars, cadets and graduates for the cluster.

The uniform approach has immediately increased available development opportunities. It also ensures that TfNSW's values and objectives, particularly supporting a more integrated and customer-focussed transport system, are part of its future workforce.

During the year program participants were placed in a range of development rotations encompassing TfNSW, RMS and RailCorp. Professional development was available from graduate mentoring and regular graduate forums.

At 30 June 2013 there were 449 participants in Transport cluster Scholar, Cadet and Graduate Programs.

Industrial relations

Industrial relations support was provided for the transfer of functions into TfNSW. Support was given by TfNSW to agencies to develop and implement industrial relations strategies for reform projects and the negotiation of awards and agreements.

A variation to the TfNSW Award to cover Transport Shared Services was negotiated and prepared for approval by the Industrial Relations Commission.

Policy and procedures

An HR policy framework that aligns with TfNSW's corporate values and HR strategy was implemented. A Transport Code of Conduct is being developed. It will outline the standards of behaviour expected across all agencies.

A Corporate Services Review implemented this year is creating an efficient, effective and service-oriented Transport-wide policy framework. A key strategy for obtaining that efficiency has been standardising roles where possible. Also central is focussing on improving capability in human resources, information and communications technology, legal and finance.

Workforce

The TfNSW headcount increased to 1820 in June 13 2013, a full time equivalent (FTE) of 1708.5.

Functions from other transport agencies such as the Transport Management Centre, and the

Corporate Shared Services Reform activities contributed to this increase.

Note: Headcount and FTE includes Department of Transport.

Transport for NSW (excludes cadets)			
Gender			
Annual Salary	Female	Male	Total Count
< \$50,000	4	5	9
\$50,001 - \$75,000	129	69	198
\$75,001 - \$100,000	257	231	488
\$100,001 - \$125,000	163	202	365
\$125,001 - \$150,000	65	144	209
\$150,001 >	118	297	415
TOTAL	736	948	1684

Department of Transport (excludes casuals)			
Gender			
Annual Salary	Female	Male	Total Count
Unknown	2	6	8
< \$50,000	2	1	3
\$50,001 - \$75,000	20	8	28
\$75,001 - \$100,000	17	33	50
\$100,001 - \$125,000	9	11	20
\$125,001 - \$150,000	10	12	22
\$150,001 >	1	4	5
TOTAL	61	75	136

Numbers of Executive Positions at each Level for 2012-13, compared with 2011-12:

Department of Transport		
SES Level	2011-12	2012-13
1	0	0
2	0	0
3	1	0
4	0	0
5	0	0
6	0	0
7	0	0
8	1	1
Female Executive Officers	1	0

Transport for NSW						
Financial Year 2011-12				Financial Year 2012-13		
Transport Senior Service Level	Female	Male	Total	Female	Male	Total
Transport Senior Service Level 1	24	110	134	92	203	295
Transport Senior Service Level 2	4	17	21	19	40	59
Transport Senior Service Level 3	9	26	35	23	58	81
Transport Senior Service Level 4	3	15	18	4	22	26
Transport Senior Service Level 5	2	6	8	3	5	8
Transport Senior Service Level 6	3	6	9	3	7	10
Grand Total	45	180	225	144	335	479

Payroll services

In line with Government policy, a Transport Shared Services framework was developed to provide payroll services. It now provides standardised transaction processing and value adding services. The establishment of Transport Shared Services is to be completed by December 2013.

Development opportunities

Development opportunities continued to be made available to foster a more skilled and capable workforce.

Programs included:-

- *Critical Conversations* programs to help managers develop individual performance management capability
- *Living our Values* leadership presentations and facilitated team workshops to emphasise organisational values and translating them into positive behaviours in the workplace

- Tertiary sector programs, conferences and leadership development programs
- Development to support enhanced mentoring of new staff, and
- Awareness training for managers to prevent workplace bullying and harassment.

An interim learning management program has also enabled efficient distribution of e-learning programs. They address workplace safety and the prevention of bullying and harassment.

Financial assistance and study time

Support to staff for relevant independent studies continues to be given.

Recruitment

More than 1300 positions were recruited for TfNSW by:

Recruited by	No
Direct Appointment	247
Expression of Interest	77
Advertised	1013
Total	1337

SES Administration

The position of Chief Executive of the Department of Transport exists as a position within the Chief Executive Service/Senior Executive Service.

During the year the Statutory and Other Offices Remuneration Tribunal handed down a determination for a general increase of 2.5 per cent to the total remuneration packages for CES and SES officers to apply from 1 October 2012, subject to performance.

The Director General received an increase in accord with the administration provisions of the Tribunal's determination following a performance review with the Minister for Transport.

Transport Senior Service Administration

The Statutory and Other Offices Remuneration Tribunal, along with the NSW Government Wages Policy, permitted the Director General to apply the 2.5% general increase where warranted following a performance assessment.

Communication and consultation

TfNSW's consultative mechanisms are set out in the *Transport Service of New South Wales Salaries and Conditions of Employment Award 2011*, which accord with the *Consultative Arrangements: Policy and Guidelines* issued by the Department of Premier and Cabinet. Under those arrangements, TfNSW senior management and nominees of the Union parties to the award – the Public Service Association, the Rail, Tram and Bus Union, the Australian Services Union and the Association of Professional Engineers, Scientists and Managers Australia – meet to consult on matters which have organisation-wide impact or implications. Employees and their Union representatives are also consulted when change is proposed that will have an impact upon the employees' working arrangements.

In light of the ongoing transition of major functions from other transport agencies into TfNSW – including the Transport Projects Division and Transport Shared Services – these consultative arrangements have ensured that employees and Unions have been informed about proposed changes, while avoiding industrial action. They have also been given the opportunity to provide feedback and raise concerns and to have these addressed.

Movement in salaries, wages and allowances

Staff employed under the provisions of the Transport Service of New South Wales Salaries and Conditions of Employment Award 2011, received annual 2.5 per cent increases in remuneration effective from 1 July 2012 and 1 July 2013.

Industrial Relations Commission

One industrial dispute was notified to the Industrial Relations Commission of NSW by TfNSW. The dispute did not involve any bans, limitations or stoppage of work. Industrial action – one stop work meeting – was taken as part of sector-wide action.

Appendix 18: Equal Employment Opportunity (EEO)

Transport for New South Wales during the year assumed responsibility for developing a Transport cluster-wide approach to fostering diversity and inclusion.

The initial efforts have concentrated on working with TfNSW divisions and operating agencies. This is to achieve compliance with equal opportunity requirements for women, Aboriginal people and Torres Strait Islanders, people with a disability and people from culturally and linguistically diverse backgrounds.

Achievements in 2012-2013 included:

- Establishing specific diversity and inclusion targets for the next planned Transport cluster Scholar, Cadet and Graduate recruitment programs
- Appointing five Aboriginal employees and five trainees with a disability to cadetship positions in the TfNSW's Talent Pipeline Program
- Funding was received from the Elsa Dixon Aboriginal Employment Program to help create two Aboriginal Project Officer positions in the Centre for Road Safety
- Appointing two employees with a disability in entry level positions in a pilot structured employment program, and
- Providing long term employment in the Transport cluster to two temporarily employed Paralympians.

TfNSW and transport operating agencies participated in community events such as NAIDOC, Mardi Gras and International Women's Day to better engage with employees and the community.

Work also began with the transport operating agencies to develop a new, comprehensive Diversity and Inclusion Framework and Plan. This would be based on global best practice and builds on current legal and policy requirements.

Priorities in 2013-2014

In addition to ensuring that diversity and inclusion are fundamental principles across the Transport cluster, priorities in 2013-2014 are:

- Implementing a communication strategy to inform the Transport cluster of the benefits of diversity and inclusion
- Building leadership capability by implementing organisational development initiatives to address unconscious bias and stereotyping. These would include the skill of leading diverse teams with an inclusive mindset
- Developing and implementing strategies to increase the representation of women in senior and non-traditional positions across the cluster
- Developing focused and timely diversity and inclusion metrics. This would enable senior managers to set and be accountable for diversity and inclusion outcomes for their areas
- Further integrating diversity and inclusion principles and targets into talent pipeline programs, and
- Increasing organisational capability through initiatives such as Employee Committees.

Workforce profile – Transport for NSW

1. Trends in the representation of EEO Groups

EEO Group	Benchmark/Target	2011	2012	2013
Women	50%	N/A	42.7%	43.9%
Aboriginal people and Torres Strait Islanders	2.6%	N/A	0.3%	0.5%
People whose first language spoken as a child was not English	19.0%	N/A	23.3%	22.4%
People with a disability	N/A	N/A	4.8%	2.6%
People with a disability requiring work-related adjustment	1.5%	N/A	0.0%	0.4%

2. Trends in the distribution of EEO Groups

EEO Group	Benchmark/Target	2011	2012	2013
Women	100	N/A	86	90
Aboriginal people and Torres Strait Islanders	100	N/A	N/A	N/A
People whose first language spoken as a child was not English	100	N/A	98	97
People with a disability	100	N/A	99	96
People with a disability requiring work-related adjustment	100	N/A	N/A	N/A

Note 1: A Distribution Index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels.

Note 2: The Distribution Index is not calculated where EEO group or non-EEO group numbers are less than 20.

Workforce Profile – Ministry of Transport

1. Trends in the representation of EEO Groups

EEO Group	Benchmark/Target	2011	2012	2013
Women	50%	53.0%	46.2%	46.2%
Aboriginal people and Torres Strait Islanders	2.6%	0.9%	0.0%	0.0%
People whose first language spoken as a child was not English	19.0%	20.4%	23.9%	32.0%
People with a disability	N/A	4.9%	5.0%	6.4%
People with a disability requiring work-related adjustment	1.5%	1.4%	1.6%	2.5%

2. Trends in the distribution of EEO Groups

EEO Group	Benchmark/Target	2011	2012	2013
Women	100	86	89	93
Aboriginal people and Torres Strait Islanders	100	N/A	N/A	N/A
People whose first language spoken as a child was not English	100	97	90	88
People with a disability	100	92	N/A	N/A
People with a disability requiring work-related adjustment	100	N/A	N/A	N/A

Note 1: A Distribution Index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels.

Note 2: The Distribution Index is not calculated where EEO group or non-EEO group numbers are less than 20.

Appendix 19: Work Health and Safety

Transport for NSW established a corporate Safety and Quality branch that is accountable for coordinating all TfNSW safety activities, including work health and safety (WHS).

The TfNSW Safety Management System

TfNSW's Safety Management System manages health and safety to achieve safety objectives. A review of the system was done to ensure compliance with relevant legislation and organisational standards. This was critical to ensure that processes took into account the full scope of TfNSW's operations. The review produced the developing of new documents that provide a systematic approach to managing TfNSW's WHS.

To assist these changes, a consultation and communication standard, procedures, and tools and forms were developed and implemented.

Training

All staff were required to complete two WHS-related training courses. They were:

- Bullying and harassment, and
- WHS induction.

In addition, mandatory Officer Due Diligence Training was provided for TfNSW's Executive and senior management. It reinforced the executives' understanding of the obligations placed upon officers by WHS legislation. It provided examples of how individuals could demonstrate due diligence.

Programs

TfNSW conducted a safety and culture survey to better understand its workers' current perceptions of safety within the business.

It highlighted opportunities, including improving access to and clarity of safety information in the workplace. It demonstrated the need to formalise consultation in many locations.

The survey results will be used in planning. Future surveys will measure the effects of implemented initiatives and identify future areas of focus.

An item identified in the survey was the large number of employees who spent most of their time in an office. As a result, ergonomic assessments have been offered to staff. Regular office and workplace inspections are made, life-expired equipment removed and workplace ergonomics improved. As a result, office-based risks have been reduced.

Health and Wellbeing programs were initiated, with influenza vaccinations offered, a pedometer challenge and invitations to take part in the City2Surf run.

Governance

TfNSW's Executive Health and Safety Committee provides the TfNSW Executive with valuable information about the health and safety performance of the organisation.

The Committee is the peak TfNSW safety decision-making body, providing safety assurance information that allows quality, risk-based decisions by the Executive.

Work Health and Safety	2012-13
No. of reported work-related injuries	28
Total days lost due to workplace-related injuries or illness	8
No. of workers compensation claims	8
No. of prosecutions reported	0
Loss Time Injury Frequency Rate	0.41
Prosecutions under the Act	0
No. of workplace safety inspections	25
Percentage of planned Work Health and Safety consultation meetings held	100%

Appendix 20: Disability Plan

Outcome areas	Targets	Actual Performance
Building an accessible transport network	Physical barriers that prevent customers from accessing public transport are removed	The NSW Government has invested \$772 million over four years in the Transport Access Program to build key facilities and undertake much needed upgrade works at stations and interchanges. At as December 2012, 42.7 per cent of stations; 37 per cent of wharves; 1,638 (75 per cent of fleet) of State Transit buses; 1,139 (70 per cent of fleet) of private buses in the Sydney Metropolitan region and 467 (52 per cent of fleet) in Outer Metropolitan areas were wheelchair accessible.
Reducing transport disadvantage	Transport disadvantaged customers with disability who are unable to use public transport are provided affordable travel and services	Research has been conducted to evaluate the various incentives and subsidies which support the provision of wheelchair accessible taxis to identify how service to customers can be improved. An additional \$12 million in NSW Government funding has been allocated to deliver essential community transport services. Transport for NSW is implementing a new Community Transport Driver Safety Framework for all community transport drivers in NSW. Focused on safety, it applies consistent standards for drivers, including criminal history checks, driving records, and health assessments. They are equivalent to those for bus and taxi drivers. The framework will be part of funding contracts with all NSW community transport providers.
Improving the journey experience of people with disability	Customers can access information throughout their journey and receive a high standard of service, including boarding assistance	A trial of a 'Radio School' on the Illawarra line was completed. Its purpose was to provide clearer announcements, particularly to assist people with disabilities. Standards and guidelines for audio and visual passenger information announcements have been developed and are being implemented on Sydney Trains and NSW Trains services. A new Wayfinding design approach is being developed for introduction commencing from the last quarter of 2013.

Outcome areas	Targets	Actual Performance
Enhancing customer insight and engagement of people with disability or limited mobility	Decisions are informed by what customers with disability want	TfNSW commissioned research to identify Wheelchair Accessible Taxi customer service requirements and the extent to which those requirements are being met. People with disability and older people were included in all mainstream customer value proposition research and customer satisfaction surveys. This research shows that older customers and those with disability are slightly less satisfied with transport services than other customers.
Supporting accessibility through partnerships	Customers receive the maximum benefit from transport access improvements by encouraging non-transport partners to deliver complementary accessible services	Precinct streetscape works are included in all major station and interchange upgrades. New transport information apps for people with disability are being developed in partnership with third party software developers. TfNSW participated in a NSW Government forum to promote accessible sporting and community events.
Increasing employment opportunities for people with disability in Transport for NSW agencies	Transport for NSW is an employer of choice for people with disability	TfNSW has become a gold member of the Australian Disability Network to build its capacity to recruit and retain high quality employees with disability. Specialised strategies have been established to boost TfNSW's employment of people with disability who require work-place adjustment above the NSW Government target of 1.5 per cent of the workforce. These include a graduate program and administrative staff pool of people with disability.

Appendix 21: Multicultural Policies & Services Plan

Transport for NSW delivered its first Multicultural Policies and Services Plan to the Community Relations Commission.

After its establishment in 2011-12, TfNSW discussed with the Commission how it would develop for the Transport cluster the first multicultural plan since the inception of the Multicultural Policies and Services program in 2009.

Under the *Community Relations Commission and Principles of Multiculturalism Act 2000*, TfNSW is required to deliver and report against current multicultural policies and services which address the CRC's *Multicultural Planning Framework*.

The TfNSW Plan outlines how it will respond to the NSW Government's multicultural objectives, and incorporate multicultural principles into TfNSW processes and systems.

The Plan was developed in consultation with a Transport cluster-wide steering committee. The Commission attended the steering committee's inaugural meeting, and has been kept informed of further meetings and outcomes.

The steering committee meets quarterly, monitoring implementation of the Plan and resulting actions. It also leads continuing development of the strategy for prioritising actions across the Transport cluster.

TfNSW identified five key objectives of the Plan that will enable its multicultural commitments to be met:

- Able to confidently use transport services: realised through taking actions to target Culturally and

Linguistically Diverse (CALD) communications and programs aimed at improving understanding of how to use transport systems

- Able to equitably access transport services and information: realised through taking actions to ensure fair and accessible transport communications, services and programs that respond to the needs of people from CALD backgrounds
- Satisfied with the quality of communications and cultural sensitivity of transport service and program delivery: realised through taking actions to increase cultural competency across the workforce in the provision of services to CALD customers and communities
- Able to have their views and concerns heard on policy and program development, and service delivery: realised through taking actions to ensure appropriate consultation, feedback and complaints mechanisms
- Embedding multicultural activity as a core function of the transport agencies: realised through ensuring that processes for corporate and business planning, and managing organisational performance demonstrate support for multicultural principles and objectives.

To meet these objectives, an action plan for strategies and actions in coming years has been developed. It is proposed that TfNSW will also develop priority actions and programs, enabling the Transport cluster to deliver the objectives.

TfNSW will develop clear strategic business drivers for implementing the principles of multiculturalism in core business practices.

TfNSW was approached by the Australian Human Rights Commission to consider a partnership agreement in supporting a National Anti-Racism Strategy, 'Racism it Stops with Me'. This program would have internal and external focuses and would be rolled out in 2013-2014.

TfNSW's Plan also delivers against the seven outcomes identified in the Commission's Multicultural Planning Framework. Significant activities have included:

Planning

TfNSW's Plan has been integrated into its corporate and business planning. Business Planning Guidelines include a requirement that the Plan is considered as part of the Planning process. All business areas within the Transport cluster recognise the need to use a variety of CALD data to inform business planning and stakeholder mapping.

Consultation and feedback

In drawing on staff expertise across TfNSW, a cluster-wide steering committee was established. It meets quarterly.

During 2013 the Accessible and Inclusive Transport team ran a series of community consultations throughout NSW to formulate a Social Access Framework. It delivered insights for TfNSW and has identified issues regarding barriers faced by CALD customers.

A workshop targeted CALD communities, including service providers, health workers, migrant resource centres and settlement services. The feedback will be included in the Social Access Framework. Issues arising for CALD communities will be addressed by recommending ways in which TfNSW services can be tailored to be culturally appropriate and make improvements to increase accessibility.

Leadership

The TfNSW Executive has promoted the developing and implementing of the Plan across the Transport cluster. The Deputy Director General Customer Experience was appointed as the Executive Sponsor of the Plan. A Multicultural Planning Coordinator has also been appointed.

Human Resources

TfNSW recognises the enhancements that can be offered by people from a culturally and linguistically diverse background. As part of a Corporate Shared Services Reform Program, a human resources strategy is being finalised. It includes a cluster-wide Diversity and Inclusion Plan to help create a high performance, customer-focused organisation. Diversity and Inclusion strategies to be introduced in the coming 12 months will support the Multicultural Policies and Services Plan. These include attraction and recruitment initiatives to engage with all communities, broaden the pool of applicants from the culturally and linguistically diverse community, promote employee networks to facilitate consultation regarding CALD employment, and service delivery issues.

Access and Equity

TfNSW recognises there are access barriers for people from a culturally and linguistically diverse background. In the next 12 months, it will launch research to identify internal and external barriers to further inform planning, policy, program and service delivery throughout the Transport cluster.

Communication

The Plan was published on the TfNSW intranet. An accompanying news story encouraged staff to read, contribute to and include the Plan in their everyday work. The Plan will be further promoted through internal communications channels.

To communicate road safety messages to people from a non-English speaking background, specific targeting was done by TfNSW in its road safety campaigns during 2012-2013. Advertising was aimed at reaching the Chinese, Vietnamese and Arabic communities, the three largest language groups in NSW who as a percentage do not speak English at all, or not well. The advertising was primarily directed towards males aged 25 years and over who do not speak English on a regular basis.

Campaigns which incorporated CALD advertising were:

- Speeding 'Don't Rush'
- Drink driving 'Plan B'
- Driver fatigue 'Wake up to the signs'
- Double demerits
- Mobile phone distraction 'Get your hands off it'
- School zone safety
- Child restraint fitting stations.

The communication channels used to reach these audiences included television and radio through SBS and community radio stations, and newspapers. The level of expenditure for ethnic electronic media generally exceeded the minimum requirements outlined in NSW Government Advertising Guidelines.

TfNSW also offers its road safety materials in community languages. TfNSW published a detailed brochure to help inform the community about changes to NSW road rules that came into effect on 1 November 2012. It was available in seven community languages (Arabic, Chinese, English, Greek, Italian, Turkish and Vietnamese). They were also made available from the Roads and Maritime Services website.

TfNSW translated and published the brochure, 'Choose Right Buckle Right' into 12 community languages. It provides information on the laws regarding use of child restraints and advice about how to choose the correct restraint for children aged 0-12. Brochures were published in Tagalog, Indonesian, Punjabi, Samoan, Bangla, Urdu, Tongan, Italian, Macedonian, Hindi, Tamil and Assyrian.

Further, a safety workshop presentation for older pedestrians was translated into Arabic for use by community groups.

Social and Economic Development

An Illawarra region project received \$10,000 funding from the NSW Government for a Strategic Community Assistance to Refugee Families Homework Bus. It is to assist students from CALD backgrounds at risk of leaving from school to attend a homework centre.

A mini-bus was provided on two afternoons a week during school terms for students experiencing transport disadvantage to their homes in Wollongong's southern suburbs.

The project delivered 2400 trips. Each homework session was attended by 25 students who received 1570 hours of tutoring.

Travel Training for CALD residents

South West Community Transport has recently received Community Transport Program funding to provide travel training for travel-disadvantaged CALD residents of the Liverpool and Fairfield local government areas.

Access to information about transport will be provided by one translated booklet for each area. The language would be decided according to population statistics in each.

The booklet would provide information on local services and transport options including taxi, trains, buses, the TfNSW taxi subsidy scheme, community transport, travel training, and community club courtesy buses.

Central Coast Multicultural Expo

TfNSW took part in a Central Coast Multicultural Expo in October 2012.

It was attended by 44 agencies or organisations that provided information and assistance to over 500 people from a CALD background. This included workshops, cultural displays and health checks and an opportunity to meet with service providers rather than on the phone.

TfNSW's pensioner excursion tickets, Sunday Funday and accessible buses were of particular interest.

Appendix 22: Agreements with the Community Relations Commission

There has been no requirement for an agreement specified by NSW Community Relations Commission.

Appendix 23: Implementation of price determinations

Independent Pricing and Regulatory Tribunal

The Independent Pricing and Regulatory Tribunal (IPART), determines maximum fares for the following services:

- CityRail
- Metropolitan and Outer Metropolitan Buses
- Rural and Regional Buses
- Sydney Ferries and
- Stockton Ferry.

Transport for NSW determines maximum fares for private ferry and taxi services based on recommendations from IPART.

In January 2013 the NSW Government increased public transport fares in line with increases in the cost of living.

Fares for CityRail services, Buses in Sydney, Newcastle, Wollongong, Central Coast and the Hunter, and

Sydney Ferries services increased in line with the Consumer Price Index. They were rounded to accommodate ticket vending machines. This increase was below the increases allowable under IPART's maximum fare determination.

Rural and Regional Buses

In December 2012 IPART increased maximum fares for rural and regional bus services by 3.3 per cent. The new determination came into effect on 1 January 2013.

Stockton Ferry

In January 2013 the Government increased Stockton Ferry fares in line with increases in the cost of living.

Taxis

In July 2012, maximum fares for urban taxis were increased by 3.7 per cent. For country taxis they rose 3.6 per cent. Both increases were in line with IPART's recommendations.

Private Ferries

In December 2012 maximum fares for slow ferry services increased by up to 3.1 per cent and for fast ferry services fares by up to 4.2 per cent. They were consistent with IPART's recommendations.

Appendix 24: Payment of accounts

Quarter	0-30 \$'000	30-60 \$'000	60-90 \$'000	90+ \$'000	Total \$'000
Payment of Accounts					
September	425,724	73,366	4,908	2,936	506,934
December	483,380	101,243	6,579	2,308	593,510
March	655,372	82,339	6,655	1,715	746,081
June	1,594,677	113,768	9,075	2,681	1,720,201
Total					3,566,726

Payment of Accounts – Part B

Quarter	Sept	Dec	Mar	Jun
Payment of Accounts				
Dollar amount of accounts due for payment (\$'000)	506,934	593,510	746,081	1,720,201
Dollar amount of accounts paid on time (\$'000)	425,724	483,380	655,372	1,594,677
Actual percentage of accounts paid on time (based on \$)	83.98%	81.44%	87.84%	92.70%
Target	95%	95%	95%	95%

Time for payment of accounts

Quarter	Sept	Dec	Mar	Jun
Number of payments for interest on overdue accounts	0	0	16	7
Interest paid on overdue accounts	0	0	1765.16	1486.82

Appendix 25: Time for payment of accounts

Payment of Accounts – Part A

Quarter	0-30 \$'000	<30 \$'000	<60 \$'000	<90 \$'000	90+ \$'000
All suppliers					
September	425,724	73,366	4,908	2,936	506,934
December	483,380	101,243	6,579	2,308	593,510
March	655,372	82,339	6,655	1,715	746,081
June	1,594,677	113,768	9,075	2,681	1,720,201
Small business suppliers					
September	1,430	1,430	305	32	24
December	1,855	1,855	430	27	18
March	1,477	1,477	175	11	8
June	2,061	2,061	114	5	1

Appendix 26: Grants to non-government community organisations

(Note: TfNSW provides funding to 121 services around NSW. Of these, 79 are non government organisations; the remaining 42 are State and Federal government organisations).

HACC and CTP payments to non-government community transport providers		Funding (\$)	
Service Provider	\$ HACC	\$ CTP	\$ Total
Accessible Bridge Services Incorporated	220,829	0	220,829
Awabakal Newcastle Aboriginal Co-Operative Limited	189,901	6,886	196,787
Bankstown Canterbury Community Transport Incorporated	1,359,993	22,498	1,382,491
Baptist Community Services - NSW & ACT (Auburn Community Transport)	289,057	79,929	368,986
Baptist Community Services - NSW & ACT (Wagga Wagga Community Transport)	291,311	8,294	299,605
Bathurst Community Transport Group Incorporated	351,199	100,490	451,688
Bega Valley Community Transport Service Incorporated	246,929	51,915	298,844
Blacktown Community Transport Incorporated	1,148,329	62,201	1,210,530
Blind and Vision Impaired Support Group (NSW Far North Coast) Incorporated	0	15,208	15,208
Blue Mountains Aboriginal Culture & Resource Centre Incorporated	54,611	5,000	59,611
Bungree Aboriginal Association Incorporated	162,146	9,692	171,838
CareWest Limited (Orange Community Transport)	261,136	29,646	290,781
Cessnock Community Transport Inc.	254,182	190,220	444,402
Clarence Community Transport Incorporated	1,038,586	111,865	1,150,451
Coalfields Neighbour Aid Service Incorporated	275,170	6,335	281,505
Coffs Harbour, Bellingen & Nambucca Community Transport Incorporated	1,112,867	194,689	1,307,556
Community Transport Central Coast Limited	2,839,439	84,831	2,924,270
Community Transport Port Stephens Limited	538,781	110,505	649,286
Community Transport Warren Incorporated	93,769	28,770	122,539
Community Wheels Incorporated	1,103,328	145,057	1,248,385
Cowra Community Information & Neighbourhood Centre Incorporated	96,007	70,275	166,283
Disabled Alternative Road Travel Service	338,935	43,878	382,813
Dubbo Neighbourhood Centre Incorporated	348,263	35,420	383,683
Dungog & District Neighbourcare Incorporated	239,812	23,176	262,988
Far West HACC Services Incorporated	149,853	46,533	196,386
Gandangara Transport Services Limited	582,267	38,542	620,809
GREAT Community Transport Incorporated	1,093,525	138,142	1,231,667
Gwydir HACC Services Incorporated	222,012	49,048	271,059
Hastings Macleay Community Transport Service Incorporated	1,080,464	40,801	1,121,265
Holdsworth Street Community Centre Woollahra Incorporated	358,833	10,306	369,140
Hornsby Ku-ring-gai Community Aged/Disabled Transport Service Incorporated	854,995	12,201	867,196
Inner West Community Transport Incorporated	905,733	46,640	952,372
Intereach Limited (Deniliquin Community Transport)	158,949	54,344	213,293
Intereach Limited (Griffith Community Transport)	254,850	59,755	314,605
Inverell HACC Services Incorporated	201,173	35,510	236,683

HACC and CTP payments to non-government community transport providers	Funding (\$)		
	\$ HACC	\$ CTP	\$ Total
Kalianna Enterprises Incorporated	537,724	51,312	589,036
Lake Cargelligo & District Care for the Aged Association Incorporated	126,450	30,681	157,131
Lane Cove Meeting House Association Incorporated	49,434	0	49,434
Leichhardt Community Transport Group Incorporated	928,432	89,427	1,017,859
Liverpool District Combined Senior Citizens Progress Association Incorporated	0	32,643	32,643
Lockhart and District Community Services Incorporated	77,929	51,324	129,253
Lower North Shore Community Transport Incorporated	586,942	52,277	639,219
Maitland Community Care Services Incorporated	563,761	84,817	648,578
Manly-Warringah Pittwater Community Transport Incorporated	669,593	55,120	724,713
Manning Valley and Area Community Transport Group Incorporated	1,116,284	172,110	1,288,394
Mercy Services	1,100,496	104,352	1,204,848
Murrumburrah Harden Flexible Care Services Incorporated	37,795	29,262	67,057
Narrabri Home and Community Care Incorporated (Namoi Community Transport)	142,254	0	142,254
Newcastle Community Transport Group Incorporated	784,008	6,886	790,894
Northern Illawarra Neighbour Aid Incorporated	70,125	22,612	92,736
Northern Rivers Community Transport Incorporated	1,131,716	134,695	1,266,410
Northern Rivers Social Development Council	0	95,112	95,112
Ourcare Services Limited	287,188	15,613	302,800
Oxley Community Transport Service Incorporated	419,545	150,084	569,630
Parkes & District Neighbourhood & Community Information Centre Inc.	257,092	100,609	357,701
Peak Hill Community Bus Incorporated	18,509	0	18,509
Peppercorn Services Incorporated	462,125	187,875	650,000
Randwick Waverley Community Transport Group Incorporated	1,030,612	24,078	1,054,690
Ryde Hunters Hill Community Transport Association Incorporated	551,320	11,128	562,448
Rylstone District Care & Transport Incorporated	87,863	6,768	94,631
Scotland Island Residents Association Incorporated	0	29,755	29,755
Shoalhaven Community Transport Service Incorporated	800,202	195,979	996,181
South East Neighbourhood Centre Incorporated	288,214	5,000	293,214
South East Sydney Community Transport Incorporated	1,066,304	92,454	1,158,758
South West Community Transport Incorporated	2,817,912	51,582	2,869,494
Southern Highlands Community Transport Incorporated	817,511	92,366	909,876
St George Community Transport Project Incorporated	1,188,606	69,814	1,258,420
Sutherland Shire Community Transport Incorporated	1,081,287	43,248	1,124,535
Tenterfield HACC Committee Incorporated	232,215	41,188	273,403
TransCare Hunter Limited	413,879	172,880	586,759
TRANSLINC Incorporated (Lithgow Community Transport)	224,094	50,679	274,772
Tweed, Byron and Ballina Community Transport Incorporated	1,479,104	108,597	1,587,701
Valmar Support Services Limited	68,872	38,130	107,002
Weddin Community Services Incorporated	89,257	44,935	134,192
Wee Waa Community Care Service Incorporated	0	84,979	84,979

HACC and CTP payments to non-government community transport providers		Funding (\$)		
Service Provider		\$ HACC	\$ CTP	\$ Total
Western Region Community Transport Forum Incorporated		21,300	0	21,300
Western Sydney Community Forum Incorporated		0	172,449	172,449
Wyalong & District Community Transport Group Incorporated		121,280	18,861	140,141
Young Community Transport Service Incorporated		139,907	58,971	198,878
Total		40,604,369	4,849,252	45,453,621

Country Passenger Transport Infrastructure Scheme grants

LGA	State electorate	Proponent	Project description	Towns	Grant approved
Balranald	Murray Darling	Balranald Shire Council	Bus Shelter Installation at intersection of Market & River Streets - Heritage Park	Balranald	\$23,192
Bogan Shire	Barwon	Bogan Shire Council	Bus Shelter Installation at Mitchell Highway; Concrete Base & Path Construction at Mitchell Highway	Girilambone, Coolabah	\$19,000
Brewarrina	Barwon	Brewarrina Shire Council	Bus Terminal Installation/ Upgrade at Bridge Road	Brewarrina	\$116,639
Cessnock	Cessnock	Cessnock City Council	Provide, upgrade & improve seating, shelters, signage & disability access at 25 locations	Cessnock LGA	\$202,000
Cowra	Burrinjuck	Cowra Shire Council	Bus Shelter & Interchange Installation at King Street	Gooloogong	\$36,915
Deniliquin	Murray Darling	Deniliquin Municipal Council	Bus Shelter Installation at Edwardes Street	Deniliquin	\$13,500
Eurobodalla	Bega	Eurobodalla Shire Council	Bus Shelter Installation at Beach Road	Catalina	\$20,000
Eurobodalla	Bega	Eurobodalla Shire Council	Bus Shelter Installation at Beach Road	Denhams Beach	\$20,000

LGA	State electorate	Proponent	Project description	Towns	Grant approved
Eurobodalla	Bega	Eurobodalla Shire Council	Bus Shelter Upgrade at Grant Street	Broulee	\$20,000
Eurobodalla	Bega	Eurobodalla Shire Council	Bus Shelter Upgrade at Berrima Parade	Surfside	\$20,000
Eurobodalla	Bega	Eurobodalla Shire Council	Bus Shelter Upgrade at Harrington Road	Narooma	\$20,000
Gloucester	Upper Hunter	Gloucester Shire Council	Billabong Bus Interchange Upgrade at Denison Street	Gloucester	\$15,000
Guyra	Northern Tablelands	Guyra Shire Council	Bus Shelter Installation at Malpas Street - Rotary Park	Guyra	\$30,000
Inverell	Northern Tablelands	Inverell Shire Council	Bus Shelter Installation at Macintyre & Raglan Streets	Inverell	\$17,000
Kempsey	Oxley	Kempsey Shire Council	Bus Shelter Installation at Angus McNeill Crescent	Kempsey	\$19,500
Kempsey	Oxley	Kempsey Shire Council	Bus Shelter Installation at Seven Hills Road	Collombatti	\$13,200
Lachlan	Lachlan	Lachlan Shire Council	Taxi Rank Installation/ Upgrade at Bathurst Street	Condobolin	\$50,000
Lachlan	Lachlan	Lachlan Shire Council	Upgrade Bus Shelter at William Street	Condobolin	\$10,000
Lismore	Lismore	Lismore City Council	Transport Signage Upgrade at Lismore Transit Centre; Bus Signage Upgrade at 7 locations	Lismore, Nimbin, Jiggi, Goolmangar, Georgica	\$8,146
Maitland	Maitland	Maitland City Council	Bus Shelter Installation at 9 locations	Rutherford, Telarah, Maitland, Largs, Metford	\$120,000
Mid-Western	Orange	Mid-Western Regional Council	Upgrade Existing Taxi Rank at Mortimer Street	Mudgee	\$17,750
Narromine	Barwon / Dubbo	Narromine Shire Council	Bus Shelter Installation at 3 locations; Upgrade Lighting/Security at Railway Station; Install J Poles at 11 locations	Narromine	\$104,608
Port Macquarie-Hastings	Port Macquarie	Port Macquarie-Hastings Council	Bus Shelter Upgrade at 5 locations; Install Posts & Signs at numerous locations within Hastings LGA.	Port Macquarie, Lake Cathie, Bonny Hills, West Haven; Hastings LGA	\$78,000

LGA	State electorate	Proponent	Project description	Towns	Grant approved
Port Stephens	Port Stephens	Port Stephens Council	DDA Compliant Public Transport Infrastructure at 20 locations - concrete hardstands & path connection, tactile indicators, lighting, signage, seating	Nelson Bay / Shoal Bay	\$105,000
Port Stephens	Port Stephens	Port Stephens Council	DDA Compliant Public Transport Infrastructure at 38 locations - concrete hardstands & path connection, shelter, tactile indicators, lighting, signage, seating, J pole	Raymond Terrace	\$178,500
Richmond Valley	Clarence	Richmond Valley Council	Safety Lighting & Seating Installation at Canterbury Street	Casino	\$20,000
Tamworth	Tamworth	Tamworth Regional Council	Taxi Pole Telephone Installation at Denne Street	West Tamworth	\$6,975
Wagga Wagga	Wagga Wagga	Wagga Wagga City Council	Taxi Shelter Lighting Improvements at Station Place and at Gurwood Street	Wagga Wagga	\$3,245
Wagga Wagga	Wagga Wagga	Wagga Wagga City Council	Bus Shelter Installation at Huthwaite Street and Concrete Base and Tactiles at Hunter Street.	Wagga Wagga	\$21,750
Wellington	Orange	Wellington Council	Bus Shelter Installation at Simpson St, Cnr Whitely & Pierce Sts, Nanima Cres and Lee St.; Install J Poles along Mitchell Highway	Wellington	\$88,000
Wentworth	Murray Darling	Wentworth Shire Council	Bus Shelter Installation at Tapio St (2), Dareton; Chapman St, Buronga; Beverley/Cadell Sts, Wentworth;	Dareton, Buronga, Wentworth	\$63,603
Wingecarribee	Goulburn / Kiama	Wingecarribee Shire Council	Bus Shelter Installation at Moss Vale Rd (2), Bowral; Illawarra Highway, Robertson; Willow Rd, Moss Vale	Bowral, East Bowral, Robertson, Moss Vale, Burrawang	\$75,000
				TOTAL	\$1,556,523

Appendix 27: Overseas travel by TfNSW officers

Officer Name	Date	Destination	Purpose
Chris Lock	16-21 September	Spain, Germany	To meet with Light Rail Vehicle and system suppliers for the Inner West Light Rail extension and to attend the Innotrans 2012 international trade fair for transport technology.
Simon Hussey	9-16 February	Spain	To attend the preliminary design review of the new lease of Light Rail vehicles for the Light Rail Inner West extension.
Kate Barnes	28-30 November	New Zealand	To attend the compulsory final assessment of the Executive Masters of Public Administration under the Australian and New Zealand School of Government.
Rodd Staples	15-30 September	UK, Germany, France, USA, Canada, Hong Kong, Japan	International industry briefings on North West Rail Link Operations, Trains and Systems contract.
Gillian Higginson	15-30 September	UK, Germany, France, USA, Canada, Hong Kong, Japan	International industry briefings on North West Rail Link Operations, Trains and Systems contract.
Rob Parrish	17-30 September	UK, Germany, France, Spain, Hong Kong, Japan	International meetings and inspections of automated rail systems.
Carolyn McNally	24-29 September	Japan, Hong Kong	To inform Sydney's Rail Future of best practice in strategies to modernise the rail system.
Gary McGregor	15-29 September	Hong Kong, UK, Germany, France, Spain and Japan	To inform Sydney's Rail Future of best practice in strategies to modernise the rail system.
Brendan Nugent	21-25 May	Austria	To represent TfNSW and Austroads as Chair of the World Road Association Technical Committee on Performance of Transport Administrations for the period 2012-2015.
Terry Rowe	1-8 February	USA	Gain overview of production process, inventory and supply chain for Opal electronic ticket fixed location readers. Confirm arrival of smart card scanning devices and their production readiness. Discuss development and implementation status of a new Service Desk workflow database.
Terry Brown	24 November-3 December	Spain	Visit to Construcciones y Auxiliar de Ferrocarriles (CAF) to undertake the preliminary design review of new Light Rail Vehicles and to undertake a quality systems audit.
Terry Brown	8-18 February	Spain	Visit to CAF to support the procurement of rolling stock for use on the existing light rail system and the new Inner West Extension.

Officer Name	Date	Destination	Purpose
Greg Nott	24-26 July	Philippines	Participation in an Asia-Pacific Economic Cooperation (APEC) bus anti-terrorism workshop.
Fergus Gammie	26 November-3 December	Spain	Visit to CAF to undertake the Preliminary Design Review of the new Light Rail Vehicles, undertake a high level quality systems audit of CAF and review the lease vehicles and associated technical and operational data, in preparation for introduction to service.
Tim Reardon	22 June – 5 July	China	Australia and New Zealand School of Government's China Reciprocal Program – 2013 (attended on behalf of the Director General)
Evan Walker	4-6 October	New Zealand	Australasian Road Safety, Policing and Education Conference.
Ralston Fernandes	4-6 October	New Zealand	Australasian Road Safety, Policing and Education Conference.
Howard Glenn	21-30 September	Canada	Guest Speaker at Canadian Safe Boating Council Symposium.
Dan Leavy	21-23 August	New Zealand	Attended meetings with the Vehicle Safety Research Group and the Australasian New Car Assessment Program Council.
Andrew Eckersley	4-23 June	United Kingdom	To witness and inspect the development, integration and testing associated with components of the Electronic Ticketing System (ETS) Program to inform risk assessment procedures about the customer trial stage.
Jon Walls	15 June – 28 July	United Kingdom	To witness and inspect the development, integration and testing associated with components of the ETS Program to inform risk assessment procedures about the customer trial stage.
Jon Walls	5-21 April	United Kingdom	To witness and inspect the development, integration and testing associated with components of the ETS Program to inform risk assessment procedures about the customer trial stage.
Keith Waugh	5-21 April	United Kingdom	To witness and inspect the development, integration and testing associated with components of the ETS Program to inform risk assessment procedures about the customer trial stage.
Lewis Clark	1-10 February	United States	To witness and validate the processes, tooling and quality of some of the ETS equipment before production and manufacture starts.
Terrance Rowe	1-10 February	United States	To witness and validate the processes, tooling and quality of some of the ETS equipment before production and manufacture starts.

Officer Name	Date	Destination	Purpose
Douglas Howe	8-22 September	United Kingdom	To assess status of the final stages of lead contractor's development and testing, to inform TfNSW risk procedures for the ETS ferry customer trial.
Robert Trimmer	8-22 September	United Kingdom	To assess status of the final stages of lead contractor's development and testing, to inform TfNSW risk procedures for the ETS ferry customer trial.
Rob Vander Zalm	3-7 September	United Kingdom	To assess status of reference data to inform TfNSW risk assessment for ETS ferry customer trial and to ensure this delivers under TfNSW policy requirements.

Appendix 28: Payments to consultants

Consultants over \$50,000		
Name of Consultant	Purpose	\$'000
Ernst & Young	Long Term Transport Master Plan	2,192
Manidis Roberts Pty Ltd	Investment Portfolio Management Framework	959
L.E.K Consulting	Freight and Ports Strategy	469
Ernst & Young	ETS Revenue Management	283
GHD Pty Ltd	Higher Productivity Vehicle Access on the Hume Highway	271
Woolcott Research Pty Ltd	ETS Ferry Field Trial Research Project	260
Deloitte Touche Tohmatsu	Freight Strategy	260
Conrad Consulting and Capital Pty Ltd	RailCorp Reform Program	225
Booz & Company (Aust) Pty Ltd	Cross Modal Revenue Protection Framework	200
PricewaterhouseCoopers	Vehicle Registration Initiatives Project	197
ISG Consulting Pty Ltd	ICT Infrastructure Sourcing Services	182
Parsons Brinckerhoff Aust Pty Ltd	Newcastle Rail Freight Bypass Engineering Analysis	176
P & L IT Business Advice Pty Ltd	Franchising Sydney Ferries Project	164
Ernst & Young	Opal Card Strategy	128
Centre For International Economics	Improved Freight Network Efficiency Assessment	127
Evans & Peck Pty Ltd	Strategic Rail Operating Plan	127
Deloitte Touche Tohmatsu	Community Road Safety Fund Strategic Review	126
Deloitte Touche Tohmatsu	TfNSW ICT Strategy	122
GHD Pty Ltd	Western Sydney Freight Line and Terminal Engineering Analysis	121
Aecom Australia Pty Ltd	Cooks River to White Bay Transport Corridor Demand Forecast	120
Ernst & Young	ETS Asset Management Strategy	100
KPMG	Commercial Opportunities Evaluation Framework	98

Consultants over \$50,000		
Crowe Horwath	GST Advice on Opal Card	92
BIS Shrapnel Pty Ltd	Port Botany and Port Kembla Trade Forecasts	82
The Hackett Group Australia Pty Ltd	Transport Shared Services Reform	80
Booz & Company (Aust) Pty Ltd	Transport Access Program	80
Aecom Australia Pty Ltd	Sydney CBD Stations Review	78
Deloitte Touche Tohmatsu	NSW Strategic Freight Model	77
Stokes Mischewski Pty Ltd	Higher Productivity Vehicles Community Research	75
Campbell Macpherson Pty Ltd	Harmonisation of the Regulations Project	72
Ernst & Young	ETS Organisation Design and Asset Management Strategy	66
Everything Infrastructure	Freight and Ports Strategy	64
Evans & Peck Pty Ltd	Transport Cluster GIPA Review	61
Mecone Pty Ltd	Newcastle Rail Freight Bypass Investigations	55
Gillespie Family Trust	Grain Harvest Management Scheme	52
Nera Australia Pty Ltd	National Heavy Vehicle Charges Review	50
		7,891
Consultants under \$50,000		
		\$'000
28 engagements		719
Total payments to consultants in 2012-13		8,610

Appendix 29: Research and Development

The Bureau of Transport Statistics (BTS) operates as an independent entity within Transport for NSW to monitor and forecast transport system usage and performance. The Bureau undertook the following research and development in 2012-2013:

Primary Research

- Household Travel Survey 2012-13. This continuous survey collected information on the travel patterns of residents of Sydney, Newcastle and Illawarra. These data are used to inform transport planning and policy, and monitor the NSW Government's *NSW 2021* targets for public transport mode share
- Rail Barrier Counts for CBD Stations 2013 - Barrier counts at Sydney Central Business District stations in May. The information is a key input to rail patronage estimates, and for strategic rail planning and timetabling
- Train Loads Survey, September 2012 and March 2013 - Information was collected on train loads at various parts of the network to inform service planning
- Bus Load Surveys 2013 - Bus loads information was collected at strategic points within the CBD
- Sydney Cycling Survey 2012 - this measured performance against *NSW 2021* cycling targets. The survey also collected information on the community's cycling participation and perceptions toward cycling.

Model Development

Modelling activities support strategic planning, options assessment and business cases. BTS produced patronage forecasts for a number of high profile large infrastructure projects. The following were some of its key modelling projects for the year:

- Strategic Travel Model - BTS implemented the latest update of the Strategic Travel Model with the latest having a number of significant improvements in its modelling capability
- Public Transport Project Model - BTS developed an estimate project model to forecast public transport patronage for large project evaluation. It was used extensively to provide patronage forecasts for the North West Rail Link and Sydney Light Rail projects, and
- BTS collaborated with the SMART Infrastructure Facility at the University of Wollongong to develop an agent-based model to assist transport and land use planning. Phase 2 of the project, completed this year, concentrated on the Randwick and Green Square areas.

Other research and projects

- The 2012 Customer Satisfaction Survey - This survey on customer satisfaction with public transport informed service contract performance management, the transport customer scorecard, transport planning and project prioritisation
- Transport market surveys and modelling to estimate likely demand for the proposed North West Rail Link and Sydney Light Rail projects, and the Wynyard

Master Plan. The Bureau produced customised analysis of the Ferry Modal and North West Rail Link Transport Market Surveys

- Sydney CBD Shuttle Service Customer Surveys and Passenger Counts. The Bureau conducted on board customer surveys and passenger counts to collect data about trip characteristics and customer profiles to inform a review of these services
- A ticketing-derived information project integrated Opal electronic ticket usage data with legacy magnetic stripe ticket data. It produced visualisations for analysis, and
- Customised research and analysis. BTS responded to 661 requests for data and analysis to inform transport policy and planning.

BTS research produced publications and statistical products that included:

- Compendium of Sydney Rail Travel Statistics, 8th Edition
- Annualisation multiplier for rail patronage
- Rail station demand forecasting model
- 2010/11 Household Travel Survey (HTS) Summary Report, 2012 release

Results showed that Sydney residents made more than 16 million trips per weekday. Train (2.6 per cent) and bus (2.3 per cent) trips grew faster than car (1.5 per cent) trips over the preceding year

- Detailed tables and graphs from the 2010/11 HTS Report

- Summary transport statistics by Local Government Area based on the 2010-11 Household Travel Survey
- 2011 Journey to Work datasets
- Historical rail and ferry patronage data
- TransFigures bulletin: Active transport in Sydney: Walking
- TransFigures bulletin: Public Transport Users in Sydney
- 2011 Sydney Cycling Survey Report. This was published in August 2012, and
- TransFigures: Travel in Sydney Newcastle Illawarra.

The Bureau developed a number of interactive data visualisation tools to assist users to analyse data:

- Travel Zone Explorer - returns current and future population, employment and workforce numbers for a selected area
- LGA Profiler - provides socio-demographic and travel profile for every Local Government Area in the Greater Metropolitan Area of Sydney
- Station Ins and Outs - visualises how many people enter and exit at each train station and how this has changed over time. The tool allows users to capture movements in stations. For example, it was found that more than 116,000 people go in and out of Wynyard station every 24 hours.
- Landuse Planner - provides population, employment and workforce forecasts by LGA or small area as well as produces interactive thematic maps
- Census Profiler - features key transport, employment data, and socio-demographic information for all LGAs in New South Wales

from the Australian Bureau of Statistics' 2011 Census of Population and Housing

- JTW Explorer - identifies the top origins and destinations for a selected area in the State as well as the modes used for the journey to work. Using this tool, it was found that 300,000 people work in the Sydney CBD. Almost 70 per cent of them go to work by public transport, and
- Tableau graphical visualisations - helps to explore rail and ferry patronage.

To contribute to transport research, the BTS presented the following peer-reviewed papers at the 2012 Australasian Transport Research Forum:

- Parking and Mode Choice in Sydney: Evidence from the Sydney Household Travel Survey
- The 0km Journey to Work - Travel Behaviour of Sydney's Home-based Workforce
- Is Behavioural Utility Measure A Valid Proxy For Accessibility Improvement?, and
- Pivoting in Travel Demand Models.

Appendix 30: Waste Reduction

Transport for NSW has several programs to reduce waste.

In its offices, all general use photocopy and printing material is up to 100 per cent recycled, exceeding the content mandated by government.

Orders are managed centrally to ensure excess stock is not wasted and appropriate paper is being ordered. This also ensures that products purchased are sustainable and where possible include recyclable content.

Co-mingle recycling bins have been available at TfNSW's head office since 2011. This is to ensure that staff have options when disposing of recyclable material.

In addition, a contamination card system is being trialled. Paper/ cardboard receptacles found contaminated with other waste will not be immediately emptied. A note indicating this and providing details of the correct recycling procedure will be left.

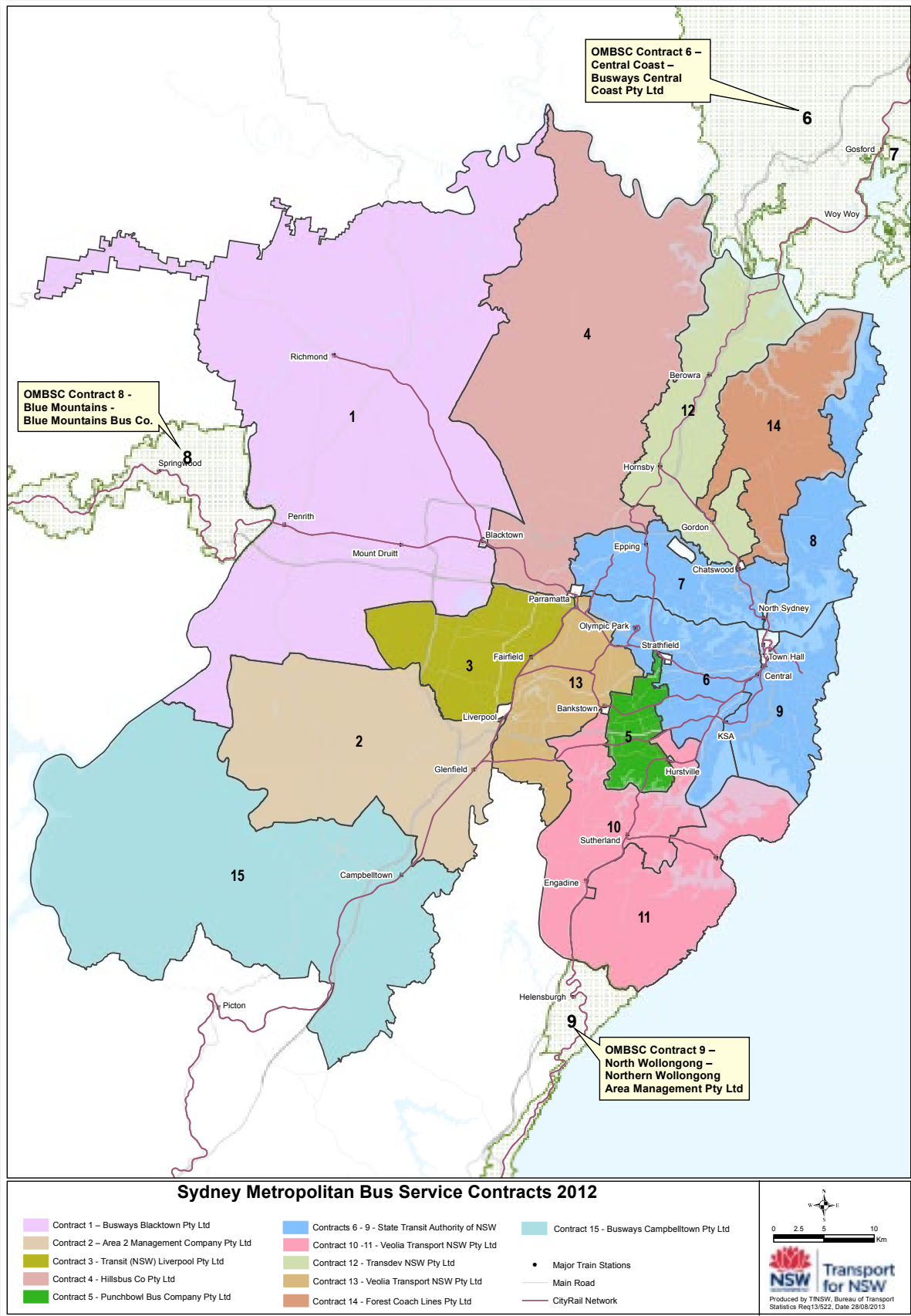
Recycling of mobile phone and toner cartridges continues. Monthly reports now detail secure document destruction and toner recycling at TfNSW's head office. This helps to help ensure the building's recycling performance is being accurately gauged.

The National Australian Built Environment Rating System (NABERS) assists owners and tenants to reduce energy costs and reduce greenhouse emissions.

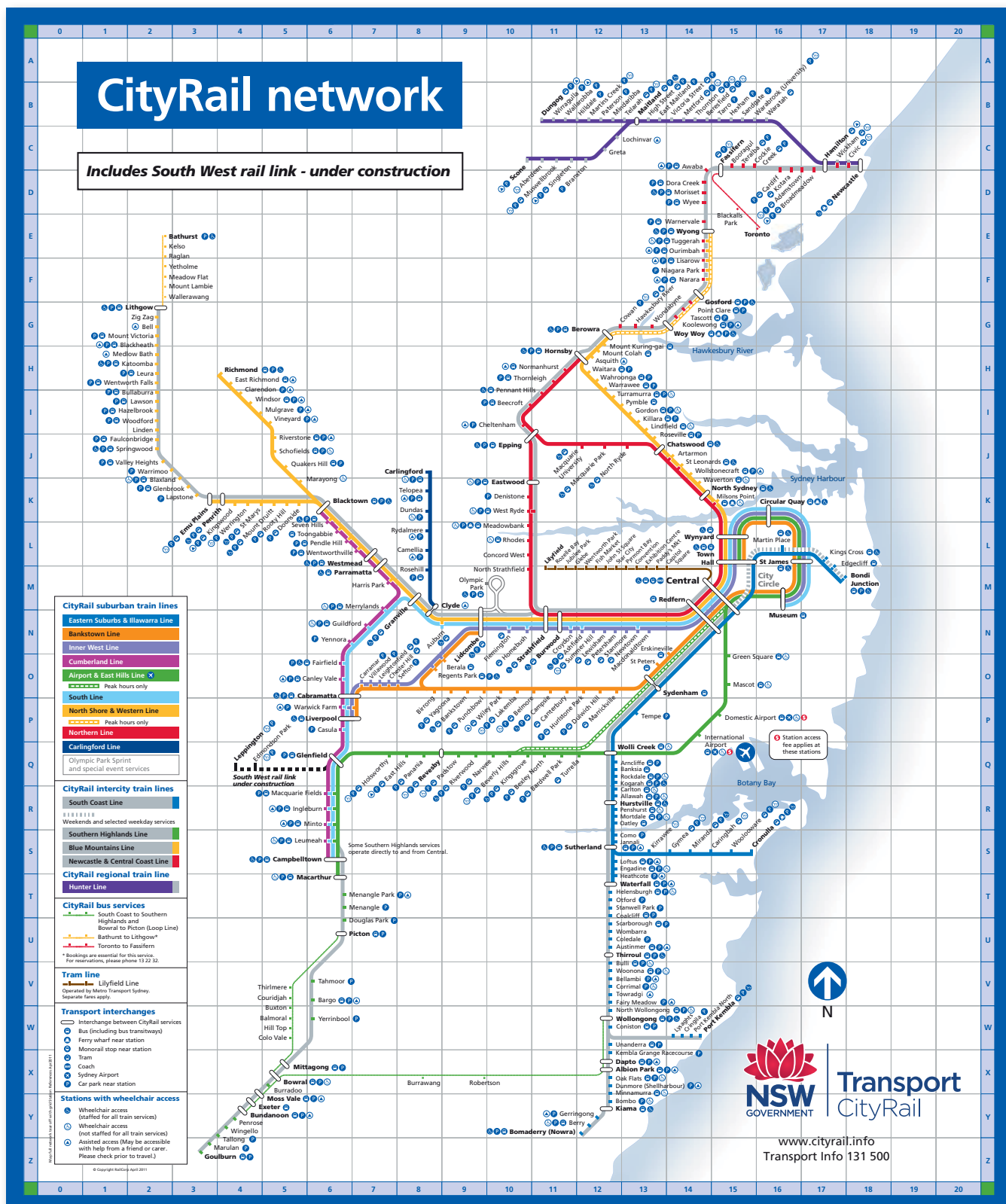
It measures the energy efficiency, water usage, waste management and indoor environment quality of a building or tenancy and its impact on the environment. Three Transport cluster tenancies (18 Lee Street, Chippendale; 16-18 Wentworth Street, Parramatta; and 8-12 Castlereagh Street, Sydney) were NABERS-assessed in 2012-13.

The 8-12 Castlereagh Street office received a 5-star tenancy rating. Results from the other two tenancies are pending.

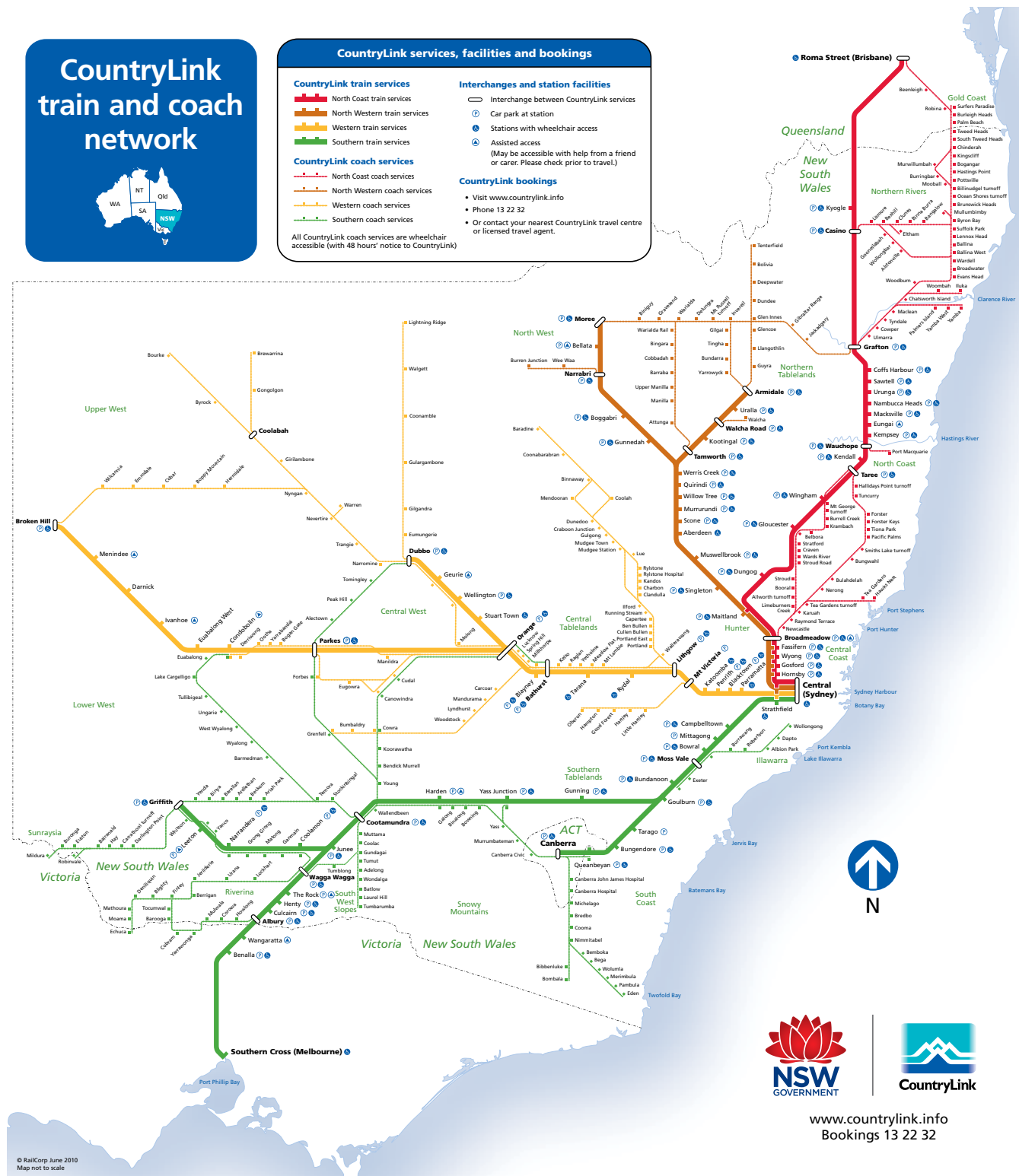
Appendix 31: Bus contract region map



Appendix 32: CityRail network map



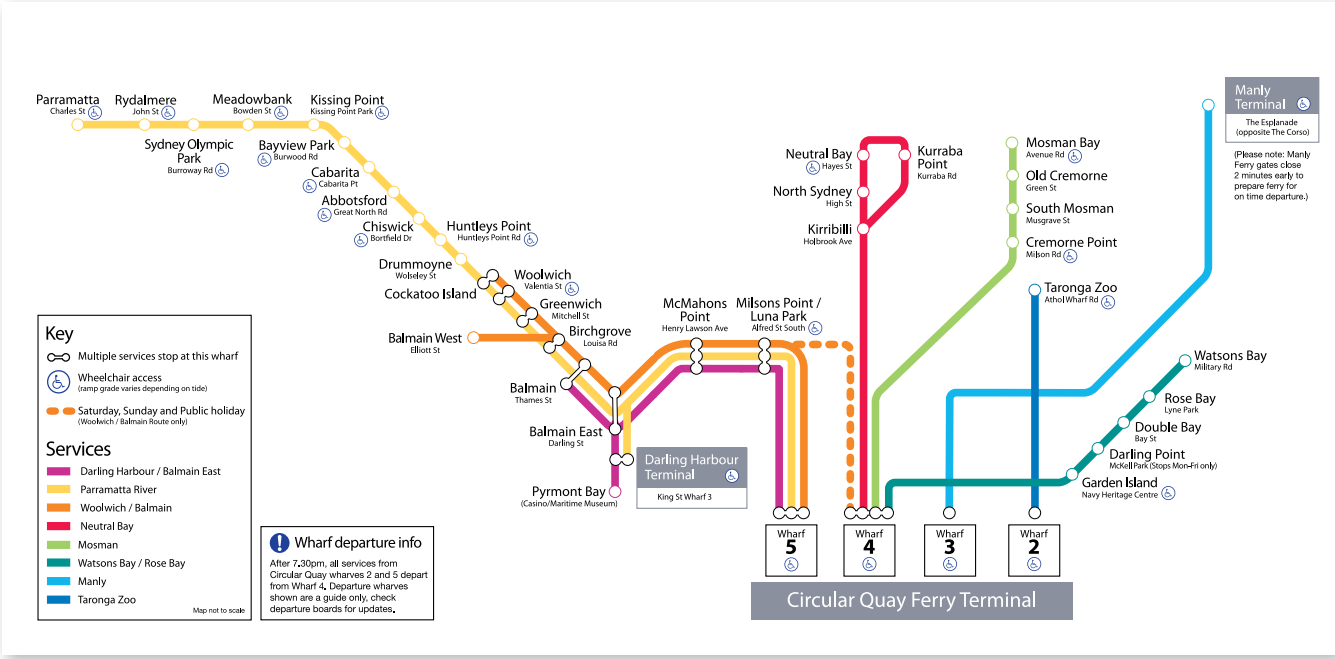
Appendix 33: CountryLink network map



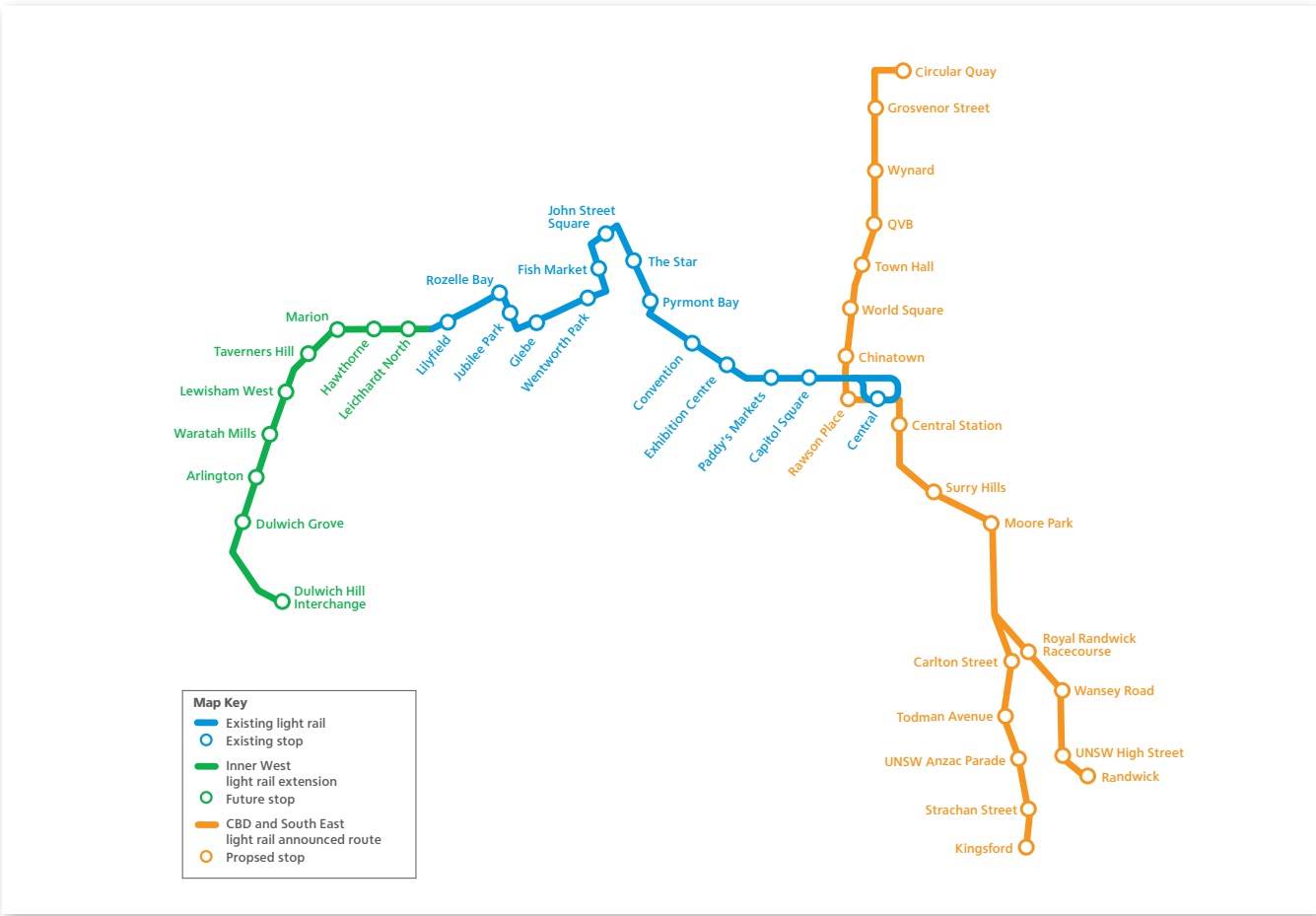
© RailCorp June 2010
Map not to scale

www.countrylink.info
Bookings 13 22 32

Appendix 34: Sydney Ferries network map



Appendix 35: Sydney Light Rail Network



Appendix 36: Regional air services map



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.

A	E	I
Acts 303	Equal Employment Opportunity 385	Identification of audited financial statements 70
Access (<i>contact details</i>) 415	Executive officers 327	Implementation of price determinations 394
Activities 361	Executive performance 329	Independent Auditor's Report 68
After balance date events 374	Exemptions from the Financial Reporting Code 374	Index 413
Agreements with Community Relations Commission 393		Internal Audit and Risk Management Statement 377
Aims and objectives 5,8		
Annual Report production cost 415		
	F	
B	2012-13 Financial Statements 66	J
	Funds granted to non-government community organisations 396	
C	G	K
Charter 5,6	<i>Government Information (Public Access) Act</i> 321	
Consultants 403		
Credit card certification 379		
Corporate Plan 8		
	H	L
D	Human Resources 380	Land values and disposals 375
Disability plan 389		Legal changes 304,310
Disclosure of Controlled Entities 376		Letter of Submission <i>inside front cover</i>
Disclosure of Subsidiaries 376		
		M
		Major assets 375
		Management and activities 329
		Management – executive and qualifications 327
		Multicultural policies and services program 391

N

O

Organisation structure 9

P

Payment of accounts 395

Promotion (Overseas visits by

TfNSW officers) 401

Privacy and Personal Information

Protection Act 1998 325

Public Interest Disclosures (*Public*

Interest Disclosures Act 1994) 326

Q

R

Research and development 405

Response to matters raised by the

Auditor General 374

Review of operations 12

Risk Management 378

S

Summary review of operations 5

T

Table of Contents *inside front cover*

Time for payment of accounts 395

Transport Advisory Board annual
report 4

U

V

W

Waste reduction 407

Work, Health and Safety (WHS) 388

X

Y

Z

Contact details

Transport Info 131500

www.131500.com.au

24 hour traffic information line 132701

Incident reporting hotline 131700

www.livetraffic.com

Head Office

18 Lee Street,
Chippendale NSW 2008
PO Box K659, Haymarket NSW 1240
Ph: 02 8202 2200
Fax: 02 8202 2209

Parramatta Office

Level 6, 16-18 Wentworth Street,
Parramatta NSW 2150
Locked Bag 5085,
Parramatta NSW 2124
Ph: 02 8836 3100 02
Fax: 8836 3151

Newcastle Office

Ground Floor, 239 King Street,
Newcastle NSW 2300
PO Box 871, Newcastle NSW 2300
Toll Free: 1800 049 983
Ph: 02 4929 7006
Fax: 02 4929 6288

Wollongong Office

280 Keira Street,
Wollongong NSW 2500
PO Box 5215,
Wollongong NSW 2520
Toll free: 1800 049 961
Ph: 02 8265 6600
Fax: 02 8265 6633

Transport Management Centre

5 Garden Street, Eveleigh NSW 2015
PO Box 1625,
Strawberry Hills NSW 2012
Ph: 02 8396 1400

Bureau of Transport Statistics

18 Lee Street, Chippendale
NSW 2008
PO Box K659 Haymarket NSW 1240
Ph: 02 8202 3868
Fax: 02 8202 3890

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**For more information about
this annual report:**

Department of Transport

Transport for NSW

PO Box K659

Haymarket NSW 1240

Ph: 02 8202 2200
