State Transit
2014-15 Annual Report
Volume 1

NSW GOVERNMENT | **Transport State Transit**

Letter to the Minister

The Hon. Andrew Constance, MP
Minister for Transport and Infrastructure
52 Martin Place
Sydney NSW 2000

Dear Minister,

I am pleased to submit for presentation to Parliament the Annual Report for the State Transit Authority of NSW for the financial year ended 30 June 2015.

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

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

Yours sincerely,

Peter Rowley
Chief Executive
State Transit Authority of NSW

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Chief Executive's Foreword

At State Transit, our aim is to provide quality services for our customers. We achieve this by placing the highest priority on safety; constantly working on improving our service delivery; and harnessing the strengths of our people.

We have a workforce of more than 4,700 staff who each plays an important role in helping to deliver the standard of service our customers expect from us. Whether it's our bus operators who are the frontline of our business; our maintenance staff who keep our buses serviced to the highest standard; or our support staff working hard behind the scenes – everybody helps to keep our city moving.

The last three years have been a challenging period of reform for State Transit, as we implemented changes to improve the efficiency of our operations while still maintaining our high level of customer service. This hard work secured our contracts in our Sydney and Newcastle operating regions for a further term, while at the same time realising a seven per cent increase in our customer satisfaction rating.

In the 2014-15 financial year, State Transit's priority was to build on this success by looking at ways we can improve our business so we stand out as a leader in the bus industry. We want to ensure we provide the best possible experience for our customers when they are using our services.

Our Quality Customer Outcomes projects will help take us to that next level. These projects focus on all areas of the bus trip that impact our customer – our service delivery; the bus; the journey; our people; and communication – to identify areas for improvement. We are looking at ways we can better utilise technologies already in place, such as the Public Transport Information and Priority System (PTIPS), as well as what new technologies can be implemented to enhance the experience for our customers and improve the level of service information we can provide throughout the journey.

Our aim is to build on the work already underway at State Transit such as the 4DX (Four Disciplines of Execution) program, which saw consistent improvements of around five per cent to the on-time departures of State Transit buses. Our next step is to embark on a joint initiative with Transport for NSW to explore key drivers that will assist State Transit improve its on-time running.

This work will be particularly important over the next five years as we face the major challenge of adapting our business to the changing public transport network. With major changes to our operations as a result of the upcoming rollout of the new CBD bus plan, we need everyone focussed on ensuring we continue to deliver a high standard of service and that our communication with our customers is second to none.

At State Transit we welcome this challenge and look forward to continuing to work closely with Transport for NSW, other operating agencies and our customers in 2015-16.

Peter Rowley
Chief Executive

About State Transit

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

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

Operating two businesses – Sydney Buses and Newcastle Buses and Ferries – State Transit carries more than 200 million passengers every year.

Bus Fleet

At 30 June 2015, State Transit's bus fleet totalled 2,162 buses:
- 2,104 buses are air-conditioned (97% of the fleet)
- 1,851 buses are wheelchair-accessible (86% of the fleet)
- 577 buses are Euro 3 compliant (CNG or Euro 3 diesel) (27% of the fleet)
- 656 buses are Euro 5 diesel or Euro 4 CNG compliant (30% of the fleet)
- 415 buses are Environmentally Enhanced Vehicles (EEV) (19% of the fleet)
- 234 buses are high-capacity articulated buses (11% of the fleet)

Patronage

- State Transit carried 202.373 million passengers in 2014-15 (see page 24).
- Every working day, State Transit operates more than 17,000 services carrying more than 640,000 passengers to their destinations.

Employees

- More than 4,700 employees

Routes

- Sydney Buses operates 295 routes in the Sydney metropolitan area.
- Newcastle Buses operates 27 routes over a large part of the cities of Newcastle and Lake Macquarie. Newcastle Ferries operates a service across Newcastle Harbour to Stockton.
- Every year the Sydney Buses fleet travels around 87 million kilometres, the Newcastle Buses fleet travels over 8.8 million kilometres and the Newcastle Ferries fleet travels around 24,000 kilometres.
- Around 108,275 timetabled services are operated every week – 101,696 by Sydney Buses and 6,579 services by Newcastle Buses.
- Sydney Buses operates 6,895 school trips a week on 759 bus routes. Newcastle Buses operates 1,395 school trips a week on 138 bus routes.

Safety

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

Customer Information

- Individual timetables for every bus service are available online and from Transport Shops at central points in the Sydney CBD, selected ticket agents and at www.transportnsw.info. Handy route information is also available at bus stops and ferry wharves.
- Check out our website www.statetransit.info which is linked to:
- www.sydneybuses.info
- www.newcastlebuses.info

Legislation

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

Network Maps

Sydney Service Area

Newcastle Service Area

Performance Highlights

Improving on-time running and reliability

Following a successful pilot program at Kingsgrove Depot, which saw considerable improvements to the on-time departures of Kingsgrove bus services of between five and 10 per cent, State Transit rolled out the Four Disciplines of Execution (4DX) methodologies across its organisation in 2014-15. Since the implementation of the program across the network, State Transit has seen an average improvement in on-time departures of around five per cent.

State Transit's reliability target across all its services is 98 per cent. In 2014-15, both Sydney Buses and Newcastle Buses met and exceeded this target with 99.32 per cent and 99.94 per cent of timetabled services operating, respectively.

Better value for money

State Transit completed its reform program in 2014-15, delivering on all initiatives and associated savings by the target delivery dates. State Transit has delivered accumulated savings of almost $90 million per annum.

Improved customer satisfaction

In the most recent customer satisfaction survey conducted by Transport for NSW, 86 per cent of customers said they were satisfied with State Transit's services – a three per cent increase over the last two years.

Delivery of the new CBD Bus Plan

State Transit invested significant time and skills to ensure the Transport for NSW CBD Bus Plan was implemented smoothly on 4 October 2015. More than 60 timetables were revised, to be republished in printed form and on State Transit's websites. In addition, around 4,000 bus stops required new timetable displays and communications.

Safer services

The safety of our customers and workers is paramount to the success of our business. During 2014-15, customer incidents decreased by 13.3 per cent from 2013-14 and total employee injuries also decreased by six per cent.

In June 2015, State Transit successfully passed the WorkCover NSW Self-Insurer Audit against the National Self-Insurer OHS Management System Audit Tool Version 3. This is a significant achievement and indicates State Transit is successfully implementing an effective Safety Management System across its operations, as well as maintaining our status as a Self-Insurer.

Improving the fleet emissions profile

With the retirement of older early model pre–Euro buses, and with the acquisition of the latest Euro 5 and Environmentally Enhanced Vehicle (EEV) emission standard buses, 76 per cent of the State Transit fleet is Euro 3 standard or higher and 39 per cent are Euro 5 standard or the latest EEV standard. This compares with 63 per cent and 27 per cent respectively in the previous financial year.

Year in Review

Customer Experience

Key Objectives
- To make it easier for customers to use our services

Key Benefit
- Delivering a positive experience in all our interactions with customers

Key Performance Indicators
- Increased customer satisfaction
- Improved customer information
- Improved reliability

Performance

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

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

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

Customer Information

State Transit provides a range of bus service information options to customers that are readily available, easy to understand and accessible.

State Transit achieves this by providing information to customers through a variety of channels – online, in print, at bus stops and on board buses.

Real time information

State Transit uses a sophisticated bus scheduling system (Hastus) to create detailed service operation plans. This system also provides service and location times that enable real time customer information through mobile apps and trip planners, developed in collaboration with Transport for NSW and third party mobile app developers.

Service disruption messages are provided for customers when bus stops are affected by planned service changes and special events or through online, phone and customer contact points when unplanned incidents are delaying buses on their timetabled services.

Timetable information - bus stops and printed booklets

State Transit provides bus stop timetables showing the specific bus services that use that location, with additional information displayed at major stops and along major corridors.

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

Printed timetable booklets can be picked up from Transport Shops, the Transport for NSW Customer Information Centres or from ticket resellers and train stations. Electronic versions of each timetable and route map are also available online from the Sydney Buses and Newcastle Buses and Ferries websites. Regional Guides showing all the routes are also available on the websites.

In 2014-15, State Transit continued to work with Transport for NSW to roll out improved signage and information across the Sydney Buses and Newcastle Buses networks.

Websites

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

More than 4.4 million people visited the State Transit, Sydney Buses and Newcastle Buses and Ferries websites in 2014-15.

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

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

Collaboration with the Transport Management Centre

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

The announcements, which were aired on major radio stations, provided updates on peak-hour transport conditions. As part of those announcements the Transport Management Centre also aired messages for State Transit and other transport agencies.

Transport Shops

Transport Shops, located at Railway Square, Circular Quay, Wynyard and the Queen Victoria Building, carry a full range of timetables and maps, and can support customers with ticketing and journey planning information. There are also two Customer Information Centres located at Circular Quay and Central Station to provide information and advice to customers using the public transport network.

Transportnsw.info services

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

Transportnsw.info includes web-based information (which is available by visiting www.transportnsw.info), mobile website information (available on smart phones by accessing the website by m.transportnsw.info), or by phoning 131500.

There is also a range of apps available to customers to download onto their smart device that provide real-time transport information.

State Transit provides customer information through the Transportnsw.info service. The self-service automated information channels where customers are using the web, smart phone apps (number of trip plans) or automated Interactive Voice Response phone service continues to be the most popular method for customers seeking and receiving bus service information.

All information received by Transportnsw.info is important and used to continuously improve and deliver quality and timely information, to ensure that the customer is at the centre of everything State Transit does.

Customer Feedback

State Transit is committed to promptly responding to feedback from customers. All cases received are recorded and investigated appropriately, with the customer receiving a response from our Customer Relations staff. Statistics from feedback are analysed to generate customer insight and identify trends. These customer insights are used to enhance the overall performance of services for the benefit of all customers.

In 2014-15, customer feedback topics ranged from reliability of bus services to interactions with staff including compliments for excellent service provided by drivers.

On-time running

On-time running is important to everyone and State Transit is working with Transport for NSW, the Transport Management Centre and Roads and Maritime Services to address factors that can delay timetabled bus services.

Following a successful pilot program at Kingsgrove Depot, which has seen considerable improvements to the on-time departures of Kingsgrove bus services of between five and 10 per cent, State Transit rolled out the Four Disciplines of Execution (4DX) methodologies across its organisation in April 2014. Since the implementation of the program across the network, State Transit has seen an average improvement to on-time departures of around five per cent.

The 4DX program focuses on a number of factors within State Transit's control that can improve on-time running including:

- Bus drivers departing the depot and terminus on time;
- Improving bus availability with a focus on refining maintenance processes;
- Improving berthing and despatch; and
- Reviewing on-time running performance to improving bus schedules.

There are however, many factors outside of State Transit's control that can affect the reliable performance of bus services including traffic accidents, special events, wet weather conditions and road works. Bus services are also delayed by motorists who park in bus stops, illegally use bus-only lanes, park in clearways and those who refuse to give way to buses when pulling out from bus stops, all of which are driving infringements that are enforced by NSW Police.

State Transit's on-time running is measured by Transport for NSW as part of its operating contracts. On-time running data is collected in the morning peak only, between 6am and 10am, over three separate days each month, across 11 different locations within State Transit's operating areas.

A bus service is deemed as having operated on-time if it starts its trip between one minute before and five minutes after its scheduled departure time.

The quarterly on-time running figures for Sydney Buses regions during the 2014-15 financial year are shown below.

Table: Sydney Buses on-time running performance July – September quarter

Sydney Buses	July 2014	August 2014	September 2014
Region 6	96.50%	94.93%	95.39%
Region 7	97.69%	93.50%	91.38%
Region 8	95.06%	93.71%	96.15%
Region 9	95.16%	92.99%	93.39%
OSMBSC 5	95.72%	95.02%	94.66%

Table: Sydney Buses on-time running performance October – December quarter

Sydney Buses	October 2014	November 2014	December 2014
Region 6	94.66%	89.63%	95.85%
Region 7	95.39%	89.25%	92.54%
Region 8	91.38%	92.49%	92.70%
Region 9	96.15%	89.67%	92.79%
OSMBSC 5	94.26%	94.46%	94.19%

Table: Sydney Buses on-time running performance January – March quarter

Sydney Buses	January 2015*	February 2015	March 2015
Region 6	N/A	92.86%	93.78%
Region 7	N/A	91.24%	93.82%
Region 8	N/A	90.37%	94.92%
Region 9	N/A	86.99%	86.62%
OSMBSC 5	95.82%	93.44%	93.85%

*Data is not collected in January by Transport for NSW

Table: Sydney Buses on-time running performance April – June quarter

Sydney Buses	April 2015	May 2015	June 2015
Region 6	97.78%	94.88%	95.15%
Region 7	97.34%	92.65%	92.14%
Region 8	96.51%	95.54%	94.85%
Region 9	96.76%	86.55%	90.61%
OSMBSC 5	94.12%	94.23%	94.61%

Reliability

The reliability of State Transit services is measured by the number of timetabled services that are operated. State Transit's target is to operate 98 per cent of all timetabled services.

In 2014-15, both Sydney Buses and Newcastle Buses met or exceeded this target with 99.32 per cent and 99.94 per cent of timetabled services operating, respectively.

Network Control Centre

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

The NCC uses the Public Transport Information and Priority System (PTIPS) to monitor services in real-time, identifying buses that are running early or late, and intervening where necessary to improve on-time running. This may include contacting the driver to advise of early running to get them back on schedule or providing an additional bus to assist when adverse traffic conditions result in late running.

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

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

Special Events

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

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

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

Supporting the Community

Christmas Buses

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

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

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

The guest judge for the 2014 Christmas Bus Competition was nine-year-old Mary Chaar, who awarded the title of best decorated bus to Port Botany Depot.

Safety

Key Objectives

- The safety of State Transit's customers and workers is the organisation's key priority
- State Transit's ultimate aim is that no injuries to staff, passengers or the public will occur as a result of State Transit operations or activities

Key Benefit

- A safe and healthy workplace for all workers and a safe journey for passengers and other road users

Key Performance Indicators

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

Performance

Worker Safety

State Transit's key performance indicator for measuring employee safety is the Lost Time Injury Frequency Rate (LTIFR). Against the target of 8.0, an LTIFR of 5.6 was achieved in 2014-15.

Total employee injuries decreased by 6 per cent in 2014-15 from 2013-14. This follows a continuing trend of reduced injuries.

The number of assaults on employees decreased by 1.5 per cent in 2014-15, following a 3 per cent reduction the previous year. Improvements have been assisted by CCTV on buses, increased driver security screens and the introduction of new driver training.

Customer Safety

The safety of our customers is paramount to the success of our business. During 2014-15, customer incidents decreased by 13.3 per cent from 2013-14, with customer falls reducing by 15.6 per cent over the same period, continuing an ongoing trend of reductions.

Road User Safety

State Transit operates in a challenging environment, sharing the roads with other vehicles and pedestrians. State Transit's rate of At Fault Collisions was 1.16, lower than the target for 2014-15 of 1.20.

Safety Programs

Key strategies and programs contributing to State Transit's strong safety performance throughout 2014-15 include:

WorkCover Self-Insurer Audit

In June 2015, State Transit successfully passed the WorkCover NSW Self-Insurer Audit against the National Self-Insurer OHS Management System Audit Tool Version 3. The audit was held at the Kingsgrove and Tempe depots and State Transit's Head Office in Mascot. This

is a significant achievement and indicates State Transit is successfully implementing an effective Safety Management System across its operations, as well as maintaining our status as a Self-Insurer.

Safety Management System

The Safety Management System contains detailed policies, procedures, risk management guidelines, safe work instructions and forms that provide a documented framework for State Transit workers to follow when performing their duties. The Safety Management System is regularly reviewed in consultation with workers to ensure currency, compliance and ease of use.

State Transit allocates resources to ensure all safety objectives are adequately met. This includes having dedicated safety professionals allocated to each site, as well as investing in technology to improve safety reporting and performance.

Safety Training

In 2014-15 there were 10,518 safety competencies achieved through participation in safety training by State Transit employees. Safety training programs are delivered in a variety of formats to employees and other workers to ensure they have the knowledge and confidence to implement their requirements of the Safety Management System and deliver a safe service to our customers.

Drug and Alcohol Testing

All State Transit employees are subjected to random drug and alcohol testing, as well as testing following serious on-road incidents and where reasonable cause exists. In April 2015, saliva swab testing was implemented to further complement the existing breath alcohol and urine testing program. Various measures are taken when positive tests occur, including counselling and disciplinary proceedings.

In 2014-15, State Transit increased the number of drug and alcohol tests conducted by 28 per cent.

Table: Drug and alcohol testing

	Alcohol	Drugs
Number of tests	2,565	781
Number of positive results	5	4

Health and Wellbeing

State Transit is committed to a proactive approach to managing the health and wellbeing of its staff. During 2014-15, a number of programs were implemented encouraging a healthy workforce including Health Week; free employee health checks and vaccinations; exercise competitions; and healthy eating programs. Other ongoing activities include the Employee Assistance Program and Fatigue Management Program.

Consultation

Consultation is an underpinning principle of safety at State Transit. As well as informal consultation mechanisms, State Transit has established a number of key groups that provide feedback and are involved in making safety decisions on behalf of the business. Central to this process are the local Health and Safety Committees and the Fleet Safety Committee.

During 2014-15, State Transit negotiated with the Health and Safety Representatives to increase the number of representatives in the larger work groups.

Safety Awareness Campaigns

State Transit will continue to work collaboratively with Transport for NSW to enhance services for our customers and deliver on the NSW Government's long-term plans for transport in NSW.

In 2014-15, State Transit began working collaboratively with the Centre for Road Safety and other relevant stakeholders on the *Bus Safety Action Plan* to improve road and passenger safety for State Transit bus operations. Significant achievements have already been implemented including the introduction of new traffic signal phasing to provide better protection for pedestrians. It is hoped that learning gained from this project can be extended to the wider bus community.

In addition, State Transit will work proactively with Transport for NSW and other transport agencies on a new campaign targeting anti-social behaviour, to ensure the safety of customers and transport employees.

The HUB

An in-house software system, the HUB, has been designed and developed by State Transit to provide an electronic safety reporting system. The HUB has been in pilot throughout 2014-15 at select work sites and will be rolled out across the business during 2015-16. The HUB will streamline safety reporting and deliver a more efficient process for monitoring actions arising out of safety activities.

Depot Refresh Program

Following the success of the WorkCover Self-Insurer Audit, a Depot Refresh Program will be implemented over 2015-2017 to continue to improve safety in the workplace at State Transit bus depots.

Workers Compensation

The successful management of workplace injuries and return to work is a key work, health and safety strategy at State Transit. The actuarial net liability continues a downward trend, decreasing 25 per cent from $22.8 million at 30 June 2014 to $17 million at 30 June 2015. Workers Compensation claims reduced by approximately 2 per cent in 2014-15, with the total number of new claims in 2014-15 being 465.

State Transit delivers its own Return to Work functions and is supported by Transport for NSW Transport Shared Services which continue to provide Workers Compensation services to State Transit as governed by a Service Level Agreement.

Competitive Business Performance

Key Objectives

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

Key Benefit

- Clearly demonstrating improved 'value for money'

Key Performance Indicators

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

Performance

Financial Review

In 2014-15, State Transit reported a surplus of $19.7 million ($32.9 million in 2013-14).

Income from operating activities was $660.7 million and the cost of operating the business was $641 million. Income in 2014-15 was 1.78 per cent below the previous financial year due to a reduction in operational revenue that reflected agreed saving targets and bus service contract pricing adjustments. Expenses were 0.17 per cent higher in 2014-15, due to an increase in personnel services expense.

The surplus for the 2014-15 year of $19.7 million was $3 million lower than the original budget.

Capital Expenditure

State Transit spent $31.4 million on capital works in 2014-15, including $28.8 million on the acquisition of 66 new buses; $1.2 million on bus-related equipment and other systems; and $1.4 million on depot infrastructure and facilities upgrades.

The bus replacement program ensures the average fleet age continues to meet the requirements of State Transit's contracts with Transport for NSW. State Transit's average fleet age was 10.10 years as at 30 June 2015.

The upgrades to the depot infrastructure and facilities were necessary to meet operational requirements.

Outer Metropolitan and Sydney Metropolitan Bus Service Contracts

State Transit currently operates its bus services through five separate Transport for NSW contracts:

- Four Sydney Metropolitan Bus Service Contracts (SMBSC)
- One Outer Metropolitan Bus Service Contract (OMBSC)

The four SMBSC comprise:

- Contract Region 6 – Southern Sydney
- Contract Region 7 – Western Sydney
- Contract Region 8 – Northern Sydney
- Contract Region 9 – Eastern Sydney

The SMBSC all commenced on 1 July 2013 for a period of five years with an option for a further two years.

The single OMBSC comprises:

- Contract Region 5 – Newcastle Buses

The OMBSC commenced on 1 July 2014 for a period that is planned to align with the SMBSC completion.

All contracts include the provision of additional services for specific special events such as New Years Eve, Australia Day, ANZAC Day, VIVID, Mardi Gras and football games.

State Transit has a monthly reporting regime, an obligation under each contract. The reporting principally takes the form of strict KPI benchmark comparison. The benchmarks principally cover: patronage growth; on-time running; accessible services; customer satisfaction; customer complaints and resolution; revenue protection; and safety.

Changes to any contract bus service are detailed by State Transit, including supporting Operational Spatial Data (OSD), and submitted to Transport for NSW for assessment and approval. Once approved, the changes are invoiced and paid through the contract payment process.

Each SMBSC and OSMBSC is invoiced and paid on a monthly basis, principally comprising the monthly contract price, applicable price adjustments and service variations.

State Transit continues to be a major supporter of the Transport for NSW Opal system. The Opal rollout has been completed on all buses across the network.

Information Technology Management

The focus for the IT unit over the 2014-15 financial year has been to analyse and commence the implementation of upgrades to key legacy systems such as Hastus (rosters and schedules), Ellipse (accounts payable, purchasing, asset management), Service Manager (service requests and incident records), Lotus Notes (email), Citrix (user interface to State Transit desktop), Tivoli Service Manager (system backups), AIX (a variant of the Unix operating system), SAN hardware (centralised storage) and Windows Server.

Achievements for 2014-15 include:

- Migration of the Busmail portal to a new hosting environment.
- Implementation of the first wave of the Enterprise Resource Planning (ERP) program.
- Greater engagement with Transport for NSW for Software Asset Management processes.
- Continued State Transit ICT support provided to the Transport for NSW Next Generation Infrastructure Services (NGIS) program.
- Identification of business improvements using mobile technology, in areas including insurance, safety inspections, and yard management.
- Planning for the 2015-16 Disaster Recovery (DR) testing.
- Depot-based Uninterrupted Power Supply (UPS) hardware upgrade.
- Beginning of the development of the Service Events module within the HUB application.
- TranSequel Implementation – replace legacy application Fuelscan.
- Network enhancements to facilitate the rollout of the Electronic Ticketing System (ETS), Opal, to all depots in Sydney and Newcastle.
- An upgrade of the TORAS software to accommodate the ETS systems.

- Install a HASTUS module for Bus Operator Sign-On and Sign-Off.
- Development and rollout of the Safety Management System in the HUB.
- Implementation of On-Time-Running (OTR) Weekly and Monthly Reporting.
- On-Time-Running data consolidation and compilation for the International Bus Benchmarking Group.
- Implementation of a new reporting template for SMBSC/OMBSC from January 2015.
- Refresh and upgrade of the Storage Area Network (SAN) to reduce maintenance costs, maintain system supportability and access.

Risk Management Program

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

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

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

Emergency Response Plans

State Transit has trained all operational, key management and supervisory staff in Emergency and Crisis Management procedures. The Fleet Operations and Infrastructure Division facilitate the program which provides focus on the practical aspects of emergency and incident management together with a structured approach to communications. Flexible delivery options enable the program to be delivered as required for the ongoing support of operations.

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

Security Coordination

State Transit's Security Unit provides police intelligence profiles of incidents that occur on the bus transport network. High profile areas of the network have been identified and the Police Transport Command is provided with details of incidents on the State Transit bus network every working day. The Unit provides a conduit for all Police requesting on-bus CCTV footage to assist in their investigations. It facilitates the delivery of footage and provides evidence in court in relation to the continuity of the CCTV system.

The Security Unit participates in the Police Transport Command Crime Prevention Committee on a monthly basis and attends operational planning and coordination meetings on a weekly basis.

Revenue Protection

Responsibility for revenue protection and the checking of passengers for valid Opal cards and tickets when travelling on Sydney Buses and Newcastle Buses and Ferries has been transferred to Transport Officers. Transport for NSW has responsibility for tasking of the transport offers on the transport network.

The position of Manager, Revenue Protection has been extended to 30 June 2016. The key responsibilities of the position include the reviewing of complaints from members of the public relating to employee behavior; the investigation of criminal offences that affect State Transit including theft and fraud by staff and members of the public; and monitoring the issue of penalty notices by State Transit authorised officers to ensure compliance with relevant legislation and the service agreements with the State Debt Recovery Unit.

The position also assists the Security Unit in the review of on-bus CCTV footage in relation to serious criminal offences involving members of the public that have been captured by the bus CCTV system.

Growth

Key Objective

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

Key Benefit

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

Key Performance Indicators

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

Performance

In 2014-15, State Transit worked collaboratively with Transport for NSW to achieve the priorities and targets as specified in the State Plan – NSW 2021.

Patronage

Patronage for State Transit in 2014-15 was 202.373 million passenger trips.*

Sydney Buses recorded 190.886 million passenger trips with Newcastle Buses and Ferries carrying 11.487 million passengers.

*During the transition period from Magnetic Stripe Tickets to Opal in 2014-15, patronage has been estimated using pre-Opal data plus 1 per cent growth.

Bus Fleet

In 2014-15, 66 new buses were delivered to State Transit. These buses included 39 Scania K280UB and 20 Volvo B7RLE buses, all with Bustech bodies and seven Iveco Metro LE buses with Volgren Optimus bodies. All new buses delivered have Euro 5 or EEV emission levels.

State Transit's operating contracts with Transport for NSW, issued under the Passenger Transport Act 1990, require an average fleet age of not more than 12 years. The delivery of these new buses and subsequent retirement of older ones has kept the average age of State Transit's fleet to 10.10 years.

State Transit continues to purchase only wheelchair-accessible buses, which now total 1,851 (85.6 per cent) of the fleet. This places State Transit above target toward achieving the next Commonwealth Disability Standards for Accessible Public Transport milestone date in 2017.

Wheelchair-accessible buses operate on 72.3 per cent of services on routes throughout Sydney and Newcastle with wheelchair accessible trips operating on more than 95 per cent of trips on the weekend.

Timetabled wheelchair-accessible bus services now operate on all main corridors and cross-regional routes. Many of these services provide links to accessible train stations to increase opportunities for multi-modal travel. Wheelchair-accessible services are identified by

the wheelchair icon in bus timetables located on the Sydney Buses website – www.sydneybuses.info.

All new buses acquired by State Transit feature:

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

Following consultation with Vision Australia, all new buses now feature LED destination signs, chosen for their strong contrast between the large white writing on black background, making for easier readability for customers with vision impairment.

Electronic Ticketing System

State Transit, in conjunction with Transport for NSW, had a key role in developing and implementing the Opal system. A dedicated project team supervised the installation of both depot and bus modifications and infrastructure. All buses and back office systems were deployed by November 2014.

People and Organisational Sustainability

Key Objective

- To inspire, develop and support all employees

Key Benefit

- Skilled, productive and motivated staff

Key Performance Indicators

- Operational staffing levels maintained
- Staff Development Plans agreed
- Stakeholder engagement

Performance

Recruitment

During 2014-15, recruitment was undertaken by Transport Shared Services, part of Transport for NSW. The majority of recruitment activity was for bus operators, with applicants assessed by a process including online pre-screening and testing, interview and driver evaluation. During 2014-15, 340 bus operators were recruited.

Organisational Development

State Transit is committed to developing a capable and resilient workforce by investing in its people. State Transit works in partnership with Transport for NSW to deliver targeted training and development programs to ensure organisational capability to meet current and future needs.

In 2014-15, our focus towards online learning has continued with over 4,000 employees completing Code of Conduct training as part of a transport-wide initiative.

Bus Operator Training

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

- a nationally recognised Traineeship Program for all new bus operators; and
- tailored one-on-one training and assessment for identified training needs.

The Traineeship Program ensures all new bus operators receive training that has been benchmarked against national competency standards, and results in a nationally recognised Certificate III in Driving Operations (Bus). This qualification is also available to existing bus operators to have their current skills and experience formally recognised.

Achievements in 2014-15 included:

- 130 bus operators completed the Certificate III in Driving Operations (Bus); and
- 320 new recruits were enrolled in the Certificate III Traineeship Program.

Leadership Development

Leaders at all levels have participated in Leadership Development Programs in 2014-15. These cluster-wide programs are designed to build leadership capability to provide effective people and strategic leadership within the organisation.

Succession planning for key operational roles and supervisors was conducted and comprehensive capability development and workplace assessment programs put in place. Capability in these key roles supports the effective delivery of services to our customers.

Logistics Cadetship

The logistics cadetship program brings young people into the organisation to undertake workplace training and coaching in the specialist skills area of rosters and scheduling, as well as completing a Certificate IV qualification.

Apprenticeships

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

Apprentices undertake on-the-job training in the workshops; technical training and assessment on the State Transit fleet; and trade qualifications from TAFE.

Several apprentices are currently completing or have completed post-trade qualifications including Certificate IV in Automotive Mechanical Diagnosis, Certificate III in Automotive Electrical Technology and Certificate III in Automotive Refinishing Technology.

Phil Cooksey and Aaron Jutrisa (Certificate III in Heavy Commercial Vehicle Mechanical Technology) both received TAFE awards for their achievements while undertaking trade qualifications.

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

Fleet Operations Training

To help support State Transit's extensive fleet replacement program, technical training courses were delivered to fleet operations staff during the year. Training centred around Volvo B7RLE, Volvo B12BLE and Iveco buses.

As part of State Transit's commitment to ensure the safety and competency of maintenance staff, over 4,600 competency-based assessments were conducted on the operation of workshop plant and equipment.

Performance Agreements for Transport Senior Service, Senior Officers and Salaried Officers

The Performance Agreement Program for Transport Senior Service employees and Senior Officers continued, using an online system. The online system provides fully electronic records and sign-offs; tools to support the development of appropriate performance objectives and personal development plans; and reporting functions which summarise progress in meeting objectives and alignment of objectives to the Corporate Plan.

Implementation was finalised in 2014-15 to extend the Performance Agreement program to all Salaried Officers. These Performance Agreements also utilise the online system, and became operational from 1 July 2014.

Grow Perform Succeed Program

During the reporting year, the planning, design, consultation, and training occurred for the rollout of the Grow Perform Succeed program (GPS) in 2015-16. The purpose of this program is to provide all wages employees the opportunity to discuss their role with their supervisor; understand work goals; receive regular feedback about how they are performing and what they are doing well; be recognised for a job well done; and to build capabilities to carry out work to the best of their abilities.

Succession Planning

The Transport for NSW Succession Planning framework was applied in State Transit to develop succession plans for key and critical positions including Depot Managers and scheduling employees. Personal development plans for the pool of high potential staff were developed to support State Transit in meeting future needs.

Enterprise Agreements and Awards

During 2014-15, wage negotiations for the following groups within State Transit were concluded:

- **State Transit Authority Bus Operations Enterprise (State) Award 2015** – Covers all bus operators and related classifications.
- **State Transit Authority Senior and Salaried Officers Enterprise (State) Award 2015** – Covers all administrative, managerial and operational (non bus or maintenance) staff.
- **State Transit Authority Newcastle Ferry Masters Enterprise Agreement 2015** – Covers all Newcastle ferry masters and engineers.
- **State Transit Authority Newcastle Ferry General Purpose Hand Enterprise Agreement 2015** – Covers all Newcastle Ferry General Purpose Hands.

All wage negotiations were conducted under the NSW Public Sector Wages Policy 2011 which provides for a 2.5 per cent cost of living adjustment, including the superannuation guarantee, with any increase above the 2.5 per cent cost of living adjustment to be funded through employee-related cost savings.

Equity and Diversity Training

Equity and Diversity Training continues to be a key component of training within State Transit. A component of new employee induction training sessions is dedicated to Equity and Diversity Training and information.

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

Retreat Spaces

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

Representation of Women in State Transit

Currently women represent 8 per cent of State Transit's total workforce. Bus operators make up 81 per cent of our entire workforce, and women represent 5.9 per cent of all bus operators.

At State Transit depots, women also work as Depot Managers, Duty Managers, Duty Officers, Yard Supervisors, Senior Staff Supervisors, Bus Operator Trainers, tradespersons and apprentices.

Aboriginal and Torres Strait Islander Employment

The representation of Aboriginal and Torres Strait Islander people in State Transit was 0.55 per cent. In 2015-16, State Transit will review its strategies for increasing the representation of Aboriginal and Torres Strait Islander people.

Staff Recognition Scheme

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

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

1. an annual organisation-wide program, culminating in a formal annual awards function;
2. annual allocation of movie vouchers to Regions and Corporate Divisions to reward exceptional performance in the workplace; and
3. day-to-day praise and feedback in the workplace to employees from managers and supervisors.

The Annual Service and Achievement Award presentations were held in a combined event on Friday, 20 March 2015 at the Australian Technology Park Eveleigh, in Sydney.

This Annual Achievement Awards recognise the outstanding contributions of staff during 2014. These awards reflect the values that are embedded in the Corporate Plan 2012-2017.

The categories and recipients for these awards were:

- Safety – Claudia Blumer
- Collaboration – David Chandra, Kamalini Jayasundara, Lysander Macasieb, Juliet Payne and Sergey Vznuzdaev
- Customer Focus – Graham Christie, Peter Coronis, Ruturaj Newaskar and John Pukler
- Solutions – Kathryn Bailey and Tony Melville
- Integrity – Jason Franklin
- Apprentice of the Year – Warren Fegan and Matthew Thornton.

Environment

Key Objective

- To meet our environmental obligations

Key Benefit

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

Key Performance Indicators

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

Environmental Initiatives

State Transit's tank and line replacement program

In 2014-15, State Transit installed and commissioned new self-bunded above ground diesel fuel storage systems at its Ryde, Randwick and Willoughby depots. These new above ground tank and line installations provide for an improved level of environmental protection and inventory control afforded by self-bunded tanks, with alarms and gauging for continuous monitoring of stored fuel inventories.

Removal of underground storage tanks at Burwood and Brookvale depots

Works were performed to remove and dispose of decommissioned underground diesel fuel storage tanks at our Burwood and Brookvale depots. These works, conducted in accordance with Australian Standards and environmental regulations, allow State Transit to remove a potential environmental legacy and to reinstate the overlying concrete hardstand.

Improving bus fleet emissions profile

With the retirement of older early model pre–Euro buses, and with the acquisition of the latest Euro 5 and EEV buses, 76 per cent of the fleet is of a Euro 3 standard or higher and 39 per cent are of the Euro 5 or the latest EEV standard. This compares with 63 per cent and 27 per cent respectively in the previous financial year.

Electricity and water consumption savings

State Transit continued on its path of energy savings with a 4.5 per cent reduction in depot electricity consumption in 2014-15 which built upon the 3 per cent reduction achieved in the previous financial year. State Transit's total potable water consumption was 100,363kL in 2014-15, 6.6 per cent less than the total water consumption for the previous financial year.

Greenhouse Emissions Footprint

State Transit's greenhouse gas footprint for the bus fleet, based upon diesel and CNG combustion, was calculated at 152,710 tonnes CO_2 (e) in 2014-15. This represents a 0.5 per cent increase on the previous financial year's total fleet emissions footprint. When combining stationary energy greenhouse emissions, the total State Transit greenhouse footprint for

transport and stationary energy has also increased by 0.5 per cent from the previous year at 161,248 tonnes $CO_2(e)$.

Appendices

Appendix 1: Legislation

The State Transit Authority of NSW is constituted as an operating body without policy or regulatory functions and is not charged with the administration of legislation. However, set out below is an overview of the legislation directly relevant to the State Transit Authority of NSW during 2014-15.

Transport Administration Act

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

Regulations

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

- Transport Administration (Staff) Regulation 2012
- Transport Administration (General) Regulation 2013

Orders

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

Passenger Transport Act

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

Appendix 2: Management and Structure (as at 30 June 2015)

Chief Executive

Peter Rowley

Qualifications: Certificate of Transport Management, Master of Transport Management

Corporate Counsel

Mary Macken

Reports to the Chief Executive

Qualifications: Masters of Laws University of Sydney, Accredited Specialist Property Law, Masters of Arts (French)

General Manager, Fleet Operations and Infrastructure Division

Michael Reardon

Reports to the Chief Executive

Qualifications: Certificate of Transport Management

Key responsibilities:

- Asset Security
- Operational Infrastructure
- Fleet Operations
- Bus Maintenance
- Revenue Protection

General Manager, Safety, Assurance and Communications

Lindsay Lee

Reports to the Chief Executive

Qualifications: Bachelor of Arts (First Class Honours)

Key responsibilities:

- Customer Information and Communications
- Internal Audit
- Risk and Assurance
- Electronic Ticketing System
- Environment
- Safety Management System

General Manager, People and Bus Systems

Martin Byatt

Reports to the Chief Executive

Qualifications: Certificate of Transport Management

Key responsibilities:

- Learning and Development
- Employee Relations and Equity
- Human Resources Development
- Bus Operations

General Manager, People and Bus Systems

Paul Dunn

Reports to the Chief Executive

Qualifications: Bachelor of Commerce, Masters in Business Administration, Graduate Diploma in Applied Finance, Graduate Member of the Australian Institute of Company Directors

Key responsibilities:

- Finance
- Treasury and Revenue

General Manager Strategy, Innovation and Technology
Craig Webster

Reports to the Chief Executive

Qualifications: Bachelor of Economics, Masters in Business Administration

Key responsibilities:

- ICT
- Contracts and Procurement
- Insurance

General Manager, Northern Region

Robert Tarabay

Reports to the Chief Executive

Qualifications: Graduate Certificate Business Management, Certificate of Transport Management, Certificate IV Building and Construction, Diploma Building and Construction, Certificate IV Training and Assessment

Key responsibilities:

- Management of Northern Regional bus depots (Mona Vale, Brookvale and North Sydney) which operate services in Sydney's lower North Shore, the Northern Beaches and the CBD
- Network Control Centre

General Manager, Southern Region

Mark Peters

Reports to the Chief Executive

Qualifications: Certificate of Transport Management, Graduate Certificate in Business Management.

Key responsibilities:

- Management of the Southern Regional bus depots (Leichhardt, Kingsgrove, Burwood and Tempe) which operate services in Sydney's inner-western, south-western suburbs and the CBD
- 4DX / On-time running
- Metrobus routes

General Manager, Eastern Region

Jamie Sinclair

Reports to the Chief Executive

Qualifications: Advanced Management Certificate, Business Management Certificate, Certificate of Transport Management

Key responsibilities:

- Management of the Eastern Regional bus depots (Waverley, Port Botany and Randwick) which operate services in Sydney's eastern beaches, inner south-eastern suburbs and the CBD
- Special Event Coordination

A/General Manager, Western Region

John Evic

Reports to the Chief Executive

Qualifications: Certificate in Transport Management, DuPont Safety and Risk Training, Graduate Certificate in Management, Graduate Certificate in Supply Chain & Value Management, Bachelor of Manufacturing Management (Operations Management), Associate Diploma of Business

Key responsibilities:

- Management of the Western Regional bus depots (Ryde and Willoughby) which operate services in Sydney's north western, northern harbour and riverside suburbs
- Scheduling (HASTUS) across all Sydney regions

General Manager, Newcastle Buses and Ferries

Darren Carey

Reports to the Chief Executive

Qualifications: Graduate Australian Institute of Company Directors, Certificate of Transport Management, Certificate of Business Management, Graduate Certificate in Retail Management

Key responsibilities:

- Management of the Newcastle bus depots (Hamilton and Belmont) which operate services across a large part of Newcastle and Lake Macquarie
- Management and operation of the Newcastle to Stockton Ferry

Appendix 3: Senior Service Contracts and Remuneration

Table: Senior Service Contracts and Remuneration

Transport Senior Service Level	Female	Male	Total	Average of TRP
Senior Service Level 2	1	6	7	$219,855
Senior Service Level 3	-	9	9	$259,233
Senior Service Level 4	-	1	1	$286,927
Senior Service Level 5	-	-	-	-
Senior Service Level 6	-	1	1	$444,691
Total	**1**	**17**	**18**	

The table above reflects the Transport Senior Service population Level 2 to Level 6, following the introduction of the Government Sector Employment Alignment Legislation. Seventeen Senior Service Level 1 staff are not included in this profile.

Appendix 4: Human Resource Statistics

The below table shows a comparison of State Transit's staff by classification (and full-time equivalent) over the five-year period from July 2010 to June 2015

Table: Human Resource Statistics

Head count	2010-11	2011-12	2012-13	2013-14	2014-15
Operations	4,209	4,294	4,191	3,856	3,857
Maintenance	419	416	348	370	329
Administration	700	611	510	436	430
SES	11	11	10	0*	0*
Transport Senior Service	N/A	N/A	N/A	36*	34*
Total	5,339	5,332	5,049	4,662	4,728
Full-time equivalent	5,182	5,174	4,847	4,543	4,562
Casuals (included above)	113	113	162	116	78

Note: The figures are converted to full-time equivalents for part-time staff, and represent the average staffing levels for the year (they do not include overtime hours). Administration figures for 2011-12 to 2014-15 exclude positions assigned to Transport for NSW and Transport Shared Services.

*SES classification discontinued during 2013-14. Former SES and various Senior Officers transferred to Transport Senior Service classification.

Appendix 5: Workforce Diversity

Table: Trends in the representation of Workforce Diversity Groups

Workforce Diversity Group	Benchmark/ target	% of total staff – 2013	% of total staff - 2014	% of total staff - 2015
Women	50.0%	9.4%	8.3%	7.9%
Aboriginal people and Torres Strait Islanders	2.6%	0.7%	0.6%	0.7%
People whose first language was not English	19.0%	26.5%	26.8%	27.0%
People with a disability	N/A	2.6%	2.3%	2.2%
People with a disability requiring work-related adjustment	1.5%	2.6%	2.3%	2.2%

Table: Trends in the distribution of Workforce Diversity Groups

Diversity group	Benchmark/ target	Span of total staff - 2013	Span of total staff - 2014	Span of total staff - 2015
Women	100	120	121	123
Aboriginal people and Torres Strait Islanders	100	82	86	89
People whose first language was not English	100	94	93	95
People with a disability	100	108	112	113
People with a disability requiring work-related adjustment	100	108	112	113

Note 1: A Distribution Index of 100 indicates that the centre of the distribution of the Diversity group across salary levels is equivalent to that of staff. Values less than 100 mean that Diversity groups tend to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the Diversity group is less concentrated at lower salary levels.

Note 2: The Distribution Index is not calculated where Diversity group or non-Diversity group numbers are less than 20.

Appendix 6: Multicultural Policies and Services Program

State Transit is a service provider within the Transport cluster managed by Transport for NSW. Network service planning and community stakeholder engagement for service change programs are now the principal responsibility of Transport for NSW. State Transit's role is to assist and support Transport for NSW in service change management programs.

State Transit, in collaboration with Transport for NSW, engages in consultation with ethnic communities regarding the introduction of new or changed bus services, using interpreters when required. In areas with a high level of ethnic diversity, brochures are produced in the predominant languages of the area where the service changes are to be implemented.

The first cluster-wide Multicultural Policies and Services Plan was delivered in 2012-13. This was a significant step in demonstrating the cluster's commitment to the Principles of Multiculturalism.

The Plan outlines how Transport for NSW and State Transit will respond to the NSW Government's multicultural objectives and incorporate multicultural principles into our processes and systems.

Under the Multicultural NSW Act 2000, State Transit is required to deliver and report against a current Multicultural Policies and Services Plan. These address Multicultural NSW's Multicultural Planning Framework.

State Transit, in collaboration with Transport for NSW, continued to work towards meeting the five objectives identified for multicultural customers:

- able to confidently use transport services
- able to equitably access transport services and information
- satisfied with the quality of communications and cultural sensitivity of transport service and program delivery
- able to have their views and concerns heard on policy and program development and service delivery
- embedding multicultural activity as a core function of the transport agencies.

Achievements in Multicultural NSW's outcome areas in 2014-15 have included:

Planning

The Multicultural Policies and Services Plan has been integrated into State Transit strategic and corporate planning. The Plan has been integrated in to State Transit's Corporate Plan with the key aim of developing equitable, inclusive and high performance services for all passengers and a service culture that is trained, resourced and managed to achieve this target.

State Transit's Senior Executive Committee meets monthly to monitor and review performance against the targets for Customer Experience and also for our People/Human Resources Program.

Human Resources

A cluster wide Diversity and Inclusion Plan was developed with several initiatives that include input to human resources policies.

The cluster's Talent Pipeline Program includes targeted recruitment to increase representation of diverse and/or disadvantaged community groups.

Diversity and Inclusion (specifically culturally and linguistically diverse (CALD) training) is incorporated in induction programs for all staff. Recruited customer-facing staff such as bus drivers receive diversity and/or multicultural training.

Communication

Following publication of the Plan on the Transport for NSW Intranet, it was further promoted through State Transit's internal communications channels encouraging staff to read, contribute to and include the Plan in their everyday work.

The Transport Info website, jointly supported by State Transit, provides an explanation of its TripPlanner function in 10 major languages. These are Arabic, Chinese, Greek, Indonesian, Italian, Japanese, Korean, Russian, Spanish and Vietnamese.

State Transit will continue to support the Transport Info website during 2015-16.

Funded Services

State Transit is a client of the Department of Immigration and Citizenship, which runs the Translating and Interpreting Services (TIS), 131450, for people who do not speak English and for English speakers needing to communicate with them. TIS provides both telephone and onsite interpreters for non-English speakers. Through TIS, a three-way conversation can be arranged with the Transport Info call centre agent, the caller and the interpreter.

State Transit will continue to seek translating and interpreting services from the Department of Immigration and Citizenship in 2014-15.

Retreat Spaces

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

Appendix 7: Agreements with Multicultural NSW

There has been no requirement for an agreement specified by Multicultural NSW.

Appendix 8: Summary of Land

In accordance with Section 41B(1)(d) of the Public Finance and Audit Act 1983, stated below is a summary of the Authority's land holding as at 30 June 2015 according to actual use of the land.

Table: Summary of land

Land use classification	$'000
Bus depots	156,692
Minor operational assets	2,149
Commercial properties	8,168
Total	167,009

Appendix 9: Disposal of property

During the year State Transit did not dispose of any land.

Appendix 10: Consolidated income and expenditure

Table: Consolidated Income

	2013-14 Actual $'000	2014-15 Actual $'000	2014-15 Budget $'000	2014-15 Variance $'000	2014-15 Variance %
Operational Revenue	607,648	590,916	607,120	-16,204	-2.67
Interest	30,029	29,509	30,380	-871	-2.87
Other Revenue	35,060	40,280	28,433	11,847	41.67
Total Income	**672,737**	**660,705**	**665,933**	**-5,228**	**-0.79**

Table: Consolidated Expenditure

	2013-14 Actual $'000	2014-15 Actual $'000	2014-15 Budget $'000	2014-15 Variance $'000	2014-15 Variance %
Personnel services	416,456	426,378	420,116	-6,262	-1.49
Depreciation and amortisation	24,745	22,901	22,981	80	0.35
Fleet running expenses	103,647	102,160	112,854	10,694	9.48
Borrowing costs	24,540	19,365	16,470	-2,895	-17.58
Other operating costs	70,463	70,242	70,818	576	0.81
Total expenditure	639,851	641,046	643,239	2,193	0.34

Table: Profit/Loss

	2013-14 Actual $'000	2014-15 Actual $'000	2014-15 Budget $'000	2014-15 Variance $'000	2014-15 Variance %
Profit/(loss) before tax	32,886	19,659	22,694	-3,035	-13.37

The operating budget for 2015-16 is a surplus of $21.5 million comprising total revenue of $670.4 million and total expenditure of $648.9 million.

The financial review commentary is included as part of the Competitive Business chapter.

Appendix 11: Government and Social Program

Government funding consisted of the following:

Bus Service Contracts

In 2014-15, State Transit had four separate Sydney Metropolitan Bus Service Contracts (SMBSC) and one Outer Sydney Metropolitan Bus Service Contract (OSMBSC) with Transport for NSW for the provision of bus services in Sydney and Newcastle. The term of the SMBSC was five years and the OSMBSC was for three years with the SMBSC commencing on 1 July 2013 and the OSMBSC on 1 July 2014.

Other Government Payments

Newcastle Ferry Services continued to receive payments from the Government for providing free and concessional fares in 2014-15.

Concession reimbursements were also received from the Government in the categories of pensioner and senior citizens, school students, tertiary students, the unemployed and other welfare recipients.

Appendix 12: Funds Granted to Non-Government Community Organisations

No payment was made by State Transit to non-Government community organisations during 2014-15.

Appendix 13: Liability Performance Management

In the year ended 30 June 2015, the market cost of funds of State Transit's debt portfolio, which includes actual interest costs, accrued interest costs, the amortisation of bond premium or discount amounts and the change in market capital value of the debt portfolio, was 5.72 per cent.

Appendix 14: Investment Management Performance

In 2014-15, State Transit did not have funds invested in NSW Treasury Corporation's investment facility. All surplus funds generated were used to repay borrowings of approximately $37 million.

Appendix 15: Performance in Paying Accounts

Table: Performance in paying accounts for all suppliers

Measure	September 2014	December 2014	March 2015	June 2015
Number of accounts due for payment	18,887	18,802	17,060	18,607
Number of accounts paid on time	18,259	18,282	15,696	17,750
Actual percentage of accounts paid on time (#)	96.7%	97.2%	92.0%	95.4%
Dollar amount of accounts due for payment ($'000)	$103,344	$98,905	$122,370	$145,892
Dollar amount of accounts paid on time ($'000)	$100,823	$97,922	$118,576	$141,789
Actual percentage of accounts paid on time ($)	97.6%	99.0%	96.9%	97.2%
Number of payments for interest on overdue accounts	NIL	NIL	NIL	NIL
Interest paid on overdue accounts	NIL	NIL	NIL	NIL

Table: Performance in paying accounts for small business suppliers

Measure	September 2014	December 2014	March 2015	June 2015
Number of accounts due for payments	2,069	1,790	1,712	1,942
Number of accounts paid on time	1,968	1,715	1,552	1,815
Actual percentage of accounts paid on time (#)	95.1%	95.8%	90.7%	93.5%
Dollar amount of accounts due for payment ($'000)	$3,071	$2,174	$122,370	$5,647
Dollar amount of accounts paid on time ($'000)	$2,900	$2,088	$118,576	$5,505
Actual percentage of accounts paid on time ($)	94.4%	96.0%	90.6%	97.5%
Number of payments for interest on overdue	NIL	NIL	NIL	NIL

Measure	September 2014	December 2014	March 2015	June 2015
accounts				
Interest paid on overdue accounts	NIL	NIL	NIL	NIL

Table: Aged transactions by quarter for all suppliers

Quarter	Current $'000	30-60 $'000	60-90 $'000	90+ $'000	Total Amount $'000
Sep 2013	18,166	679	5	-6	18,845
Dec 2013	15,050	1,567	15	-9	16,624
Mar 2014	17,511	177	33	-6	17,715
Jun 2014	24,989	412	19	19	25,438

Table: Aged transactions by quarter for small business suppliers

Quarter	Current $'000	30-60 $'000	60-90 $'000	90+ $'000	Total Amount $'000
Sep 2013	1,277	31	3	2	1,313
Dec 2013	1,052	44	0.9	0	1,097
Mar 2014	1,070	12	0	0	1,082
Jun 2014	3,977	19	1	16	4,014

Appendix 16: Consultancy Fees

The following table is a summary of consultants fees incurred during the year. Expenditure of the nature of providing a high level specialist or professional advice to assist decision-making by management is classified as a consultancy fee.

Table: Consultancy fees

Consultancy fees	$'000
Where consultancy fees exceeded $50,000	Nil
Where consultancy fees paid were less than $50,000	Nil

Appendix 17: Mobile Phones

Procedures for issuing mobile telephones to staff are outlined in State Transit's Telephone and Mobile Telephones Manual. The Chief Executive, General Managers and Depot Managers are responsible for issuing mobile telephones as and when a business need is demonstrated. In 2014-15, there were 267 mobile telephones in use.

Appendix 18: Credit Card Certification

This is to certify that Corporate Credit Cards are issued to State Transit's staff for business purposes and used in accordance with the Credit Card Use Best Practice Guide (TPP05-01).

Certified by:

Peter Rowley
Chief Executive

Appendix 19: Response to matters raised by the Auditor General

There were no significant matters identified in the Statutory Audit Report by the Audit Office.

Appendix 20: Overseas travel

During the year, the following overseas trip on behalf of State Transit was undertaken.

Name: Craig Webster
Position: General Manager, Strategy, Innovation & Technology
Date: 22 June 2015 to 29 June 2015
Destination: Vancouver, Canada
Purpose: To attend the International Bus Benchmarking Group Annual Meeting

Appendix 21: Annual Environment and WRAPP Report

Environmental Management Policy

State Transit's Environment Policy is displayed at all depot workplaces for staff reference and is made available to the public on the State Transit website.

State Transit also subscribes to the Transport for NSW Transport Environment and Sustainability Policy Statement found on the Transport for NSW website.

Environmental Notices

No Environment Protection Authority or Local Government Area environmental penalty notices were received during 2014-15.

Environmental Incidents

A total of six environmental incidents for in-service bus operations were reported to the Environment Office in 2014-15, compared with the four reported in the previous financial year. As these incidents were contained and cleaned up, with nil harm to the environment, these incidents were not deemed to be reportable to the regulator.

Bus in-service incidents primarily relate to spills or leaks resulting from accidents or mechanical failure. All such environmental incidents are reviewed to ensure their appropriate management by the responsible depot.

Environmental Complaints Handling

In 2014-15, 293 public environmental complaints were referred to the 131500 feedback line for Sydney Buses operations, compared with 243 for the previous year. The rate of environmental complaints for Sydney Buses is 1.27 complaints per million passenger trips. The majority of these public environmental complaints related to noise or smoke from buses.

Newcastle Buses received nine complaints, compared with zero complaints for the previous year. Complaints are recorded in categories of noise; smoke; spillage or littering from bus; and depot noise pollution. Public environmental complaints recorded on the 131 500 feedback line are referred to the responsible depot for investigation and response.

Environment Pollution Line Referrals

Environment Protection Authority Environmental Line Reports were referred to State Transit for investigation and resolution. Complaints varied from depot noise, PA system noise, bus start-up and idling noise, glare from unshielded lighting, and reversing beepers. All referred complaints were investigated and detailed responses provided to the regulator.

Trade Waste Notices

State Transit depots hold Trade Waste Agreements with Sydney or Hunter Water for the discharge of treated trade waste to sewer. There were no Sydney Water Trade Waste non-compliance notices issued against existing agreements during the year.

Media Based Reporting – Air Quality & Emissions, Water, Noise, Lands, Energy and Waste

Air Quality

The emissions profile of State Transit's bus fleet continues to improve with the acquisition of new buses and the retirement of its older fleet. Of State Transit's bus fleet, 39 per cent are of the latest Euro 5 or EEV standard, while 76 per cent is of a Euro 3 or higher standard. The rated emissions performance of State Transit's bus fleet is maintained via State Transit's certification against the Roads and Maritime Service Clean Fleet Standard.

State Transit works to reduce total greenhouse emissions from its commercial/passenger fleet by leasing fuel efficient vehicles with high environmental performance scores from State Fleet Services, and through the increasing use of E10 and LPG fuel for these vehicles.

Greenhouse Gas Emissions

Transport Emissions derived from fuel combustion, using National Greenhouse Accounts Factors, were calculated as follows:

Table: Greenhouse gas emissions for State Transit services

State Transit Service	Tonnes $CO_2(e)$
Passenger and Service vehicles under 3.5 tonnes	274
Newcastle Ferries Scope 1 direct emissions	153
Diesel Bus Fleet Scope 1 tailpipe emissions	105,747
CNG Bus Fleet Scope 1 tailpipe emissions	46,597
Total Transport Footprint	151,771

This total transport carbon footprint equates to approximately 0.75 tonnes $CO_2(e)$ per million passenger trips.

Scope 2 Greenhouse Gas Emissions for stationary sources, mainly in the form of electricity consumption by State Transit Depots accounted for 9,566,099 kWhrs or 8418.2 tonnes of CO_2-(e) and State Transit Headquarters 136,613 kWhrs (estimate) or 120.2 tonnes of CO2(e).

State Transit's total carbon footprint due to stationary and mobile sources equals 161,309 tonnes of CO_2 (e). This represents a 0.5 per cent increase on the total carbon footprint of the preceding financial year.

Water

State Transit's annual metered water consumption at 100,363kL in 2014-15 was 6.6 per cent less than potable water consumption in the previous financial year.

Stormwater

The prevention of stormwater pollution within depot environments is managed by a combination of signage, yard scrubbing, spill kits and spill response, bunding of spill risk structures, stormwater containment via penstock or stormwater isolation valves and spill risk assessment and control of diesel fuel delivery and fuelling procedures.

For in-service prevention of spills, bus operators contact the Network Control Centre for emergency assistance from the Fire Brigade and assistance from our fleet of customer service vehicles which carry portable spill kits to enable a response to in-service spills in the event of an accident or mechanical failure.

Noise

During 2014-15, of the 293 public environmental complaints referred to the customer feedback line, 228 related to noise from a bus while in-service and two cases related to complaints of depot-related noise.

All referred noise complaints are investigated to determine source and appropriate corrective actions. Depot-based noise from bus start-ups, public announcement systems and garage radios are monitored and controlled via operational measures including noise surveys, standard operating procedures, restricted hours of operation for noisy equipment, and staff education and awareness of the importance of minimising noise and potential nuisance to nearby neighbours.

Heritage

State Transit maintains a Heritage Register of eleven items, and inspects and maintains its Heritage assets in accordance with NSW Heritage Council Guidelines.

Contaminated Lands

Environment Protection Authority Contaminated Site Notifications

In October 2014, the Mona Vale Depot site was declared by the Environment Protection Authority as being significantly contaminated, warranting regulation. Subsequent to this determination, a Voluntary Management Proposal was prepared for and accepted by the Environment Protection Authority as the voluntary management plan to investigate and remediate the site.

Energy

Electricity Consumption

Depot electricity consumption reduced by 4.6 per cent in 2014-15 at 9,566,099.00 kWhrs.

Transport Fuel Consumption

In 2014-15, 39,588,907.47 litres of diesel fuel and 23,157,518.30 cubic metres of compressed natural gas were consumed by State Transit's bus fleet.

Natural Gas

Annual depot natural gas consumption figures were not available at the time of reporting.

Fuel Storage Systems

State Transit is undertaking a program to replace its underground diesel storage tanks with double-walled above ground tanks. In 2014-15, new above ground storage tanks were installed at Ryde, Randwick and Willoughby depots, bringing the total number of depots with self-bunded above ground tanks to 11. For the remaining three depots with operational underground diesel storage tanks, State Transit has in place Environmental Protection Plans that describe the loss monitoring and incident management procedures for identifying potential leaks from underground storage and delivery structures. These pollution prevention procedures include annual Tank Integrity Testing, annual Cathodic Protection Survey, monthly Statistical Inventory Reconciliation Analysis and half-yearly groundwater monitoring of onsite Underground Petroleum Storage System (UPSS) wells.

Waste

Suez Environments (formerly known as SITA Australia) has provided licensed total waste management solid and liquid waste collection and recycling services for all State Transit depots as part of the Total Waste Management contract. During 2014-15, our total waste management contractor collected the following approximate quantities of waste for recycling:

Table: Quantities of waste recycled

Waste product	Tonnes
Paper and cardboard recycled waste	79
Recycled batteries	50
Recycled metals	126
Fluorescent tubes	0.4
Liquid oily water waste	1,070
Recycled waste oil	187
Recycled coolant	214

General Waste sent to landfill approximated 885 tonnes.

Appendix 22: Digital Recordkeeping

State Transit has established the capability to formally manage digital records in accordance with Government policies and standards. The use of this capability has commenced, with increasing take-up underway across the organisation.

Appendix 23: Digital Information Security Annual Attestation Statement

Digital Information Security Annual Attestation and Evidence of Certification Statement for the 2014-15 Financial Year for State Transit

I, Peter Rowley, Chief Executive, State Transit, am of the opinion that State Transit had an Information Security Management System in place during the financial year being reported on, consistent with the core requirements set out in the Digital Information Security Policy for the NSW Public Sector.

I, Peter Rowley, Chief Executive, State Transit, am of the opinion that the security controls in place to mitigate identified risks to the digital information and digital information systems of State Transit are adequate for the foreseeable future.

Peter Rowley
Chief Executive
State Transit

Appendix 24: Government Information (Pubic Access) Applications

Review of proactive release program - Clause 7(a)

Under section 7 of the GIPA Act, agencies must review their programs for the release of government information to identify the kinds of information that can be made publicly available. This review must be undertaken at least once every 12 months.

State Transit's program for the proactive release of information involves the release of information concerning State Transit's operation, functions, structure and in relation to State Transit's performance in the provision of passenger transport services.

This includes:

- Publication of State Transit's Annual Report and Corporate Plan;

- Details on State Transit's Fleet of buses;

- Regular updates on timetable changes, school service changes and general travel advice;

- The production and distribution of a range of publications, including timetables, flyers and brochures, to assist passengers;

- Transport news and announcements, timetable changes and other travel information regularly publicised through the Sydney Buses and Newcastle Buses and Ferries websites; and

- The publication of Customer Service, Reliability and Safety data.

All key publications are available on the State Transit website or through the Transport Info website at www.131500.com.au.

During the reporting period, State Transit reviewed this program by:

- Examining the types of information being requested through formal and informal applications;

- Assessing the type of information held by State Transit; and

- Analysing the types of information proactively released by other agencies.

As a result of this review, State Transit continued with the proactive release of information released as outlined above.

Number of access applications received - Clause 7(b)

During the reporting period, State Transit received a total of eleven (11) formal access applications (including withdrawn applications but not invalid applications).

Number of refused applications for Schedule 1 information - Clause 7(c)

During the reporting period, State Transit refused a total of zero (0) formal access applications because the information requested was information referred to in Schedule 1 to the GIPA Act. Of those applications, zero (0) were refused in full, and zero (0) were refused in part.

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
Media	2	3	-	-
Members of Parliament	-	-	-	-
Private sector business	-	-	-	-
Not for profit organisations or community groups	-	-	-	-
Members of the public (application by legal representative)	11	-	-	-
Members of the public (other)	2	-	-	-

Table A: Number of applications by type of applicant and outcome (continued)

	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	-	-	-	-
Members of Parliament	-	-	-	-
Private sector business	-	-	-	-
Not for profit organisations or community groups	-	-	-	-
Members of the public (application by legal representative)	-	-	-	-
Members of the public (other)	-	-	-	-

*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
Personal information applications*	-	-	-	-
Access applications (other than personal information applications)	15	3	-	-
Access applications that are partly personal information applications and partly other	-	-	-	-

Table B: Number of applications by type of application and outcome (continued)

	Information already available	Refusal to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	-	-	-	-
Access applications (other than personal information applications)	-	-	-	-
Access applications that are partly personal information applications and partly other	-	-	-	-

*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 considered used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

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	7
Law enforcement and security	0
Individual rights, judicial processes and natural justice	5
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	4
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)	17
Decided after 35 days (by agreement with the applicant)	0
Not decided within the time (deemed refusal)	0
Total	**17**

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	1	0	1
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of the Act	0	0	0
Review by ADT	0	0	0
Total	**1**	**0**	**1**

*The Information Commissioner does not have the authority to vary decisions, but can make recommendation to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act	0

Table I: Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)

	Number of applications transferred
Agency-initiated transfers	0
Applicant-initiated transfers	0

Appendix 25: Corruption Prevention and Ethics

Ethics

State Transit is committed to operating efficient, safe and reliable bus services and Newcastle ferry services, consistent with our legislative responsibilities. We conduct our business in an ethical manner having regard to NSW Government and State Transit policies.

Staff are required to conduct their activities in accordance with the Transport Code of Conduct and observe a high standard of probity, ethical behaviour and integrity in their business dealings. Just as we expect our staff to behave ethically and comply with the Code of Conduct, we expect high standards of behaviour from organisations and individuals that do business with us.

Our Statement of Business Ethics, which is included on our website, provides clear guidelines on how we expect our business partners to behave, and tells them what they can expect from us, in particular in relation to procurement practices, safety, environmental management, reporting of unethical behaviour, incentives, gifts and benefits, conflicts of interest and public interest disclosures. All individuals and organisations that deal with State Transit must comply with these standards of ethical behaviour.

Public Interest Disclosures

The objective of the *Public Interest Disclosures Act 1994* (the Act) is to encourage public officials to report any evidence of actual or suspected corrupt conduct, maladministration, serious and substantial waste or government information contravention.

State Transit's internal reporting procedure is consistent with the requirements of the Act, the NSW Ombudsman's model policy and better practice guidelines for public interest disclosures issued by the NSW Ombudsman.

State Transit undertook a number of activities to promote staff awareness of the protections available, and organisational responsibilities and obligations under the Act. These included policy briefings for senior managers, inclusion of information on public interest disclosures for new staff during general induction, and general information updates to all staff included in internal newsletters and on the intranet.

The *Public Interest Disclosures Regulation 2011* (the Regulation) requires agencies to report the number of public interest disclosures received by it during the reporting period. In accordance with section 4 of the Regulation, and section 31 of the Act, Figure 1 shows the number of public interest disclosures received by State Transit for the period ending 30 June 2015.

Table: Public Interest Disclosure Statistics

	Number
Number of public officials who have made a public interest disclosure to State Transit	0
Total number of public interest disclosures received by State Transit	3

Table: Main concerns identified in public interest disclosures received

	Number
Corrupt conduct	3
Maladministration	0
Serious and substantial waste	0
Government information contravention	0
Local government pecuniary interest contravention	0
No. of public interest disclosures that have been finalised this reporting period	3

Fraud and Corruption Prevention

State Transit is committed to maintaining high standards of ethical conduct. State Transit does not tolerate fraudulent or corrupt behaviour and is committed to ensuring that its work environment is free of fraud and corruption. Where fraud and corrupt activity does occur, State Transit's objective is to ensure that it is rapidly detected, effectively investigated and appropriate actions are taken.

State Transit undertook a number of fraud and corruption prevention activities during the year with the objective of reducing fraud and corruption risk within the workplace. This included the provision of expertise and advice to staff and management on a wide range of corruption risks, ethical, probity and policy issues, and information included in the internal staff newsletter to raise general awareness of corruption prevention issues. Training was also provided, with staff attending ICAC training courses including *Corruption Prevention for Managers* and *Fact Finder: A Guide to Conducting Internal Investigations*.

During the year, coordination of State Transit's statutory reporting obligations to the Independent Commission Against Corruption (ICAC) was undertaken by the Manager Risk and Fraud and Corruption Prevention, who is also responsible for facilitating the reporting of State Transit's obligations under the *Public Interest Disclosure Act 1994* to the NSW Ombudsman.

Appendix 26: Privacy Management

In accordance with the Privacy and Personal Information Protection Act 1998, State Transit has implemented a Privacy Management Plan.

A copy of the Privacy Management Plan has been lodged with the Privacy Commissioner.

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

In accordance with the plan, State Transit informs all individuals at the time of collecting personal information what the information is to be used for and to whom the personal information will pass.

State Transit will continue to maintain and improve its current collection and storage of personal information to ensure it continues to satisfy the guidelines provided in the Act.

Appendix 27: Internal Audit

State Transit's Internal Audit program provides independent, objective assurance and advisory services designed to add value and improve State Transit's operations. The Internal Audit function supports management in achieving State Transit's objectives and statutory obligations by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

During 2014-15, PricewaterhouseCoopers (PwC) continued to partner with State Transit in the design and delivery of its internal audit and related services. The engagement of PwC is part of an Internal Audit service delivery model, consisting of an in-house Chief Audit Executive and contracted external service provider, to meet State Transit's changing risk profile and environment. The model was selected to provide State Transit with timely access to a wide range of Internal Auditing skills.

The Audit and Risk Committee reviews the annual Internal Audit Plan, coverage and the resources of the Internal Audit function, and recommends approval by the Chief Executive. The results, progress and performance of the Internal Audit program is regularly reviewed by the Audit and Risk Committee.

Internal Audit is authorised to have full, free and unrestricted access to all functions, property, personnel records, accounts, files and other information and documentation.

Management is responsible for ensuring that appropriate corrective actions are taken in a timely manner to address reported areas for improvement arising from audit projects. The status of management actions are monitored by the Executive Governance and Risk Committee and the Audit and Risk Committee.

Appendix 28: Risk Management and Insurance Activities

Risk Management

State Transit recognises risk is inherent in its business and that effective management of risk allows for resources to be allocated efficiently, provides greater certainty and is central to achieving business objectives.

State Transit is compliant with *Internal Audit and Risk Management Policy for the NSW public sector* (TPP 09-05) published by The Treasury.

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

State Transit is committed to the continual improvement of its Risk Management Program, with consideration to the changing environment in which it operates. The Risk and Audit Unit is

responsible for maintaining and implementing State Transit's Risk Management Framework, which sets out the whole of business approach to managing risk.

The Risk and Audit Unit reports regularly to the Governance and Risk Committee, comprising Senior Executives of State Transit, which oversees the implementation, operation and review of that framework. As a further assurance State Transit has an Audit and Risk Committee comprised of two independent members and one non-independent member. The overall objective of the Audit and Risk Committee is to provide independent assistance to the Chief Executive by overseeing and monitoring State Transit's governance, risk and control framework, and its external accountability requirements.

Service delivery is paramount to State Transit's success. State Transit recognises that services are provided in an environment that may be affected by many factors outside our control. State Transit has an Emergency Management Plan for effective communication and management of serious incidents. To facilitate the provision of services during recovery from unplanned adverse events, State Transit has a series of Business Continuity Plans.

Insurance

State Transit's mature insurance program provided financial protection for the authority during the year.

State Transit insures real and personal assets through an insurance broker and manages claims in conjunction with a specialist claims management service. The insurance program provides cover for physical loss or damage to insurable assets and property, consequential loss, public and products liability, personal injury, motor accidents, professional risks, plus marine hull and liability for Newcastle Ferries. State Transit's insurance program maintains competitive premiums and extensive coverage as a result of quotations from the insurance market based on State Transit Authority's risk profile.

Compulsory Third Party Insurance for State Transit's fleet of more than 2,150 buses and operational vehicles is provided by a licensed insurer in accordance with legislation regulated by the Motor Accidents Authority of NSW.

Appendix 29: Internal Audit and Risk Management Attestation

**Internal Audit and Risk Management Attestation for the2014-15 Financial Year for
The State Transit Authority of New South Wales**

I, Peter Rowley, Chief Executive, am of the opinion that the State Transit Authority of New South Wales has internal audit and risk management processes in 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.*

I, Peter Rowley, Chief Executive, am of the opinion that the Audit and Risk Committee for the State Transit Authority of New South Wales is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Committee are:

- Allan Cook, Independent Chair (July 2014 to June 2018)
- Brian Blood, Independent Member (July 2014 to June 2016)
- Craig Webster, Non-independent Member (February 2013 to February 2015; February 2015 to February 2019)

These processes provide a level of assurance that enables the senior management of the State Transit Authority of New South Wales to understand, manage and satisfactorily control risk exposures.

As required by the policy, I have submitted an Attestation Statement outlining compliance with the policy to Treasury on behalf of the Treasurer.

Peter Rowley
Chief Executive
State Transit

Tuesday, 11 August 2015

Appendix 30: Customer Response

State Transit's Customer Relations staff – located in each depot with a coordinating group in the corporate area – provide timely and accurate responses to customer feedback. Localised staff ensure effective resolution of issues in each operational area.

Customer feedback includes queries, suggestions, compliments and complaints received via Transport Info (131500 and website), letters and from other sources about State Transit's bus services in Sydney and bus and ferry services in Newcastle.

Putting customers at the centre of everything we do, State Transit continues to encourage its customers to report all feedback via the appropriate channels – transportnsw.info or the 131500 feedback line – to assist with the improvement of our overall service. Internally, State Transit has a strong commitment to responding to feedback and ensures that the promotion of awareness of the customer feedback process is a focus within the organisation.

With more than 202.37 million customers boarding State Transit's services in Sydney and Newcastle, State Transit received a total of 43,351 items of feedback.

Table: Breakdown of all issues received by channel

Source	2013-14	2014-15
Phone 131500	26,772	28,568
Online channels	11,821	14,159
Letters	185	192
Ministerial Correspondence	498	432
Total	39,276*	43,351*

*State Transit investigated and referred 1,301 ticketing cases related to Reseller Outlets and the replacement of tickets to customers to Transport for NSW Ticketing Services Unit. This unit manages ticketing distribution for State Transit.

The main sentiment of customer feedback during 2014-15 continued to relate to the bus being late, the bus failing to stop, poor staff behavior/unhelpful and bus service reliability.

Appendix 31: Disability Inclusion Action Plan

State Transit maintains Disability Inclusion Action Plans for each of its bus service contracts with Transport for New South Wales. These plans are being reviewed to conform to the requirements of the *Disability Inclusion Act 2014* in conjunction with Transport for NSW. State Transit is also implementing the requirements of the *Disability Standards for Accessible Public Transport 2002* under the *Commonwealth Disability Discrimination Act*.

Progress in this area includes:

- Continued upgrading of the fleet, bringing the total number of wheelchair-accessible buses to 1,851 (85.6 per cent), ahead of the Commonwealth Disability Discrimination Act 2012 target;
- More than 75 per cent of scheduled route services each week are wheelchair-accessible; and

- Competency assessment is included in all initial and on-going training of bus operators.

Appendix 32: Service Changes

In 2013-14, State Transit made a number of service changes to realign resources and better meet customers' needs.

2014 Growth Buses

In October 2014, State Transit introduced additional services as part of the Transport for NSW Growth Buses Program.

Additional services were added on the following routes:

- E50 and E65 - extra weekday PM peak trips
- 225 and 236 - provide a 30 minute frequency on Sundays
- 301, 348, 418 and 425 - extra weekday and weekend services

Trial of extra services on Route 381

In March 2015, State Transit, in conjunction with Transport for NSW, began trialling extra weekend services on Route 381 to meet customer demand from Dudley Street, Bondi to Bondi Junction Interchange.

2015 Growth Buses

In June 2015, 720 additional trips were added to routes across the network, utilising 20 growth buses delivered to State Transit as part of the Transport for NSW Growth Buses Program.

Additional trips were added to the following routes:

- E85,L88, L90 - extra services during morning and afternoon peak periods and L90 services now running every 15 minutes on weekends and public holidays
- E77, E76, X40 - extra morning peak services towards the City
- E50 – extra morning peak service towards Milsons Point
- 520 and M52 – extra early morning and late night services to and from Parramatta and Circular Quay
- 136, 143, 144, 301, 348, 521, 525 and X94 – extra services added to increase frequency

In addition, a new Route X25 commenced, providing customers with an express service between Olympic Park Station and Strathfield.

Appendix 33: Annual Report Publication Details

The State Transit Annual Report was produced in house as a website document that meets Web Content Accessibility Guidelines (WCAG) 2.0 as per Premier's Circular 2012-08 NSW Government Website Management.

To minimise environmental and financial costs, State Transit does not produce paper copies of its Annual Report.

To access this Annual Report and previous years' Annual Reports please go to www.statetransit.info/publications

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