



StateRail

State Rail Authority of New South Wales
1999-2000 Annual Report

StateRail

This Annual Report for 1999-2000 aims to provide readers with a better understanding of what State Rail does and the challenges we face. | We have highlighted both our achievements and the areas where we need to improve. In particular, we have acknowledged the hard work of our staff under sometimes difficult circumstances. | Largely because of the demands of the Olympics and Paralympics, State Rail was unable to meet the reporting deadlines set by the Annual Reports (Statutory Bodies) Act 1984 and the Olympic Arrangements Act 2000. | The Olympic and Paralympic Games led to staffing and time constraints in gathering and analysing information for this report, and further delays were caused by changes in NSW rail management during October, a key phase in the report's production. | State Rail has produced 1,200 of these reports at a cost of approximately \$30 each. It should be noted that this cost includes preparation of the report for posting on the Internet. | This report is available at State Rail's website, www.staterail.nsw.gov.au.

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The Hon P C Scully MP
Minister for Transport
Minister for Roads
Level 34
Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

Dear Minister,

I have pleasure in submitting, for your information and presentation to Parliament, the State Rail Authority of New South Wales' Annual Report for the year ended 30 June 2000.

The report has been prepared in accordance with the Annual Reports (Statutory Bodies) Act 1984. The NSW Audit Office has audited the financial statements of the Authority and the Auditor-General's opinion is included.

Yours sincerely,



Paul Binsted

Chairman

The State Rail Authority is established by and operates in accordance with Part 2 of the Transport Administration Act 1988 (NSW).

Its statutory objectives are:

- To operate efficient, safe and reliable railway passenger services;
- To be a successful business;
- To exhibit a sense of social responsibility by having regard to the interests of the community in which it operates;
- Where its activities affect the environment, to conduct its operations in compliance with the principles of ecologically sustainable development; and
- To exhibit a sense of responsibility towards regional development and decentralisation in the way in which it operates.

By law, each of these objectives is of equal importance.

State Rail's statutory functions are to:

- Operate railway passenger services; and
- In connection with its railway services, operate other transport services, including bus services.

Under the Transport Administration Amendment (Rail Management) Act 2000 assented to in December 2000, after the current reporting period, State Rail's principal statutory objective in the future will be to 'deliver safe and reliable railway passenger services in an efficient, effective and financially responsible manner'.



State Rail's business is moving people.

We aim to:

- Be a responsible, innovative and customer-oriented passenger rail organisation; and
- Increase patronage, expand the passenger rail network and reduce our net cost to the Government.

More specifically, our strategic directions are to:

Safety

- Increase the safety of train operations;
- Increase our Occupational Health and Safety performance;
- Improve customer perceptions of safety;
- Reduce crime and anti-social behaviour; and
- Reduce environmental risks.

Quality

- Provide consistent excellence in passenger services and facilities;
- Improve timetable reliability; and
- Improve customer service, including information, signage, ticketing, staff presentation and accessibility.

Finance

- Maximise revenue through increased patronage, appropriate pricing and revenue protection;
- Apply technology to improve business efficiency
- Improve discipline in our capital investments; and
- Reduce overhead costs and seek productivity improvements in all areas.

People

- Improve internal communication;
- Articulate meaningful roles for staff;
- Increase individual capabilities; and
- Ensure and promote equal opportunity.

In order to achieve our vision, State Rail:

- Strives to be candid with staff and the public in all our plans.
- Respects all staff for the value they add to the organisation.
- Pursues our goals by working together for a common purpose.
- Expects all managers and staff to be agreed on outcomes.
- Expects decisions to be based on facts.
- Expects all managers and staff to act in an ethical and honest manner.

Our Board Code of Conduct and Staff Code of Conduct are reproduced as Appendices 2 and 3.



State Rail operates passenger rail services in New South Wales under two principal business units, CityRail and Countrylink.

CityRail is the principal urban public transport provider in Sydney and the surrounding region. It delivers suburban, outer suburban and regional train services in the Sydney, Hunter Valley, Central Coast, Blue Mountains, Southern Highlands, Illawarra and South Coast areas.

CityRail provides around 2,300 services each weekday, carrying approximately 920,000 passengers. These services link 306 stations over some 2,060 kilometres of track.

The CityRail fleet consists of 1,514 carriages. Double-deck electric sets service the Sydney metropolitan and outer suburban areas, while 30 Endeavour diesel cars provide most services in the non-electrified regional areas of the Hunter Valley, Illawarra/South Coast and Southern Highlands.

Countrylink provides long-distance passenger rail services, supported by an extensive coach network throughout regional New South Wales. In addition, its services provide a direct transport link to the capital cities of the Australian Capital Territory, Queensland and Victoria.

Countrylink operates 162 rail services and 578 coach services per week. Many of these coach services are the only mode of public transport from town to town in rural areas in New South Wales.

Daily XPT rail services are provided between Sydney and Brisbane, Murwillumbah, Grafton, Dubbo and Melbourne, while daily XPLOER rail services operate between Sydney and Canberra, Tamworth and Moree.

Countrylink also operates a weekly XPLOER service between Griffith and Sydney, and offers three rail services per week between Sydney and Broken Hill aboard Great Southern Railways' Indian Pacific and The Ghan trains.

Countrylink has 34 Travel Centres and eight other booking offices, selling and promoting point-to-point travel, Countrylink holiday packages and city and regional day tours and attractions. These Countrylink outlets are supported by more than 400 accredited travel agents and sales outlets throughout New South Wales and in the Australian Capital Territory, Brisbane and Melbourne.

Our Structure

The core components of State Rail's structure are our four operating divisions: Operations (which among other things operates CityRail's services), CityRail Stations, Countrylink and Passenger Fleet Maintenance.

These divisions are supported by several corporate units which are also responsible for policy and planning: Corporate Services, Corporate Communications, Employee Relations, Information Technology and Telecommunications, Organisational Development and Rail Development. State Rail's Executive is supported by a Corporate Secretariat.

Overall responsibility for the organisation's strategic direction lies with State Rail's Board.

Since 6 June 2000, State Rail and the New South Wales Government's rail infrastructure organisations, Rail Access Corporation and Rail Services Australia, have been overseen by Mr Ron Christie, in his role as the Co-ordinator General of Rail, with the aim of improving the performance of rail services throughout the State.

Safety

The State Rail Authority Board has been dealing with a number of difficult issues through the year, especially those relating to safety in the wake of the fatal Glenbrook accident, a number of derailments and an unacceptably high number of signals passed at stop.

We are delighted with the intense effort and high level of co-operation from all staff, both operational and management, and from union leaderships and the broader rail industry.

The Board has asked for a number of initiatives to be undertaken, including the upgrading of simulator facilities, more frequent refresher classes for drivers – especially to take them through complex and infrequently used train moves and more frequent refreshers on significant safe working 'units'. These matters are dealt with more fully in the Chief Executive's Report.

Airport Line

The first new CityRail services since the East Hills to Glenfield extension in 1987 was opened in May 2000. This marked a very significant development in the transport infrastructure of our city.

Patronage has been lower than expected to date. However, the new line was very strongly used during the Olympics period, when Sydney had many visitors familiar with the concept of using airport-city rail links in other parts of the world. We believe that as airport users become more familiar with this facility and the ingrained habits of many years gradually alter, patronage will continue to increase.

CityRail

In addition to its strong focus on rail safety, CityRail has devoted much attention to improving its on-time running performance, which attracted considerable public criticism in 2000.

As a result of the joint efforts of State Rail and other rail organisations, there have been major improvements in the reliability and punctuality of peak period CityRail services in the last few months.



Countrylink

Countrylink has also focused on issues affecting its on-time running performance, which was well below target during the year.

The three main areas that have been addressed are mechanical failure, timetabling and luggage and other customer services. A \$22m upgrading of all XPTs is being undertaken to improve engine reliability, a new timetable was implemented in May, and luggage handling is being reviewed to reduce delays. It is expected that these initiatives will result to help improve service and reliability in the coming year.

Major works worth \$1.4m were completed at Platform 1 at Sydney Terminal Station. These included a new Central travel centre, a new, modern luggage room and conveyor system, a new waiting room, new locker facilities and new toilet facilities with disabled access.

Finance

CityRail implemented a 13.8% real fare increase during the year. Together with patronage increases, this resulted in a \$60.6m increase in fare box revenue, taking the total for the year to \$453.4m, or just under 35% of CityRail's expenses of \$1,321m.

When the GST was introduced in July 2000 it was decided to forego any fare increase relating to CPI increases. This means that fares have been reduced in real terms.

The Board wishes to increase the proportion of CityRail's expenditure raised from its own resources, so State Rail can provide improved service by (for instance) accelerating the ordering of new rolling stock, upgrading train cleaning facilities and providing new station capital works such as 'easy access' facilities.



Board Changes

Since the last Annual Report was published, Marilyn Alt and Barry Hughes have completed their terms of service. We thank them both for their contributions.

Five new members were appointed during the year: Joanne Curin, Samantha Mostyn, Joanne Rees, Tony Sheldon and Tony Shepherd. They bring a diverse range of skills from finance, human resource management, the law, industrial relations, engineering and project development. Joanne Curin resigned in January 2001 to take up a senior position in London.

Staff and Management

Most significantly, our Chief Executive, Simon Lane, has recently left State Rail and the Board. We thank Simon for his contribution and wish him well in his future career.

Simon has been replaced by the Co-ordinator General of Rail, Mr Ron Christie, as Acting Chief Executive. We welcome the creation of this position which has significantly improved already co-ordination between the three railway organisations pending the introduction of a new structure.

The Board wishes to thank every member of staff for their support, loyalty and hard work during what has been a very difficult year. We particularly thank them for an outstandingly successful Olympics and Paralympics.



Paul Binsted

Chairman

For State Rail 1999-2000 was dominated by the tragic rail accident at Glenbrook in the Blue Mountains on 2 December 1999 and the subsequent acceleration of initiatives to improve safety management within the organisation.

Other major areas of focus were:

- The opening of the Airport Line on 21 May 2000, linking the existing CityRail network to five new stations, including the Domestic and International Terminal stations
- A major passenger facility and technology modernisation program, an essential part of preparations for the Sydney 2000 Olympic and Paralympic Games, and
- People-related initiatives, which continued to strengthen the organisation's capabilities, particularly in the areas of improved selection, recruitment and training.

Glenbrook

This tragic accident resulted in seven people losing their lives and 120 people being injured.

State Rail has been committed to providing a high level of support for all those affected by the accident. We have also co-operated fully with the Special Commission of Inquiry into the Glenbrook Rail Accident, chaired by Justice Peter McInerney, and have approached the aftermath of this terrible tragedy with the intention of learning the lessons and implementing the necessary initiatives to strengthen the organisation's safety-related culture and performance.

Safety Management

The Glenbrook Inquiry highlighted the need to bring forward State Rail's planned ongoing re-certification and refresher training program for all key operating staff. In May 2000, we commenced a rolling program under which each person involved in safety work is released for two days every 16 weeks to undergo additional safety refresher and re-accreditation programs.

The high priority given in the previous two years to improving occupational health and safety management continued, and reductions in the lost time injury frequency rate and the duration of time lost following injury were achieved for the third successive year. Since 1996-1997, the lost time injury frequency rate has fallen by 37% and the duration rate by 51%. In the coming year, resources and plans will be directed to further accelerate this improvement.

The move to formal competency-based training for guards, drivers and signallers was completed during the year, along with the introduction of accredited workplace assessors to strengthen initial training. New recruits are now supported by a number of intensive workplace support programs for key operating grades, particularly train drivers during their first year after training. These initiatives have been recognised by international third party assessors as being at the leading edge of safety management measures.

Passenger Security and Safety

The safety of passengers on our trains and stations continues to be a very high priority for the management and staff in the organisation.

During the year, lighting upgrades were completed at 253 stations and the closed circuit TV and remote monitoring project was completed at 190 stations, with the balance now being due for completion by the end of 2000.

Teams of security guards were introduced in the afternoon period, targeted at specific trains and areas where anti-social behaviour was prevalent.

With the help of these initiatives, the number of aggravated assaults fell by 16% when compared with 1998-1999.

The size of gaps between platforms and trains has presented a hazard to passengers at many stations for many years, and a program has now been established to reduce these gaps. To date, at the stations where the corrective actions have been taken there has been a reduction of approximately 80% in the number of passengers injured as a result of this hazard.

Preparations for the Olympics

Olympic preparations during 1999-2000 included a significant program to modernise passenger facilities and technological support and extensive recruitment, training and other measures to get the people in the organisation ready to deal with the challenges expected during the Olympic and Paralympic Games.

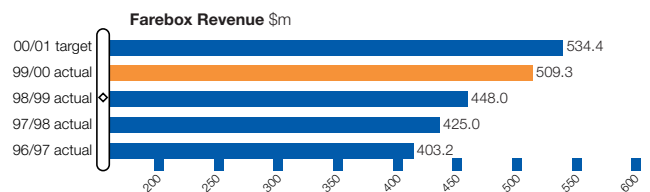
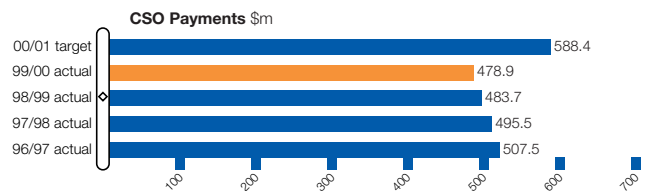
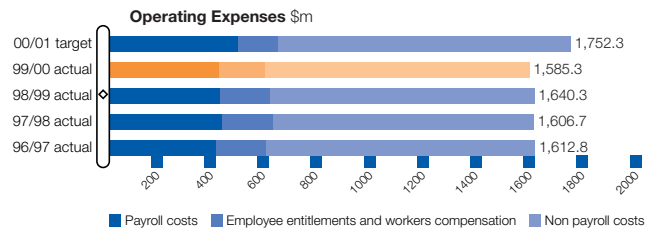
The modernisation program involved the completion of five new stations, at St Leonards, Ashfield, Lidcombe, Penrith and Liverpool, a major upgrade of Central Station, the installation of 'easy access' facilities at Wynyard, Town Hall, Central and the stations listed above, the introduction of new real-time plasma passenger information screens at 15 main stations in the CBD and on the main Olympic routes, and the upgrading of station signage at nine stations.

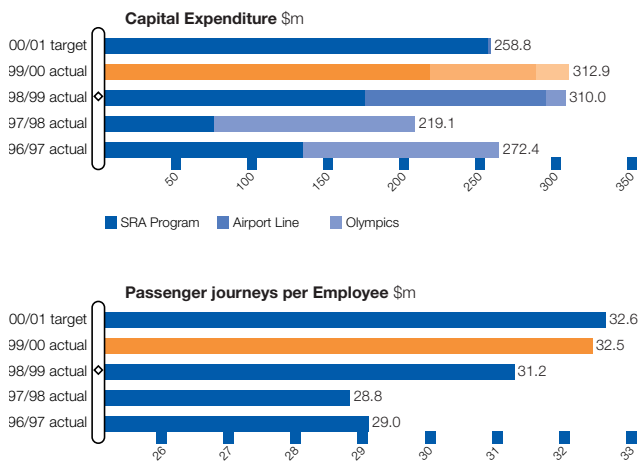
New technology was introduced in a significant way to support train planning processes. A new train timetable simulator now allows the full capability of timetables to be tested before they are introduced. The automation of train crew rostering was also finalised during the year, permitting more effective planning and the development of more robust rosters prior to the Olympic period.

151 intercity and 679 suburban CityRail carriages were refurbished.

Over 1,200 new staff were recruited into State Rail to support the Olympic preparations. The selection, recruitment and training of these people was carried out in a most professional manner, and was supported by the attendance of over 10,000 people at Olympic-specific training in the last two months before the Games.

The detailed planning which underpinned this activity was substantial and involved many people across the whole organisation.





Service Quality

The reliability and punctuality of CityRail services fell below public expectations during the second half of the financial year. There was an increase in the number of rail infrastructure failures, leading to a period of significant public criticism from March 2000.

Following the appointment of the Co-ordinator General of Rail, intensive pre-peak train fleet preparations were introduced to improve the reliability of train services, along with extensive staff briefings and close monitoring. These measures resulted in an improvement in peak service reliability in the months leading up to the Olympic and Paralympic Games.

A number of major initiatives were also introduced to improve the cleanliness of trains. The number of 'heavy cleans' of carriages each month was doubled, and there was a significant increase in the number of on-train de-littering teams after their successful introduction in November 1999.

Countrylink

The last 12 months have been difficult for Countrylink.

On-time running deteriorated, partly because of a significant increase in the number of speed restrictions on interstate routes. As part of State Rail's moves to improve the reliability of these train services, a program to re-engine all XPTs commenced, and a \$40m program to reduce the number of speed restrictions.

A new ticketing and reservation system was introduced in November 1999. The system had some significant teething problems initially, but these were overcome by careful management in the following two months.

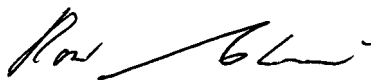
The significant interstate airline price war affected patronage and revenue levels in the fourth quarter.

Financial Performance

In the 1999-2000 financial year State Rail received social program (Community Service Obligations) funding of \$478.9m, a reduction of \$4.7m or 1% on the previous year. This funding included \$13.8m specifically for Olympics preparations, used mainly for the recruitment and training of additional crews to operate the extra services required over the Olympic period.

Farebox revenue for the year increased by \$60.6m or 13.2%, partly as a result of weighted average fare increases of 13.8% for CityRail and 8% for Countrylink. The large CityRail increase included a catch-up component, as increases in earlier years had not kept pace with inflation, and was approved by the independent price regulator, IPART. Despite the large increase in fares, patronage also increased by 3%, to 281.1m journeys.

The capital program of \$312.9m reflects State Rail's significant commitment to improving passenger safety, service quality and reliability. The program included a major modernisation of passenger facilities, both in preparation for the Olympics and to bring continuing benefits for our customers.



Ron Christie

Acting Chief Executive

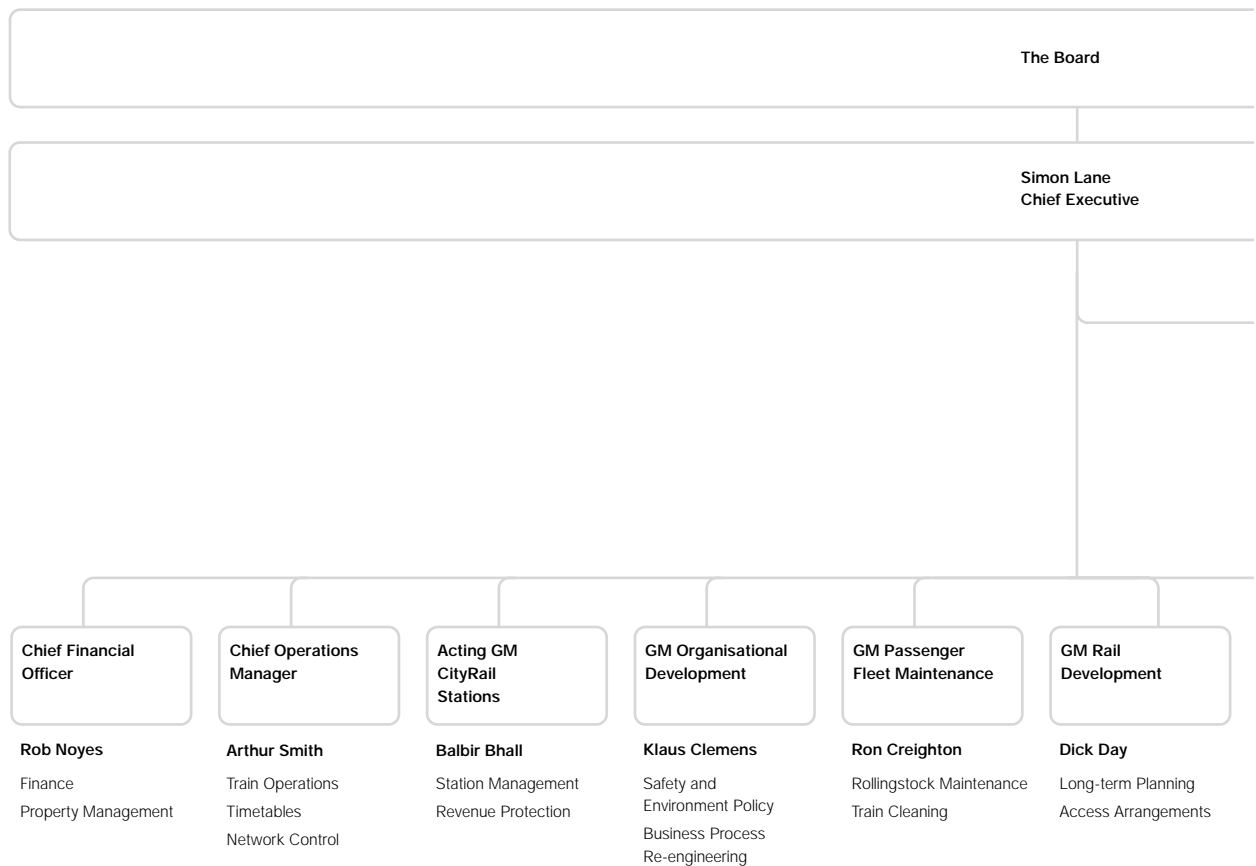
Co-ordinator-General of Rail

State Rail Performance Indicators													
Year ended 30 June	Notes	1990-1991	1991-1992			1992-1993	1993-1994	1994-1995	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000
Quality													
CityRail													
Passenger journeys (million)		251.6	243.8			229.8	234.8	249.6	256.4	264.7	266.5	270.5	278.7
Suburban on-time running (% within 3 minutes of timetable)		86.6	90.3			92.0	92.2	90.8	88.7	86.4	91.4	92.5	85.4
Intercity on-time running (% within 5 minutes of timetable)		87.5	91.5			92.1	93.1	92.2	91.9	90.1	94.0	93.0	90.3
Customer satisfaction(survey %)								69	72	74	75	78	N/A
Countrylink													
Passenger journeys (million)	1	2.6	2.3			2.2	2.1	2.2	2.4	2.5	2.5	2.4	2.4
On-time running (% within 10 minutes of timetable)	2	76.8	84.8			87.9	84.8	86.3	89.0	87.0	85.0	77.3	59.2
Customer satisfaction (%)									91	90			78
Finance (expressed as 1999-2000 \$m)													
Operating expenditure	3									1,679.8	1,672.1	1,679.1	1,585.3
Passenger revenue	3	405.2	378.6			364.0	361.7	386.0	396.7	428.3	451.8	468.1	517.9
Capital works program	3									283.7	228.0	317.3	312.9
Government contributions	3									528.6	515.6	495.2	478.9
(Community Service Obligation payments)													
Total revenue	3									645.3	639.9	642.6	709.0
Cost per passenger journey (\$)	3									6.29	6.22	6.15	5.64
Safety													
Staff Lost Time Injury Frequency Rate (days)	4	87.4	82.5			75.8	96.8	65.7	69.5	66.6	57.4	46.0	42.2
Staff Injury Duration Rate (days)	4	30.2	32.1			30.2	34.6	37.5	38.6	18.3	17.0	10.2	8.9
Incidents per million passenger journeys	5						5.2	5.3	4.1	4.0	3.9	3.5	3.09
People													
Staff	4	26,602	24,467			22,803	21,270	20,186	19,742	9,344	9,317	8,544	8,966
Percent female employees	4	8.0	7.9			8.0	8.6	9.2	9.8	15.1	15.4	15.3	19.0
Absenteeism (average days per year per employee)		10.27	9.95			10.86	10.83	10.1	9.82	9.15	12.75	10.42	9.46

Notes

- 1
- Countrylink passenger journeys include all rail, intercity coaches and feeder coach services.
- 2
- Countrylink on-time running statistics are reported for trains only, not coach services.
- 3
- On 1 July 1996 responsibilities for NSW railways were restructured and many of the functions, assets and liabilities of the State Rail Authority were transferred to Rail Access Corporation, FreightCorp and the Railway Services Authority. The results for State Rail since 1996 are therefore not directly comparable with earlier data.
- 4
- The decrease in State Rail staff numbers in 1996 reflected the formation and separation from State Rail of RAC, FreightCorp and RSA. The increase in 1999-2000 was a direct result of the recruitment of train drivers, guards and CityRail station employees for the Sydney 2000 Olympics and Paralympic Games.
- 5
- 'Incidents' are defined as including rail collisions, derailments, falls and fires.
- 6
- Customer satisfaction surveys were not conducted in all years. The Countrylink 1999-2000 survey methodology differed to that used in previous years, so the results are not directly comparable.

Organisational Structure

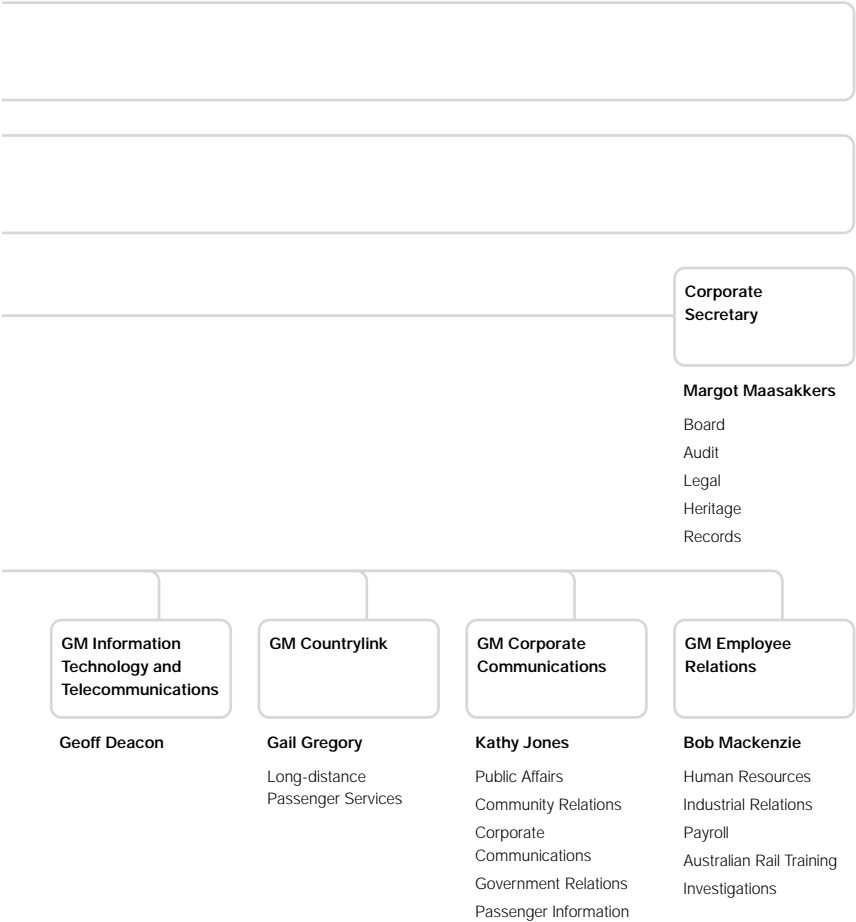




from left: Margot Maasackers, Klaus Clemens, Arthur Smith and Ron Creighton

Bottom row: Rob Noyes, Geoff Deacon, Kathy Jones, Balbir Bhall, Simon Lane and Dick Day

Gail Gregory and Bob Mackenzie were not available for photography.



As at 30 June 2000

State Rail Authority Board

Paul Binsted

Chairman/non-executive director

Simon Lane

Chief Executive/ex-officio director

Ron Cunningham

Non-executive director

Joanne Curin

Non-executive director

Samantha Mostyn

Non-executive director

Joanne Rees

Non-executive director

Anthony Sheldon

Non-executive director

Anthony Shepherd

Non-executive director

Information on the Board, together with biographies setting out the qualifications and experience of Board members, is included in Appendix 1 on page 64.

1 Rail Safety

Glenbrook

The accident at Glenbrook on 2 December 1999, between the Indian Pacific and a CityRail inter-urban train, killed seven people and injured 120 others.

The Special Commission of Inquiry into this accident has comprehensive terms of reference, and its findings and recommendations will undoubtedly impact upon the entire Australian rail industry.

Justice McInerney handed down his first interim report on 6 June 2000. State Rail moved immediately to implement the recommendations in this report, and these measures are now being integrated into State Rail training and operating routines.

More generally, considerable effort has gone into learning the lessons from Glenbrook. The procedure for authorising the movement of a train into a section of track with failed signalling has been changed to allow following trains to proceed only when the train ahead, already in the section, has been positively located. State Rail has also made a major effort to instil the discipline of good radio protocols and clarity of instruction.

In response to the recommendations made in the interim report:

- State Rail has briefed train crew on existing safety procedures and all train drivers have received refresher training in these procedures.
- State Rail has implemented the recommended change in the authority to pass a failed signal in the network, as specified by Rail Access Corporation. All signals other than conditional signals with train stops (which automatically apply train brakes to prevent collisions) are treated as absolute signals.
- State Rail has implemented the recommended changes in the procedure for passing a failed signal, as specified by RAC. Signallers are required to convey all information regarding the train ahead, except where train stops are in place.
- State Rail CityRail trains are already fitted with Metronet radios, and Countrylink trains are to have Metronet radios fitted by December 2001. A trial with portable Metronet radios is underway, to examine the most effective implementation of this recommendation. RAC is leading this evaluation trial.

- State Rail has trained all safeworking staff in Safe Working Unit 135. State Rail audits train controllers' and signallers' conversations on Metronet and takes corrective action as appropriate.

State Rail has provided on-going assistance to the families and relatives of the passengers killed in the Glenbrook accident and to those who were injured and their relatives. Senior managers have remained in close contact with those affected, and every effort has been made to ensure their needs are met.

All passengers in the accident were offered trauma counselling and assistance with expenses arising as a direct result of the accident. To date, State Rail has paid over \$420,000 to 93 people. These payments range from small amounts for medical expenses to interim payments of lump sums to the families of the deceased.

State Rail has adopted a common sense approach to any claims made.

Other Passenger Rail Safety Issues

Rail safety requires the co-operation and co-ordination of all rail organisations and staff. Accordingly, State Rail actively participates in, and at times leads, rail industry committees and working groups whose primary focus is safety improvements.

A State Rail Safety Taskforce has been instrumental in delivering a State Rail Safety Management System and a subsequent Rail Safety Management Plan, and is now working towards full rail safety accreditation with the Department of Transport.

Glenbrook was not the only major accident during the year, although fortunately none of the others involved fatalities. In particular, derailments were and continue to be a major concern. A more aggressive prevention campaign is required to minimise these types of incidents and State Rail is actively pursuing these issues with Rail Access Corporation.

More attention also needs to be paid to preventing trains from passing through red signals, or 'Signals Passed at Danger' (SPADs). A rail industry working party led by State Rail has developed a widely accepted SPAD investigation form which is being used to develop a database to assist in the targeting of remedial measures.

CityRail

Public safety issues at stations during 1999-2000 were dominated, as in previous years, by slips and falls at stations and falls in the gap between some train carriages and station platforms.

Rail Access Corporation and State Rail are addressing the latter issue with a five-year program to minimise gaps between trains and platforms. By 30 June 2000, the edges of 36 platforms had been modified to reduce the horizontal gap. Other platforms have been identified as requiring platform edge modifications, and design work is in progress to allow more modifications to be made during 2000-2001, as soon as suitable 'track possessions' for these works become available.

Trespass and suicide fatalities are at a five-year low for CityRail, but State Rail is reviewing further preventive actions with Rail Access Corporation, the network owner. Level crossing accidents remain at very low levels for a railway of this size.

Reported offences against persons increased in 1999-2000 to an average of 132 incidents per month, compared to 122 per month the previous year. This increase was largely the result, however, of improved reporting by on-board security guards.

However State Rail's roll out of CCTV and station lighting have reinforced the organisation's efforts to discourage crime and violence.

By the end of June, installations at 190 stations had been completed in 'stand alone' mode.

Lighting levels at CityRail stations and carparks have been increased considerably. To date, these works have been completed at more than 270 stations and 50 carparks.

The successful use of contract security guards on all trains after 7pm continues. In addition, random patrols have been introduced to provide an overt security presence after 2pm on some train services which have been subject to vandalism attacks.

Employee Safety

Rail Access Corporation is in the process of developing new guidelines for the protection of workers on the track. State Rail participated in the development of these guidelines, and is conducting a detailed risk assessment on all work done on or about the track.

In November 1999, State Rail's Safety Task Force completed the identification of a significant number of safety improvement measures. A Health and Safety Team has commenced the task of implementing these measures.

Proposed changes to the Occupational Health and Safety Act will necessitate a less prescriptive, more risk-oriented approach to employee safety. In turn, this will necessitate an increased emphasis on safety-related decision-making and thus training in the workplace. The Health and Safety Team will provide expertise for risk assessments and all safety related training in State Rail during this transition.

Overall, good progress was made in employee safety during 1999-2000, with an 8% reduction in the Lost Time Injury Frequency Rate for all State Rail employees and a 13% reduction in the Duration Rate. Over the last three years, these rates have decreased by 37% and 57% respectively.



The Year in Review

The return to work rate remains a challenge, however. This issue is being addressed by a restructuring of rehabilitation processes within State Rail.

Lost Time Injury Frequency Rates (%)

	1998	1999	2000
Business Unit			
Operations	76.6	76.0	62.5
Passenger Fleet Maintenance	81.1	55.4	40.4
CityRail Stations	50.1	29.8	30.4
Countrylink	37.2	30.1	27.0
Corporate	11.3	4.5	4.5
All State Rail	57.4	46.0	42.2

Duration Rates (Days)

	1998	1999	2000
Business Unit			
Operations	10.4	8.8	9.6
Passenger Fleet Maintenance	28.7	11.1	8.7
Countrylink	12.7	11.2	8.4
CityRail Stations	20.7	11.7	7.4
Corporate	25.5	3.0	5.7
All State Rail	17.0	10.2	8.9



2 Preparations for the Olympics

State Rail worked closely with the Olympic Roads and Transport Authority (ORTA) to develop plans for the Sydney 2000 Olympic and Paralympic Games, which were expected to – and did – involve by far the biggest continuing demand for rail travel ever experienced in Australia.

During 1999-2000,

- A computer model was developed to forecast demand for rail services during the Olympic period. This model estimated demand on all rail lines by market segment (base markets, Olympic event spectators and sightseers) for each hour of the day throughout the Games period, thereby providing the key input for the preparation of the Olympic train timetable. The model's predictions were also used extensively for workforce planning at stations and crowd management plans.
- The timetable specification for the Olympics was agreed with ORTA in September 1999, and the first draft of the public timetable was completed on schedule on 30 June 2000.
- State Rail's Olympic fleet plan was tested for a third time during the 16-day Royal Easter Show. Once again the target of 96% fleet availability, as required for the Olympic Games, was achieved.
- Detailed fleet maintenance and cleaning plans, integrated with the Olympic timetable, were completed by 30 June 2000.
- Trials of crowd management systems such as barriers, public address systems and one-way passenger flows were conducted at major events such as New Year's Eve, the Royal Easter Show and large football matches.
- Temporary signage to assist customers on the CityRail system during the Olympics was designed and installed just before the Games.
- 202 trainee drivers and 388 trainee guards were recruited and commenced their training for the Olympics.
- Australian Rail Training produced comprehensive training packages for 1,500 station staff, and the rollout of a training program for these staff commenced. This training covered crowd management, cultural awareness, security awareness and fatigue management.
- Additional training was arranged to ensure all State Rail staff would be trained in security awareness before the Games.
- Labour sources for crowd management and cleaning staff were identified and a plan to recruit and train temporary customer service attendants 'just in time' was developed. These staff including the Rail Olympic Volunteers, otherwise known as ROVERS, who volunteered to work extra time away from their office jobs to assist with crowd management, staff from other government departments under the public sector re-assignment program and volunteers under the employee family program.
- The Olympic security plan was finalised, following a visit by two members of the British Transport Police who inspected CityRail's system and reviewed the draft plan.
- Incident response manuals were upgraded, 'desktop' exercises were conducted and arrangements were made with the Police to form joint Incident Response Teams to respond to incidents likely to affect train running during the Olympics.
- Planning sessions were held with Rail Access Corporation and Rail Services Australia to identify rail infrastructure risks, implement corrective maintenance and ensure field staff would be strategically placed during the Olympics to quickly respond to any infrastructure failure.
- A procurement plan was developed for additional communications equipment, temporary staff accommodation, uniforms, portable buildings, barricades, PA systems, extra ticketing supplies and other items needed for the Olympics.
- Plans were developed to cater for Paralympic crowds, which were expected to comprise mainly school groups on weekdays and families on weekends. Two events, the Catholic Schools' Jubilee 2000 on 17 March 2000 and the opening ceremony of the Pacific School Games on 3 May 2000, were used as weekday tests for Paralympic group transport.

3 Service Quality

CityRail On-time Running

During 1999-2000 CityRail achieved an average on-time running performance for morning and afternoon peak period services of 86.2%, significantly below State Rail's target of 92%.

More specifically, 85.4% of peak suburban services arrived at their destinations within three minutes of the timetable, and 90.3% of peak inter-city services arrived within five minutes of the timetable.

The daily average number of scheduled station stops 'skipped' by trains was 42.7, higher than State Rail's target of 40. (The target represented 0.8% of all scheduled stops, below the target set by the Department of Transport under its Community Service Obligation funding arrangements of 1%.)

CityRail's poor on-time running performance attracted considerable adverse publicity during the year, especially in the first few months of 2000, and there were strenuous efforts to improve the reliability and punctuality of its services.

Countrylink On-time Running

Countrylink's on-time running figure for 1999-2000 was also well below its target, with only 59.2% of its services arriving within 10 minutes of the timetable, compared with State Rail's target of 90%.

One of the major causes was speed restrictions on the tracks.

Over the last few months actions by Rail Access Corporation and its maintenance contractor, Rail Services Australia, has reduced the number and impact of speed restrictions affecting Countrylink services.

CityRail Services for Special Events

State Rail delivered successful timetabled services for several special events during the year, including New Year's Eve, Australia Day and the Mardi Gras. Each of these events attracted hundreds of thousands of additional people into the city, many of whom chose to use the rail network for their transport.

The success of these operations reflected the results of State Rail's previous experience and careful planning over many months before each event. Full consultation with event organisers and other key stakeholders was a key ingredient.

In each case the services provided by CityRail successfully catered not only for the overall event itself, but also for peak demand periods during the event. Contingency allowances ensured disruptions were managed almost seamlessly.

These services for special events in and near the city were in addition to the 'Olympic trial' events at Homebush discussed above, such as the Royal Easter Show.

Opening of the Airport Line

The Airport Line, which opened on 21 May 2000, provides a major public transport link between Sydney's Central Business District and Sydney Airport. Passengers are conveyed from Central Station to the airport in around 11 minutes.

An extension of the East Hills Line, the 10km Airport Line also provides an alternative route between Turrella and the city for Campbelltown/East Hills corridor services, which previously had to travel along the congested Illawarra line via Sydenham. Along with other benefits, this gives passengers from Sydney's south-western suburbs much better access to the airport and businesses around Mascot and Alexandria.

The Government's committed more than \$700m to the project, including the construction of CityRail's newest station at Wolli Creek, which provides an interchange with the Illawarra Line.

The four underground stations on the line, including two stations at the airport, are owned and operated by a private sector company, the Airport Link Company Pty Ltd. The private sector investment in the project, for these four stations, was in excess of \$200m.

This arrangement means that the fare structure is more complex than normal. Passengers using the Green Square, Mascot, Domestic and International stations pay both their normal CityRail fare and a station access fee, while 'through' passengers and passengers using Wolli Creek Station pay only the CityRail fare.

The timetable which commenced on 21 May 2000 integrated the Airport Line with Campbelltown and East Hills services, while minimising the impact of the new line on other CityRail lines. In response to public interest and concerns, this timetable was fine-tuned in mid-2000.

In the first few months of operations patronage to and from the new stations on the Airport Line has been running at only 25% of expectations.

New and Proposed Extensions to and Upgradings of the Metropolitan Rail Network

Parramatta Rail Link

During the year an Environmental Impact Statement for the Parramatta Rail Link was placed on public exhibition and a process was started for considering representations from the public, industry and Government organisations.

Preliminary design for the line is underway, with State Rail providing input to the project, including input on station design and infrastructure configuration, through its Rail Development unit.

Dapto-Kiama Electrification

This \$45m project has been approved, design work is substantially complete and construction will soon commence.

The works will be constructed by Rail Access Corporation's infrastructure works and maintenance provider for the South Coast line, Fluor Daniel, and are planned for completion by the end of 2001, at which time electric services from Sydney to Kiama will commence.

Blacktown Olympic Works

The Olympic works, a new platform and trackwork, have now been completed and are operational. The work was carried out by Rail Access Corporation's infrastructure works and maintenance provider for the Richmond line, Rail Infrastructure Alliance.

The new works not only serviced the Olympics but will provide improved service reliability for trains on the Richmond line.

Macarthur Turnback Siding

A new \$4m 'turnback' siding at Macarthur was commissioned in May 2000. This siding increases rail capacity at Macarthur and will improve service reliability for CityRail trains to and from Macarthur and Campbelltown.

Sydney-Newcastle Rail Upgrade

State Rail's Rail Development unit, in conjunction with Rail Access Corporation and the Department of Transport, is preparing an overview report on this project, examining:

- Ways of improving journey times on the corridor, within very difficult terrain and sensitive National Parks;
- The challenging engineering tasks of constructing long tunnels in difficult, sensitive terrain;
- Issues associated with the accommodation of fire/life and safety requirements;
- Rolling stock constraints and enhancement opportunities which might help to reduce journey times in conjunction with the proposed infrastructure upgrades; and
- Operational constraints on the ability of additional Central Coast trains to access the Sydney CBD and the North Shore.

Millennium Trains

A contract for the design, construction and maintenance of a new 'Millennium' train was let to Clyde Engineering in October 1998. The initial order is for 81 carriages, with two options each for a further 60 carriages.

Major activities during 1999-2000 included significant progress on the design of the train and the completion of a full-scale mock-up of half of a carriage, including the train crew cabin. This mock-up has been publicly displayed and reviewed by focus groups and other stakeholders. The results of the reviews were very positive, and the feedback is now being utilised to improve and refine the design of the train.

The manufacture and commissioning of the first train is expected to be completed in late 2001.

Improvements to Existing CityRail Trains

Other significant CityRail rolling stock projects in 1999 - 2000 were:

- The refurbishment of 151 Intercity carriages (80% complete on 30 June 2000);
- The installation of locking door motors and public address systems on non-Tangara intercity and suburban carriages (80% complete);
- The upgrading of drivers' cabs on Intercity trains (10% complete);
- The installation of speedometers on non-Tangara carriages (75% complete);

- The air-conditioning of suburban double deck 'K' set trains (86 carriages, 25% complete); and
- The replacement of seat trims on 58 suburban Tangaras and 20 outer suburban Tangaras (85% complete).

These projects were all scheduled for completion by the end of August 2000, with the exception of the intercity drivers' cab upgrade and the air-conditioning of the 'K' sets, which were scheduled for completion in the first half of 2001.

Improvements to Existing Countrylink Trains

During 1999-2000 Countrylink's aged locomotive-hauled carriage services to the Broken Hill and Griffith areas were replaced by guaranteed Countrylink-ticketed seats on three Great Southern Railway Indian Pacific and The Ghan services each week to Broken Hill and by a modern Countrylink XPLODER service once each week to Griffith.

In addition, the reliability and performance of the XPT fleet will be significantly improved by the replacement of these trains' ageing and now unreliable Valenta engines with more modern, more powerful, more fuel efficient and less polluting Paxman engines.

The first of these new engines came into service in June 2000, and all XPT engines will be replaced over the following 20 months.

This \$22m re-engineering program will also include the installation of a sophisticated computerised engine monitoring system and the rewiring of 12 XPT power cars.

Improved Train Maintenance

State Rail's Passenger Fleet Maintenance business group manages the maintenance, repair and cleaning of all CityRail and Countrylink rolling stock.

During 1999-2000 State Rail's fleet availability targets were consistently met for both CityRail and Countrylink services. The current CityRail timetable requires 88% of cars to be available for peak services, and a rate of 90% was achieved.

A major challenge – subsequently successfully met – was to provide 96% car availability during the Olympics. To achieve this, a special maintenance program was devised and introduced to prepare the fleet for the Olympic program.

Reforms in fleet maintenance are now focusing on:

- Gaining substantial improvements in productivity through improved work practices, multi-skilling and enterprise agreements;
- Investing in modern plant and equipment to improve the efficiency of State Rail's maintenance centres;
- Implementing a quality assurance and customer service regime;
- Improving maintenance centres and operations to improve efficiency;
- Improving internal services, with a particular focus on logistics and warehousing, technical and engineering services; and
- Investing in the training of staff to drive business improvements, improve skills and introduce new business concepts.

During 1999-2000 a Capital Works Unit was established within Passenger Fleet Maintenance with responsibility for all fleet acquisition, refurbishment and modification contracts and the maintenance and renewal of State Rail's maintenance centres and train 'stabling' yards.

A new underfloor wheel-profiling machine was commissioned at the Flemington Maintenance Centre in August 1999 and is providing a significant improvement in fleet wheel attention. Trade Waste Management System projects at Campbelltown, Penrith and Blacktown were also completed.

Improved Train Presentation

Train presentation is a major focus for State Rail's Passenger Fleet Maintenance business group. It has now been separated from daily maintenance functions, to ensure specific problems associated with train cleaning and presentation are addressed.

Major initiatives during the year included:

- An increase in the frequency of 'heavy' internal cleaning from once every 60 or 90 days to once every 30 days. This has proved very successful in providing much better quality vehicles.
- The introduction of on-train cleaning of the CityRail fleet, specifically to improve the condition of trains before the afternoon peak. Initial trials were carried out at Central, and the initiative has since been expanded to the Illawarra line at Hurstville, the Main West line at Blacktown, the Main South line at Glenfield and the North Shore line at Hornsby.

In December 1999 and January 2000, however, the internal condition of the fleet reached unacceptable levels because extreme difficulties were experienced in employing replacement cleaning staff.

The cost of graffiti removal in 1999-2000 was in the vicinity of \$4m. To combat an increase in external graffiti vandalism towards the end of the year, graffiti removal staff were introduced to the Campbelltown and Eveleigh 'stabling' yards and renewed efforts to better secure CityRail's stabling yards are being examined.

Improved Timetable Planning Based on Monitored CityRail Train Loads

During the year surveys of passenger loads on CityRail trains were undertaken on all lines, both to monitor State Rail's compliance with its Community Service Obligation contract with the Department of Transport, especially in relation to overcrowding, and to assess CityRail's allocation of its rolling stock resources.

The findings of these surveys were incorporated into the new train timetable for the opening of the Airport Line in May 2000, through the introduction of extra peak services on the Illawarra and East Hills lines.

They are also being used in rail infrastructure planning, particularly on the Illawarra and Eastern Suburbs lines, and in planning for the deployment of the new Millennium trains.

CityRail Ticketing Improvements

Ticketing at CityRail stations is being enhanced through the introduction of touch screen technology for ticket vending machines.

An upgrade of existing keyboard-style 'type 1' ticket vending machines to 'type 4' touchscreen ticket machines at 18 stations – Central, Wynyard, Museum, St James, Martin Place, Town Hall, Circular Quay, Kings Cross, Bondi Junction, North Sydney, St Leonards, Strathfield, Blacktown, Parramatta, Chatswood, Hurstville, Lidcombe and Liverpool – commenced in June 2000.

A further 87 ticket barrier gates were purchased during the year, for installation at key stations to enhance revenue collection. New overhead signage is also being introduced at major stations to guide customers through ticketing gates more effectively.

The development of integrated intermodal ticketing proceeded during the year with the shortlisting of proponents in July 1999 and the receipt of detailed proposals in September 1999. State Rail is represented on the Integrated Ticketing project control group and two of its staff are seconded full-time to the Department of Transport's multi-agency project team.

Station Upgrades

CityRail

During 1999-2000 major upgrading works were completed at Penrith, Lidcombe, Redfern, Town Hall, St Leonards, Wynyard and Liverpool stations, and significant progress was made at Bondi Junction and Central/Sydney Terminal Station. The provision of 'easy access' facilities is a key feature of these stations. All of these upgrading projects were completed prior to the Olympics.

The 'Station Sparkle' program, rolled out along the Olympic corridor, saw enhancements such as new paintwork, seating and bins at Flemington, Homebush, Strathfield, Burwood, Croydon, Summer Hill, Lewisham, Stanmore, Petersham, Newtown and Macdonaldtown stations, costing \$1.736m in total. Positive feedback was received from customers, and similar work is now planned for more stations around the network, including Milsons Point, North Sydney, Sutherland, Hurstville and Martin Place.

Countrylink

During the year major works costing \$1.4m were completed at Platform 1 at Sydney Terminal Station.

These works included:

- A new Countrylink Central Travel Centre
- A modern luggage room with a luggage conveyor system to assist in the handling of luggage
- A new spacious waiting room
- Locker facilities to complement the existing Cloak Room facilities, and
- New toilet facilities, incorporating 'easy access' facilities.

Improved Customer Information Systems

New plasma screens displaying 'real time' information about train arrivals and departures were introduced at Wynyard, Bondi Junction, Edgecliff, Kings Cross, Circular Quay, St James, Museum, Strathfield and Lidcombe stations by June 2000, and at that time similar systems were installed and ready for commissioning at North Sydney, Town Hall and Central. Expenditure on this project to the end of the year totalled \$12.6m.

Some 300 station staff were trained to use the new plasma screen systems in courses conducted by Australian Rail Training, and additional on-site training and support were provided as the systems were brought on line.

New 'wayfinding' signage is being introduced at 20 key stations, including Ashfield, Lidcombe, Penrith, Strathfield, Central and Town Hall. Features include better directional information and colours matched to the various colour coding to distinguish the different lines of the CityRail network.

New Countrylink Timetable

Countrylink implemented a new timetable for its rail and coach services on 21 May 2000.

This new timetable was partly the result of a major review of all rail timetables in Sydney to ensure Countrylink's rail services would not be affected by the opening of the Airport Line.

The key objective of the new timetable was to improve Countrylink's service reliability.

The new timetable offers the same rail and coach stops as previously, but offers more time at key stations for passengers to board and alight and more time for the loading and unloading of luggage.

It also allows time for trains to stop and load passengers at 'pick up only' stations and takes account of new stops added but not allowed for in the old timetable since it was first prepared.

Some services depart from Sydney earlier. These services offer an added bonus of arriving at their rural destinations earlier, with flow-on benefits for connecting coach services.

Coach departure and arrival times have been altered to reflect the new arrival and departure times of rail services. All coach stops have been maintained.

Significant improvements in on-time running by Countrylink trains were recorded after the implementation of the new timetable. Countrylink will continue to monitor the performance of the timetable, and expects to make some further improvements in August 2001.

Improving Countrylink Staff Service

Countrylink recognises that its vision of becoming the preferred choice for country travel depends on its abilities to provide safe, high-quality travel products and services and to focus all its resources on its customers' needs.

This necessitates a strong focus on its staff, to ensure that proper and relevant training, direction and support are provided.

A program has been introduced for all on-board Countrylink staff to undergo comprehensive week-long training in food handling (including the safe service of alcohol), manual handling, conflict resolution, personal protection and supervision. This training program will assist staff in providing a safer environment for passengers and carrying out their duties in a safe manner.

Following a successful pilot study, Countrylink customer relations officers will now be available to assist customers at Sydney Terminal Station from 6 am to 10 pm seven days per week. These officers oversee the smooth operation of arrivals and departures, make customer announcements and attend to customer enquiries and requests for assistance.

Video Screens at CityRail Stations

During 1999-2000 testing was carried out for a series of large video advertising screens at CityRail's underground stations. This followed two separate surveys in 1998 and 1999 that had found 93% of customer respondents had liked the concept.

An agreement with Street Vision to introduce the video advertising was signed in late December 1999. The testing phase was completed by the end of July 2000, and screens have been installed at Bondi Junction, Edgecliff, Kings Cross, Martin Place, Town Hall, Wynyard, Central (underground platforms only), Circular Quay, St James and Museum. There are three screens per platform, or 76 screens in all.

Street Vision will conduct surveys on a regular basis to determine customer satisfaction levels and improve the content.

CityRail receives 5% of the advertising time on these screens, and uses it to provide train information, advertise special events and advise customers on changes to station operations, service disruptions and safety issues. CityRail also monitors the noise levels and customer feedback at each station. During peak periods most customers are not exposed to the advertising screens for more than five minutes.

4 Financial Overview

State Rail's operating surplus for the year ended 30 June 2000 was \$84.1m.

Revenue included social program funding and other Government contributions of \$960.4m, comprising:

- Social program revenue (Community Service Obligation payments) of \$478.9m for concession fares, other pricing support and non-commercial operations; and, Olympic funding of \$13.8m for the recruitment and training of extra train crews to operate the services required during the Olympics period; and
- Capital and other contributions of \$481.5m, including capital grants of \$340.7m, major periodic maintenance grants of \$110.0m and redundancy funding of \$15.5m.

Social program funding was reduced by \$4.7m, or 1%, on the previous year. Capital and other Government contributions decreased by \$9.4m.

The capital grants from the Government included \$64.8m sourced from the net proceeds of the sale of surplus State Rail properties.

Staff numbers increased by 422 to 8,966 at 30 June 2000. This increase included 410 train crewing and casual station staff recruited specifically for the Olympic Games.

Farebox revenue increased by \$60.6m, or 13.2%, partly as a result of increased patronage and partly because of fare increases. The weighted average fare increases were 13.8% for CityRail and 8% for Countrylink. The large CityRail increase approved by the independent price regulator, IPART, included a catch-up component, as increases in earlier years had not kept pace with inflation. Patronage increased by 3%, to 281.1m journeys.

Revenue from other rail entities decreased by \$20.6m, or 20.2%, mainly because of the phasing out of shared corporate functions provided to Rail Access Corporation, Rail Services Australia and FreightCorp. Other revenue increased by \$21.5m, or 62.1%, largely because of the recognition of \$14m of external insurance claims for damage sustained in the April 1999 hailstorm and other incidents.

Asset disposal revenue included \$16.7m for the value of a new station at St Leonards, received as part of the price of a long-term air space lease arrangement.

Rental revenue increased by \$4.6m.

Payroll-related costs fell by \$61.0m, or 9.3%, because of reductions in:

- Direct payroll (a reduction of \$13.9m, or 3.1%);
 - Employee entitlements (a reduction of \$37.8m, or 22.5%) associated with changes in actuarial assumptions for superannuation; and
 - Severance payments (a reduction of \$16.9m, or 65.2%) associated with a redundancy program reduction from 590 people in 1998-1999 to 210 in 1999-2000.
- Non-payroll operating expenses increased slightly, by \$6.0m or 0.6%. Significant changes included:
- An increase of \$18.7m in rail access charges paid to Rail Access Corporation. This included a reclassification of the costs of alternative transport during track maintenance closures of \$7.5m (this was included in Contract and General Expenses last year), additional charges for the new Airport Line in the second half of the year and charges for additional services to Olympic Park on weekends and during special events;
 - A \$25.4m decrease in assets written off or sold, because of a reduced surplus property sales program;
 - A \$6.8m or 32% decrease in borrowing and financing costs, because of a restructure of the debt portfolio to take advantage of lower interest rates; and
 - A \$13.0m or 3.7% increase in contract and general expenses.

Significant balance sheet movements during the year were:

- A \$451m revaluation of land and buildings;
- The \$566m divestment of Airport Line assets and liabilities to Rail Access Corporation, reducing property plant and equipment, investments, creditors and equity; and
- Change in accounting policy concerning the treatment of consumable spares, requiring a \$34.5m reduction in equity and a \$33.1m reduction in inventories.

5 Environmental Performance

Environmental Management

A special Environmental Improvement Team spearheads State Rail's efforts to improve working and travelling environments and manages the remediation of State Rail property.

1999-2000 saw this team expand its work considerably. The intranet-based State Rail Environment Management System, which commenced operation in 1998, is a powerful tool which has continued to mature, and has driven commendable environmental improvements, particularly in Passenger Fleet Maintenance.

A State Rail Environmental Policy has been established, with objectives, targets, improvement programs, procedures and work instructions for its implementation. These are continuously reviewed and improved in consultation with staff and supported by training and awareness programs.

This year an Employee Environmental Handbook was published and distributed to all staff. The handbook provides employees with basic information and work instructions to help them fulfil their environmental responsibilities.

To monitor progress and ensure procedures and work instructions are being followed, self-checks are carried out, particularly at high-risk locations. A program of management system audits is planned for 2000-2001 to check on implementation and suggest improvements.

Key Environmental Programs

Energy Management

State Rail has developed an Energy Action Plan to meet the requirements of the Government's Energy Management Policy, a whole-of-Government approach to the reduction of greenhouse gas emissions. Actions have included:

- The appointment of an Energy Manager and Energy Co-ordinator;
- The provision of energy use data to the Ministry of Energy and Utilities; and
- The commencement of an in-depth energy quantification survey, involving audits of energy usage at stations, maintenance centres and offices.

The energy survey will identify specific energy-saving projects that will be implemented in the next year.

Waste Management

State Rail continues to identify and implement waste-reduction strategies. Waste reduction initiatives during 1999-2000 included:

- The recycling of scrap metal and brake shoes from maintenance centres, resulting in an annual saving of over \$165,000;

- The completion of a program of waste audits at stations, further quantifying waste sources and identifying opportunities for waste reduction; and
- On-going implementation of State Rail's Waste Reduction and Purchasing Plan, which focuses on reducing office waste.

Water Quality

Improvements continue to be made to effluent treatment plants at maintenance centres to improve wastewater quality from State Rail sites and ensure compliance with discharge limits.

An on-going awareness program has been introduced to minimise pollution of stormwater drains.

Air Emissions

A program to change the gas used in train air conditioning units to a less ozone-depleting gas is nearing completion. Approximately 93% of suburban and interurban train air conditioning units have been changed from R12/R22 to R134a gas.

The introduction of Paxman engines to the XPT fleet will improve environmental compliance by significantly reducing XPT exhaust emissions.

Contaminated Land Management

State Rail owns a large amount of land which may be contaminated from past industrial activities.

A program is underway to actively identify, investigate and treat contaminated land.

In 1999-2000 approximately \$4.2m was spent on contaminated land management. This included \$2.5m spent on the remediation of the Wolli Creek area as part of the development of the Airport Line.

Noise Management

Noise reduction programs have been implemented to ensure that State Rail meets legal requirements and adheres to its policy of being a good neighbour. These programs include:

- The development of guidelines for station staff on the operation of public announcement systems;
- The installation of a new wheel profiling machine, which will assist in reducing rail/wheel noise;
- Noise monitoring programs; and
- The investigation of noise and other complaints.

6 Employee Relations

In 1999-2000 State Rail's mentoring program was extended throughout the organisation to include all new and promoted employees.

The introduction of a 'management development initiative' to improve the skills of managers and supervisors was finalised

A number of programs were implemented to reduce staff absenteeism, manage surplus staff, reduce workforce numbers and introduce diversity initiatives. These initiatives have led to a significant increase in female employment.

The selection and recruitment process was revised and improved in order to increase the skill levels of new employees.

A Workforce Allocation Unit was established for the recruitment and training of 1,500 employees for the Olympics.

Functional Agreement Negotiations

The 1999 State Rail Enterprise Bargaining Agreement provided for the negotiation of Functional Agreements at the functional or workplace level, concentrating on business unit productivity reform and employment related issues.

During 1999-2000 negotiations were undertaken in approximately 30 separate functional areas, and by the end of the year many of these were approaching conclusion.

The negotiations took place within the framework of an overarching Memorandum of Understanding between State Rail, the Labor Council of NSW and the unions. This Memorandum identified the productivity measures subject to negotiation and provided a basis for salary increases, linked to the functional productivity measures, of 5% from April 2000 and a further 3% from April 2001.

Some of the productivity measures addressed in the negotiations were:

- Competency and performance-based classification structures;
- More flexible hours of work arrangements (removal of the nine day fortnight);
- Informal promotional appeals;
- The introduction of a Staff Performance and Development Scheme;
- Continuous improvement initiatives;
- Extensions of multi-skilling; and
- Revised management and supervisory structures.

Generally the savings identified in these proposals are quite significant, although in some cases additional costs may need to be incurred initially in order for longer-term savings to accrue.

Industrial Disputes

During the year approximately 15,000 person hours were lost through industrial action.

Industrial disputes occurred mainly in connection with proposed changes to management structures on CityRail stations and to a lesser extent in connection with claims for salary increases and disciplinary matters affecting Payroll Officers.

Award Review

State Rail is participating in the award simplification process being followed by the Australian Industrial Relations Commission (AIRC). The AIRC has adopted State Rail's proposal that this review should aim to produce a single simplified federal award for the organisation.

This process will involve lengthy hearings before the AIRC.

Sydney Olympics 2000

Claims were received during 1999-2000 from various unions for special allowances to apply to staff working during the period leading up to and including the Olympics and Paralympics. These claims were dealt with through a whole-of-Government approach, and at the end of the year negotiations were proceeding between the NSW Labor Council and Government.

Australian Rail Training

Australian Rail Training, the education provider for NSW rail employees, runs campuses at two locations in Sydney at Petersham and Belmore.

It runs specialist industry-recognised courses for train drivers, train guards, station staff and a number of other categories.

Australian Rail Training now aims to:

- Introduce national training packages across State Rail;
- Be formally recognised within the education industry;
- Introduce competency-based safeworking training, with assessment methodologies which provide valid and reliable assessment evidence, both on and off the job; and
- Introduce a comprehensive 'management development initiative' to improve the capability of State Rail senior and middle managers.

7 Corporate Services and Support

Corporate Finance

During 1999-2000 State Rail's Corporate Finance unit managed a smooth transition to the GST and the introduction of a new State Rail Purchasing Card.

A contracting training package has been introduced across all business units within the organisation, and new budget and forecasting models have been introduced to assist in management reporting processes.

Railcover

State Rail holds a self-insurance licence under the Workplace Injury Management and Workers Compensation Act 1998 (NSW). It also holds an excess of loss insurance cover for any workplace incident that incurs a cost greater than \$1m.

The State Rail's Railcover unit is responsible for administering the organisation's workers compensation insurance, including the processing and administration of workers compensation claims and liabilities incurred by predecessor organisations.

Railcover's main objectives are to:

- Reduce the 'tail' of outstanding liabilities incurred before 1 July 1996;
- Minimise loss ratios (the estimated costs incurred on current claims relative to the deemed premium on payroll);
- Recover administrative costs through internal premiums and external revenue; and
- Fund workers compensation liabilities and consequential expenditures through a system of internal premiums based on experience and risk management principles.

Key achievements during 1999-2000 were:

- A 21% reduction in the number of outstanding claims, representing a 14.7% reduction in the value of the 'tail' (\$129m);
- A loss ratio for the year of 32.5%, representing a notional saving to State Rail of 67.5% on commercial rates of insurance;
- 100% cost recovery of administrative overheads; and
- The adequacy of the funds allocated to Provision Accounts to meet expenditure during the year.

Information Technology and Telecommunications

State Rail sees information technology as a primary factor in the delivery of effective and efficient business solutions to both internal and external customers.

The Information Technology and Telecommunication Division, which formulates and leads the implementation of State Rail's communication and IT strategies, policies and standards, is now empowered to oversee and direct all the activities of major State Rail IT functions, including system design, development, implementation,

operations, planning and commercial operation, in order to provide quality and consistency to the organisation.

This embraces major initiatives already underway or planned, including communications, passenger information and passenger security (CCTV) initiatives.

During the year the unit focused on:

- Reducing costs by supplying innovative, productive and efficient IT to meet identified business requirements;
- Reducing overall delivery costs and increasing services
- Managing risk by implementing and deploying the 'right' Information Technology in a secure and stable environment;
- Providing an architecture linking State Rail's business and IT objectives;
- The creation, capture, storage and retrieval of data maintained and distributed within and outside State Rail;
- Management of an applications portfolio of internally developed and supported systems, software packages purchased from external sources and outsourced applications, on mid-range and PC/LAN platforms and across State Rail's intranet and the internet; and
- Providing maintenance and support of infrastructure and data communication networks, including desktop hardware and software and local and wide area networks.

Passenger Information

One of State Rail's major priorities over the past twelve months has been to strengthen the position of the Passenger Information section within the Authority and improve the delivery and quality of information that we provide to our passengers.

Communications links between Network Control and CityRail Stations have been improved via the provision of pagers to train guards and the upgrading of our electronic fax service.

The close links between our Passenger Information and Public Affairs staff also ensure that any major delays or incidents can be quickly communicated to media outlets and hence to passengers.

- A Government Relations unit, handling parliamentary requirements, correspondence and other workings of government.

Countrylink won the Tour and Transport Operators - Major category for the Canberra Region Tourism Awards 2000, and as a result has been entered in the National Tourism Awards.

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(Start of audited financial statements)

Income and Expenditure Statement for the Year Ended 30 June 2000

	Note	1999-2000 \$000	1998-1999 \$000
Revenues	2		
Passenger services	2.4	517 850	457 292
Social program funding	2.4	478 900	483 650
Capital and other Government contributions	2.1	481 512	490 923
Ancillary services to other NSW rail entities	2.4	81 688	102 308
Rents		30 416	25 857
Asset disposals		21 230	4 354
Interest		1 798	3 275
Other (non operating)		56 002	34 541
Total revenues		1 669 396	1 602 200
Expenses	3		
Payroll costs		431 481	445 422
Employee entitlements	3.2,3.3	130 237	168 042
Severance payments		9 047	25 984
Workers' compensation		25 590	17 905
Operating lease rentals (including rail access fees)	3.1	362 617	343 257
Contract and general expenses		366 800	353 754
Consultants		587	790
Depreciation	7.7	153 006	150 851
Assets written-off or sold		48 005	73 423
Inventory write downs or losses		0	121
Borrowing costs	3.1	13 412	21 057
Other financing expenses		1 152	264
Audit fees	3.1	353	376
Board members' emoluments		232	245
Doubtful debts expense		371	55
Capital grants made to Rail Access Corporation		42 372	38 725
Total expenses		1 585 262	1 640 271
Operating surplus/(deficit) before abnormal items		84 134	(38 071)
Abnormal items	2.2	0	51 600
Operating surplus/(deficit) after abnormal items		84 134	13 529
Accumulated funds at beginning of year		1 654 806	1 687 731
Transfers from reserves	13,14	10 205	65 576
Equity adjustments	14	(596 332)	(112 030)
Accumulated funds at end of year		1 152 813	1 654 806

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

Balance Sheet as at 30 June 2000

	Note	30.6.2000 \$000	30.6.1999 \$000
Current Assets			
Cash	4	32 293	4 495
Receivables	5	76 187	52 471
Investments	6	40 900	80 686
Inventories	1.2	2 203	34 396
Total current assets		151 583	172 048
Non-Current Assets			
Receivables	5	127 933	153 307
Property, plant and equipment	7	5 074 327	5 121 924
Other	8	2 429	2 692
Total non-current assets		5 204 689	5 277 923
Total assets		5 356 272	5 449 971
Current Liabilities			
Borrowings	9	55 711	78 429
Creditors	10	213 480	195 388
Provisions	11	203 706	179 736
Tax liabilities		8 349	8 716
Total current liabilities		481 246	462 269
Non-Current Liabilities			
Borrowings	9	142 842	110 888
Provisions	11	626 074	657 963
Tax liabilities		2 567	2 560
Total non-current liabilities		771 483	771 411
Total liabilities		1 252 729	1 233 680
Net assets		4 103 543	4 216 291
Equity			
Deferred revenue	12	51 159	56 121
Reserves	13	2 899 571	2 505 364
Accumulated funds	14	1 152 813	1 654 806
Total equity		4 103 543	4 216 291
The accompanying notes form an integral part of these financial statements.			

Statement of Cash Flows for the Year Ended 30 June 2000

	Note	1999-2000 \$000	1998-1999 \$000
Cash flows arising from operating activities			
Receipts from customers		656 463	616 918
Social program receipts from government		478 900	483 650
Interest received		1 798	3 275
Payments to suppliers and employees		(1 310 564)	(1 361 532)
Borrowing costs		(13 296)	(17 675)
Net cash used in operating activities	4.1	(186 699)	(275 364)
Cash flows arising from investing activities			
Property, plant and equipment acquisitions		(302 199)	(214 509)
Plant and equipment disposals		4 530	4 354
Investments redeemed		48	1 338
Investment transferred to Rail Access Corporation		(19 993)	0
Consideration received on Railcom disposal	4.3	0	20 000
Net cash used in investing activities		(317 614)	(188 817)
Cash flows arising from financing activities			
Government contributions received		454 386	473 098
Funding for pre-1.7.1996 workers' compensation		28 627	32 433
Borrowings obtained		86 632	77 125
Borrowings repaid		(77 271)	(80 339)
Net cash provided by financing activities		492 374	502 317
Net increase (decrease) in cash held		(11 939)	38 136
Cash at the beginning of the year		84 060	45 924
Cash at the end of the year	4.2	72 121	84 060

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

1 Summary of Accounting Policies

1.1 Bases of Accounting

The financial statements have been prepared as a general purpose financial report in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group consensus views, the Public Finance and Audit Act 1983, the Public Finance and Audit (General) Regulation 1995, and specific directions issued by the Treasurer.

Generally, the historical cost basis of accounting has been adopted and the financial statements do not take into account changing money values or current valuations. However, most items of property, plant and equipment (and associated depreciation expenses) are measured at their current value and certain employee entitlement liabilities (and associated expenses) are measured at their present value. See notes 1.9 and 1.12.

The accrual and going concern bases of accounting have been adopted in the preparation of the financial statements.

Despite current liabilities exceeding current assets at year end, State Rail's continued operation and ability to pay its debts are assured because the annual Appropriation Act was passed before the end of the year, allocating funds for the government to purchase rail services from State Rail during the ensuing year.

1.2 Consistency of Accounting Policies

The accounting policies adopted are consistent with those of the previous year, except in the case of consumable spares.

State Rail has significant holdings of dedicated spare parts for rollingstock and other assets. They fall into two categories, major capital spares and minor consumable spares.

During 1999-2000 the accounting policy for consumable spares was changed as a result of the issuing of Treasury Circular NSWTC 00/13 Guidelines for the Capitalisation of Expenditure in the NSW Public Sector (TC 2000/13). That circular abolished the requirement to charge major periodic maintenance costs to a provision, as previously required by Treasury Circular No 1 of 1994 Guidelines for the Capitalisation of Expenditure in the NSW Public Sector (TC 1994/1). It also abolished the requirement to adopt a quantitative capitalisation threshold of between \$500

and \$5000, as previously required by Treasury Circular No G1991/36 Capitalisation Policy for Physical Non-Current Assets (TC 1991/36). These changes have necessitated and enabled altered accounting treatment for consumable spares.

Previously, dedicated spare parts were classified as consumable spares if they cost less than a \$1000 capitalisation threshold and such spares were recognised as inventories pending their being consumed in major periodic maintenance.

Had TC 1994/1 not required major periodic maintenance costs to be charged to a provision, the cost of consumable spares should have been capitalised or expensed.

However, to avoid a conflict among the requirements of Australian Accounting Standard AAS 4 Depreciation, TC 1994/1 and TC 1991/36, consumable spares, despite their useful life being greater than one year, were neither capitalised (in accordance with AAS 4) nor expensed (in accordance with TC 1991/36). Instead, being consumable in major periodic maintenance works within one year of purchase, they were considered to be inventories pending their being charged to a major periodic maintenance provision in accordance with TC 1994/1.

The withdrawal of TC 1994/1 necessitates the adoption of a more straightforward accounting treatment. Therefore consumable spares are now expensed rather than being treated as inventories. This also acknowledges that the actual useful life of consumable spares precludes them from being treated as inventories. Apart from short-lived items such as fuel, most items previously recognised as inventories are now expensed on purchase.

The withdrawal of TC 1991/36 removes the requirement to have a quantitative capitalisation threshold. A qualitative threshold is considered more appropriate for dedicated spare parts than the quantitative \$1000 threshold previously adopted. Therefore a qualitative threshold has now been adopted, based on whether a spare part is significant enough to warrant its being individually tracked throughout its useful life. Significant, trackable spares are treated as capital spares (and continue to be capitalised and depreciated). All other dedicated spares are treated as consumable spares (and are expensed). The adoption of a qualitative approach effectively raises the capitalisation threshold for spares and results in more of them being classified as consumable.

Notes to and forming part of the financial statements

TC 2000/13 requires any initial adjustments arising from the withdrawal of TC 1994/1 or TC 1991/36 to be adjusted directly against accumulated funds as at 1 July 1999. Therefore, \$33.106m has been so adjusted due to the derecognition of consumable spares inventories, and \$37.657m has been so adjusted due to the adoption of a qualitative capitalisation threshold. The effective raising of the capitalisation threshold has also given rise to an offsetting accumulated funds adjustment of \$36.219m to reflect the associated reduction of the Asset Revaluation Reserve in relation to the capital spares reclassified as consumable spares. All of these adjustments relate to prior reporting periods. However it is not practicable to restate the comparative information for 1998 - 1999 as it would alter that year's reported operating result and because TC 2000/13, which has given rise to the changed accounting policy, was not in force then.

The financial effect of the changed accounting policy on each year's operating result is expected to be immaterial.

See notes 13 and 14.

1.3 Principles of Consolidation

SRA Property Trust was established on 1 September 1999 as an unincorporated special purpose entity. Its purpose was to purchase real property on behalf of State Rail. The SRA Property Trust ceased to operate on 30 May 2000 and is now dormant. State Rail intends to wind up the Trust in 2000-2001.

State Rail controls the SRA Property Trust by having the sole capacity to appoint, remove and direct the trustee.

All of the Trust's expenditure was paid directly by State Rail and all of the Trust's assets were transferred to State Rail. Therefore consolidated financial statements of the economic entity comprising State Rail Authority of New South Wales (as parent entity) and SRA Property Trust (as controlled entity) have not been prepared. Had they been prepared, the consolidated statements of the economic entity would have been identical to the financial statements of the parent entity.

1.4 Comparative Information

Where appropriate and practicable the previous year's comparative information has been adjusted to conform with the current year's presentation.

1.5 Foreign Currency Translation

(i) Transactions

Foreign currency transactions are initially translated into Australian currency using the exchange rate in effect on the transaction date. Foreign currency monetary items remaining outstanding at balance date are translated at the exchange rate applying on that date.

(ii) Hedging of Specific Commitments

Where specific foreign currency commitments for the purchase of goods or services are hedged, any costs or gains arising at the time of entering the hedge transaction, and any exchange differences occurring up to the date of purchase, are deferred and included in the measurement of the purchase of those goods or services.

(iii) Hedging of General Commitments

Where other foreign currency commitments are hedged, any exchange differences on those commitments are recognised as they arise. Costs or gains on the hedge contract are deferred and amortised over the life of the contract.

(iv) Unhedged Commitments

Where foreign currency transactions are not hedged, any exchange differences attributable to assets under construction are included in the cost of those assets. Otherwise, exchange differences are recognised in determining the operating result.

1.6 Cash

For the purpose of the statement of cash flows, cash includes cash on hand, highly liquid investments with short periods to maturity which are readily convertible into cash on hand at the investor's option and are subject to an insignificant risk of changes in value, and borrowings which are integral to the cash management function and which are not subject to a term facility. See note 4.

1.7 Receivables

A provision is made for doubtful debts. Receivables are monitored during the year and bad debts are written off against the provision when they are determined to be irrecoverable. See note 5.

1.8 Investments

Investments are valued at cost which, because of the nature of the investments, is also the market value. See note 6.

1.9 Property, Plant and Equipment

(i) Recognition

An item of property, plant and equipment is recognised as an asset if it is controlled by State Rail, is expected to be used for more than one year, is likely to produce future economic benefits, and possesses a cost or other value that can be measured reliably.

An item of property, plant and equipment ceases to be recognised when it is disposed of or when it is permanently withdrawn from use and there are no probable future economic benefits from its disposal.

Expenditure on the acquisition, replacement or enhancement of property, plant and equipment is capitalised, provided it exceeds the capitalisation threshold or qualifies for recognition as a capital spare. Expenditure on the partial replacement of certain categories of networked assets (such as computer networks) is also capitalised.

Costs incurred on an item of property, plant and equipment subsequent to it being first put into use or held ready for use are added to the asset's carrying value when and only when it is probable that future economic benefits, in excess of the originally assessed standard of performance will arise. All other such costs are expensed in the reporting period in which they are incurred.

The capitalisation threshold for a network of property, plant and equipment items or for an individual (non-networked) item (other than a capital spare) is \$5000. A capital spare is only capitalised if it is part of a pool of rotatable spares, primarily held for the overhaul of the asset to which it relates, and significant enough to warrant being individually tracked. Expenditure below the capitalisation threshold or not qualifying for recognition as a capital spare is charged to operating expenses.

(ii) Valuation

Property, plant and equipment purchased or constructed is initially recorded at its cost of acquisition. Property, plant and equipment acquired under a finance lease is initially recorded at the present value of the minimum lease payments. Property, plant and equipment acquired by grant is initially recorded at fair value.

Spares purchased specifically for a particular asset, or a class of assets, and which would become redundant if that asset or class was retired or use of that asset or class was discontinued, are considered to form part of the historical cost (or other value) of that asset or class.

As the future economic benefits embodied in property, plant and equipment are not primarily dependent on those assets' ability to generate net cash inflows, no item of property, plant and equipment has been written down to its recoverable amount.

Property plant and equipment is revalued at least once every five years, on the following basis:

- Land which would be replaced upon deprival is valued at the greater of its value in use and its current market selling price
- Land or a cultural collection (ie heritage) asset which would not be replaced upon deprival is valued at the greater of the net present value of future cash inflows therefrom and its current market selling price
- Property, plant and equipment (other than land) which would be replaced upon deprival is valued at its written down replacement cost
- Surplus property, plant and equipment is valued at its current market selling price.

Revaluations are accounted for by separately restating the gross amount and the related accumulated depreciation of each asset within the revalued class.

Upon revaluation of a class of property plant and equipment, a net revaluation increment is credited directly to the Asset Revaluation Reserve for that class and a net revaluation decrement is expensed, except that to the extent it reverses a previous increment or decrement it is debited to the Asset Revaluation Reserve or credited to revenue respectively.

(iii) Depreciation

Each item of property, plant and equipment (except land and work in progress) is depreciated on a straight line basis over its estimated useful life commencing when the item is first put into use or held ready for use. A capital spare is depreciated over the useful life of the asset or class of assets to which it relates. An improvement or extension of an existing depreciable asset which becomes an integral part of that asset is depreciated over the remaining useful life of that asset.

Notes to and forming part of the financial statements

An item of property, plant and equipment acquired under a finance lease is depreciated on a straight line basis over the periods which are expected to benefit from the item's use. Where there is reasonable assurance at the beginning of the lease term that ownership of the item will be obtained at the end of the lease term, the item is depreciated over its useful life. Otherwise it is depreciated over the lease term. See note 1.11.

The cost of an improvement to or on leasehold property is depreciated over the shorter of the unexpired term of the lease or the estimated useful life of the improvement.

Depreciation rates are reviewed at least annually, and adjusted if necessary, to ensure they continue to reflect the most recent assessments of the useful lives of the respective assets, having regard to such factors as asset usage and the rate of technical and commercial obsolescence.

Depreciation methods are reviewed at least annually, and adjusted if necessary, to ensure they continue to reflect the expected pattern of consumption or loss of future economic benefits.

Effects of any change in depreciation rate or method are recognised in the present and future years affected.

(iv) Disposals

Upon disposal or retirement, the carrying amount of an item of property, plant and equipment is charged to Assets Written Off and any sale proceeds are credited to Asset Sales Revenue. Any related revaluation increment remaining in the Asset Revaluation Reserve in respect of the asset at the time of disposal is transferred to accumulated funds.

(v) Assets Leased

Assets leased to lessees are recognised as property, plant and equipment and the associated rent is recognised as Rent Revenue on a basis reflective of the pattern of benefits provided by the leased asset.

(vi) Work in Progress

Work in progress comprises expenditure on incomplete capital works. It also includes expenditure on minor projects completed in the last month of the financial year.

See note 7.

1.10 Borrowings

A borrowing is recognised after deducting any unamortised discount from, or adding any unamortised premium to, its face value. Any discount or premium is deferred and amortised over the term of the borrowing on a straight line basis.

The face value of all principal amounts falling due within 12 months after the end of the year, and any unamortised discounts or premiums thereon, are recognised as current liabilities. All other principal amounts, and the related unamortised discounts or premiums are recognised as non-current liabilities.

See note 9.

1.11 Leases

(i) Classification

Leases where the lessee assumes substantially all the risks and benefits of ownership of the leased property are classified as finance leases. Other leases are classified as operating leases.

(ii) Details of Leasing Arrangements

Various types of lease arrangement are in place.

About one third of the rollingstock fleet has been obtained under complex sale and leaseback arrangements where State Rail is the lessee under finance leases. However the related lease liabilities have been eliminated through defeasance arrangements. Purchase options exist, allowing the purchase of the leased rollingstock at the end of the lease term. In some cases a lease renewal option is available if the purchase option is not exercised.

The NSW rail network is used by State Rail as lessee under a ten-year, non-exclusive, non-cancellable operating lease (access agreement). The lease rental (access fee) is reviewed annually.

Certain Victorian and Queensland railways and stations are used by State Rail as lessee under informal non-exclusive operating leases (access agreements).

The Queanbeyan-Canberra railway is used by State Rail as lessee under a 25 year finance lease, renewable at State Rail's option for a further 25 years.

Coaches for rural passenger services and buses for use during service disruptions are obtained under various operating leases. The rural coaches are obtained under three-year non-cancellable leases, renewable at State Rail's option for up to two years.

Notes to and forming part of the financial statements

Some telecommunications facilities are obtained under an 11-year non-cancellable operating lease. Additional, contingent rentals may become payable or receivable in future years if the total cost of connecting locations to the network varies from a predetermined sum.

Motor vehicles are obtained under two or three year operating leases arising from sale and leaseback arrangements. Rentals are all contingent, being based on floating interest rates.

Some office accommodation is obtained under operating leases, some resulting from sale and leaseback arrangements. Some leases are renewable at State Rail's option for periods up to twelve months.

Some items of office equipment and plant are also obtained under operating leases.

State Rail has granted various operating leases for real estate (including air space rights), sometimes covering long periods (up to 99 years). A few of the longer leases are non-cancellable. In all cases State Rail retains legal title to the leased property.

Various operating leases have also been granted to other rail operators giving them non-exclusive access to State Rail stations and trackwork. Such leases generally cover a five year period and are terminable by either party giving six months' notice.

(iii) Finance Leases

Finance leases are capitalised by the lessee. A lease asset and liability equal to the present value of the minimum lease payments are recognised as at the beginning of the lease term. The discount rate used in determining present value is the interest rate implicit in the lease. Any initial direct costs which relate to a finance lease are also capitalised as part of the lease asset.

Lease assets are depreciated on a straight line basis over the remaining term of the relevant lease or, where it is likely that ownership of the lease asset will be obtained, the remaining useful life of the asset.

All finance lease liabilities have been extinguished by defeasance. See note 1.15.

(iv) Operating Leases

Minimum lease payment and contingent rental revenue or expense is recognised in the reporting period in which it is earned or incurred, respectively.

Where State Rail is the lessor under an operating lease, the asset leased is classified as a non-current asset.

See note 3.1.

(v) Sale and Leaseback Arrangements

Where an asset is sold and leased back under a finance lease, any gain (or loss) on the sale is deferred and amortised as revenue (or expense) over the lease term.

See note 12.

1.12 Employee Entitlements

Employee entitlements comprise wages and salaries, annual leave (including annual leave loading), long service leave, superannuation, pay in lieu of certain holidays worked (public holidays, bank holidays and picnic days), sick leave, maternity leave, adoption leave, severance benefits, family passes and retirement passes.

Liabilities for wages and salaries, annual leave, long service leave, superannuation, pay in lieu of certain holidays worked, and severance benefits are fully recognised in respect of services provided by employees up to balance date.

The liabilities and associated expenses for all annual leave, wages and salaries, and any other current employee entitlement liabilities are measured at their nominal amounts using remuneration rates current as at balance date. All other recognised employee entitlement liabilities and associated expenses are measured at the present value of the estimated future payments.

Liabilities for sick leave, maternity leave, adoption leave, family passes and retirement passes are not recognised. Sick leave liabilities (which are all non-vesting) are not recognised because experience indicates that, on average, the sick leave taken each year is less than the entitlement accruing in that year, and, as this experience is expected to continue, it is considered improbable that existing accumulated entitlements will be used by employees. Maternity leave and adoption leave liabilities are not recognised because they are immaterial. Family pass and retirement pass liabilities are not recognised as they are not quantifiable and do not result in any net marginal costs.

The liabilities for superannuation and long service leave are actuarially assessed. All other employee entitlement liabilities are assessed by management.

The net unfunded superannuation liability is fully recognised as part of Provisions.

See notes 3 and 11.

Notes to and forming part of the financial statements

1.13 Equity Adjustments due to Restructuring

When the NSW rail industry was restructured on 1 July 1996, the New South Wales government undertook to fund certain workers' compensation liabilities incurred prior to that date but payable in the future. This undertaking, and any subsequent adjustment to the quantum thereof, is treated as an equity contribution from the government and is recognised as a direct adjustment to accumulated funds.

The restructuring of the NSW rail industry continued during 1999-2000. The government withdrew most of State Rail's assets relating to the new Airport Line, and also State Rail's liabilities relating to the Safeworking and Client Services Sections, and transferred them to the Rail Access Corporation. The withdrawal of Airport Line assets (\$566.405m) was treated as an equity distribution to the government and the withdrawal of Safeworking and Client Services Section liabilities (\$2.800m) was treated as an equity contribution by the government and both were recognised as direct adjustments to accumulated funds.

See note 14.

1.14 Revenue

Revenue is measured at the fair value of the consideration or contributions received or receivable. In most cases this is the value of the cash exchanged or exchangeable.

Revenue from the rendering of a service (excluding the provision of a social program) is recognised when a right to be compensated for the service arises, by reference to the stage of completion of the contract. Such revenue is usually recognised in the period the service is rendered. Where the outcome of a contract to provide services cannot be reliably estimated, contract costs are recognised as an expense in the reporting period in which they are incurred; and where it is probable that the costs will be recovered, revenue is only recognised to the extent of the costs incurred.

Contributions and social program revenues are recognised when control of the cash or other asset (or the right to receive it) is gained. If, after being recognised as revenue, a contribution is to be repaid or returned because of a failure to meet specific conditions attaching to it, a creditor and an expense are recognised. See note 2.

Social program funding is provided by the NSW Government to reimburse State Rail for the revenue foregone in providing concession fares to specified classes of passenger and for revenue shortfalls resulting from providing certain train services at the request of the Government.

Revenue from the sale or disposal of assets is recognised when control of the asset has passed to the buyer.

Any lump-sum rental premium received from a lessee at the beginning of a long-term lease is recognised as Asset Disposals revenue.

Rent revenue is recognised as outlined in note 1.11(iv).

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield in the financial asset.

Revenue is not recognised unless receipt is probable and the amount is reliably measurable.

1.15 Debt Defeasance

Where the Treasury assumes responsibility for the servicing requirements for a debt, the debt is considered to be extinguished by an in-substance defeasance and is removed from the balance sheet. When the carrying amount of an asset given up in defeasance of a debt differs from the carrying amount of the debt, the difference is recognised as a gain or loss on defeasance as at the date of entering the defeasance arrangement.

1.16 Redundancy

Amounts received from the Department of Transport during the year to fund payments to employees electing to take voluntary redundancy are recognised as contributions. Severance payments, job search allowances, and payments in lieu of notice are recognised as severance payments expense. Payments for annual leave, long service leave, superannuation and pay in lieu of certain holidays worked which are paid on redundancy are charged to the respective provisions.

See notes 2 and 11.

1.17 Financial Instruments

Financial instruments are contracts that give rise to both a financial asset of one entity and a financial liability (or equity instrument) of another entity. They include cash at bank, receivables, investments, creditors, borrowings, finance leases, derivative financial instruments (interest rate swap contracts, forward foreign exchange contracts, foreign currency option contracts, and commodity swap contracts), and financial guarantees.

(i) Derivative Financial Instruments

When goods are ordered from overseas, or when borrowings have floating interest rates, exposures to fluctuations in foreign exchange rates, commodity prices, or interest rates arise. In order to mitigate the adverse effects of such exposures derivative financial instruments, in the form of hedge contracts, are used.

The hedge contracts comprise interest rate swap contracts, forward foreign exchange contracts, foreign currency options, and commodity swap contracts.

Interest rate swap contracts are used to manage exposures to interest rate risk by enabling a floating rate interest obligation to be swapped into a fixed rate obligation, or vice versa. The difference between the two rates, calculated by reference to an agreed notional principal amount, is exchanged between the parties at specified intervals, usually semi-annually. These contracts entail a right to receive floating rate interest, which is offset by an obligation to pay fixed rate interest or a right to receive fixed rate interest, which is offset by an obligation to pay floating rate interest.

Forward foreign exchange contracts or foreign currency option contracts are used to hedge against fluctuations in exchange rates in relation to purchase orders denominated in a foreign currency. Between 30% and 80% of such commitments are hedged in this manner. These contracts entail a right to receive a fixed amount of foreign currency at a specified future date, which is offset by an obligation to pay a fixed amount of domestic currency at that time.

Commodity swap contracts are used to hedge against fluctuations in the price of distillate. These contracts are treated as financial instruments because, despite their requiring physical delivery of distillate, they are intended to be settled other than by physical delivery in accordance with general market practice. The contracts effectively entail a right to sell a specified quantity of distillate for a fixed amount, which is offset by an obligation to buy a similar quantity at its market price at the date of settlement.

(ii) Financial Guarantees and Obligations

Financial guarantees have been obtained from other parties to secure contractual payment or performance obligations to State Rail. Such guarantees take the form of deposits or bank guarantees. In the event of the financial guarantee becoming receivable due to the party's non-payment or non-performance, the deposit is retained, or the bank guarantee is collected, by State Rail.

Conversely, financial undertakings have been given to other parties to secure their rights in the event of a contractual default by State Rail.

(iii) Accounting Treatment

All financial instruments (other than derivative financial instruments and financial guarantees) are recognised in the balance sheet when they are received, incurred or issued.

Interest rate swap contracts are not recognised in the balance sheet because the value of the floating rate component of each contract cannot be measured reliably until settlement date. At that time any realised gain or loss is recognised as revenue or expense respectively.

Where an interest rate swap (entered into as a hedge) is terminated early, any resulting gain or loss is deferred and included on a systematic basis in the measurement of the hedged anticipated interest transactions when they occur. Where those transactions are no longer expected to occur, the gain or loss is recognised in the income and expenditure statement as at the date of early termination.

Notes to and forming part of the financial statements

Forward foreign exchange contracts are not recognised in the balance sheet because they are intended to be held until maturity and the value of the foreign currency component of each contract cannot be reliably measured until that date. Upon maturity they are accounted for as outlined in note 1.5.

Commodity swap contracts are not recognised in the balance sheet because the value of the market rate component cannot be measured reliably until settlement date. Any unrealised gain or loss at balance date is recognised as revenue or expense respectively.

Financial guarantees receivable or payable are not recognised in the balance sheet because their realisation is contingent on the happening of future events which have low probabilities. Any realised financial guarantee receivable or payable is recognised as revenue or expense respectively.

(iv) Valuation

Financial instruments recognised in the balance sheet are measured at their historical cost, which, except in the case of borrowings, also represents their fair value.

The fair value of borrowings, derivative financial instruments, and financial guarantees is determined at balance date on the following basis:

- A borrowing is valued at the quoted offer price or the risk-adjusted market price of the instrument.
- An interest rate swap contract, forward foreign exchange contract, foreign currency option contract, or commodity swap contract is valued at the amount quoted by a bank or the NSW Treasury Corporation to realise the contract (if it is favourable) or to settle it (if it is unfavourable).
- A financial guarantee is valued at its contractual amount.

All financial instruments are normally held to maturity rather than being traded. However, for the purpose of determining the fair values of borrowings, derivative financial instruments and financial guarantees, it is assumed that those financial instruments will be realised at balance date.

See note 17.

1.18 Private Sector Participation in the Provision of Public Infrastructure

Three arrangements have been made with private sector companies for the provision of public infrastructure. The accounting treatment adopted or proposed for each arrangement is summarised below.

(i) Upgrading of Auburn Service Centre

Clyde Maintenance Facilities Pty Limited upgraded the maintenance workshop known as Auburn Service Centre. The company borrowed the necessary funds for the project.

As State Rail assumed the majority of the risks and enjoys the benefits of the project, the financing for the upgrading has been recognised as a borrowing and the upgraded centre has been recognised as property, plant and equipment.

(ii) Construction and Operation of Airport Line Stations
Airport Link Company Pty Limited designed, financed, constructed and operates four stations on the Airport Line, which runs from Central to Turrella via Sydney Airport. The company will operate the stations until 2030 and will then transfer the ownership to State Rail.

Revenue from passengers using the line is shared between State Rail and the company on an agreed basis until 2030. The majority of the risks and benefits of the operation of the stations rests with the company.

State Rail recognises its accumulating interest in the stations as an asset (and revenue) which will emerge progressively until 2030.

(iii) Construction and Operation of the Pyrmont Light Railway

A private sector company owns and operates light railway between Sydney Central and Pyrmont on land owned or leased by State Rail. The company will operate the line until 2028.

State Rail's only involvement in the arrangement is to lease the land as lessor at a nominal rental.

Notes to and forming part of the financial statements		
Note	1999 - 2000	1998 - 1999
	\$000	\$000
2 Revenues		
2.1 Contributions		
Capital grants from NSW Government		
Funding for Airport line and associated works	51 051	132 701
Funding for other capital works	262 534	99 011
Transfer of bus/rail interchanges from Department of Transport	27 126	17 825
Total capital grants from NSW government	340 711	249 537
Capital grants from local government		
Capital works	0	539
Total capital grants	340 711	250 076
NSW Government operating subsidies		
Major periodic maintenance	110 000	124 300
Employee redundancy funding	15 500	104 900
Interest on old Freight Rail borrowings	14 972	11 622
Training schemes	220	0
Total NSW Government operating subsidies	140 692	240 822
Commonwealth Government operating subsidies		
Employment and training schemes	109	25
Total contributions	481 512	490 923
2.2 Abnormal Revenue		
Capital grants from NSW Government		
Car parks and bus/rail interchanges (constructed in previous years) transferred from Department of Transport	0	51 600
Total abnormal revenue	0	51 600
2.3 Accumulated Unexpended Contributions at Year End		
Capital grants from NSW government	481	15 622
Building Better Cities Program	2 518	2 518
Australian Land Transport Development Program	104	104
Employee redundancy funding	1 846	3 212
Total unspent and carried forward at year end	4 949	21 456
2.4 Revenue from Rendering of Services		
Passenger services	517 850	457 292
Social program funding	478 900	483 650
Ancillary services to other NSW rail entities	81 688	102 308
Total revenue from rendering of services	1 078 438	1 043 250
2.5 Particular Revenues		
Operating lease contingent rentals	273	808
Net foreign exchange gains	593	- - -

Notes to and forming part of the financial statements

	Note	1999-2000 \$000	1998-1999 \$000
3 Expenses			
3.1 Particular Expenses			
Interest		13 220	17 675
Auditor's fee for auditing services		349	376
Auditor's fee for non-auditing services		4	0
Minimum lease payments under operating leases			
• Rail access agreements		336 931	315 468
• Other leases		24 719	26 689
Contingent rentals under operating leases		967	1 100
3.2 Components of Net Superannuation Expense			
Accruing liability recognised as payroll oncosts		43 070	44 819
Actuarial adjustments		18 110	43 226
Superannuation Contributions Surcharge payments		3 490	13 990
(Less) contributions received for transferred staff		(7 978)	(5 875)
Plus/(less) interest revenue		1 110	(767)
Net superannuation expense		57 802	95 393
3.3 Board Members' Superannuation Expense			
Employer superannuation contributions in respect of non-executive board members were \$16 229 (1998-1999: \$17 154).			
These were recognised as employee entitlements expenses.			

Notes to and forming part of the financial statements

	Note	1999 - 2000 \$000	1998 - 1999 \$000
4 Cash			
4.1 Reconciliation of Operating Result With Net Cash Used in Operating Activities			
Operating surplus/(deficit)		84 134	13 529
Government contributions		(454 386)	(490 923)
Asset disposals revenue		(21 230)	(4 354)
Amortisation of deferred gains		(4 962)	(4 962)
Amortisation of loan premiums		(317)	(299)
Capital WIP expensed		9 205	6 109
Depreciation		153 006	150 851
Assets written off or sold		48 005	73 423
Inventory write downs or losses		0	121
Debt management losses		177	1 911
Amortisation of loan discounts		902	1 470
Amortisation of deferred losses		264	264
Doubtful debts expense		371	55
Abnormal items		0	(51 600)
Net movements in assets and liabilities applicable to operating activities:			
• (Increase)/decrease in receivables		(25 154)	5 221
• (Increase)/decrease in inventories		(2 351)	4 114
• Decrease in other assets		2 438	102
• Increase in creditors		33 549	20 045
• Decrease in provisions		(10 350)	(441)
Net cash used in operating activities		(186 699)	(275 364)
4.2 Reconciliation of Cash			
Cash shown in balance sheet		32 293	4 495
Short term investments	6	39 828	79 565
Cash shown in statement of cash flows	1.6	72 121	84 060
4.3 Disposal of Business Unit			
During 1998 -1999 the Government transferred State Rail's telecommunications business unit, Railcom, to the Rail Access Corporation and provided a cash injection of \$20m in consideration for the assets and liabilities withdrawn:			
Property plant and equipment		0	146 408
Inventories		0	904
Less Provisions		0	11 947
Net assets withdrawn (excluding consideration)		0	135 365

Notes to and forming part of the financial statements

	Note	30.6.2000 \$000	30.6.1999 \$000
5 Receivables			
5.1 Analysis of Receivables			
Current receivables			
Trade and other debtors		51 492	27 512
Workers' compensation funding receivable	11.4	22 578	24 240
Advances to employees (repayable on exit)		8	6
Prepayments		2 475	2 183
		76 553	53 941
Less provision for doubtful debts		366	1 470
Total current receivables		76 187	52 471
Non-current receivables			
Workers' compensation funding receivable	11.4	125 061	150 210
Advances to employees (repayable on exit)		2 872	3 097
Total non-current receivables		127 933	153 307
Total receivables		204 120	205 778
5.2 Minimum Lease Rentals Receivable on Non-cancellable Operating Leases			
Not later than 1 year		19 103	14 877
Later than 1 year and not later than 5 years		51 010	37 821
Later than 5 years		166 117	123 283
Total non-cancellable lease rentals receivable		236 230	175 981
No other operating lease commitments were receivable from lessees.			
6 Investments			
Deposits with NSW Treasury Corporation		39 828	44 149
Security deposits held in bank term deposits		1 072	1 121
Capital funds advanced to Rail Access Corporation		0	35 416
Total investments		40 900	80 686

Notes to and forming part of the financial statements

	Note	30.6.2000 \$000	30.6.1999 \$000
7 Property, Plant and Equipment			
7.1 Property, Plant and Equipment Classes			
Land			
Gross amount		1 269 162	1 143 247
Buildings			
Gross amount		2 080 584	1 309 611
Less accumulated depreciation		806 619	591 675
Total buildings		1 273 965	717 936
Rollingstock (non-leased)			
Gross amount		3 001 788	3 046 795
Less accumulated depreciation		1 687 710	1 609 705
Total rollingstock (non-leased)		1 314 078	1 437 090
Leased rollingstock			
Gross amount		988 312	988 121
Less accumulated depreciation		237 743	208 269
Total leased rollingstock		750 569	779 852
Plant and machinery			
Gross amount		246 828	232 069
Less accumulated depreciation		114 342	111 770
Total plant and machinery		132 486	120 299
Trackwork and infrastructure			
Gross amount		323 227	330 429
Less accumulated depreciation		194 195	201 018
Total trackwork and infrastructure		129 032	129 411
Capital works in progress		205 035	794 089
Total property plant and equipment		5 074 327	5 121 924

Notes to and forming part of the financial statements

	Note	30.6.2000 \$000	30.6.1999 \$000
7.2 Analysis of Valuation Bases			
Land			
At historical cost		0	35 083
At fair value		8 167	1 958
At valuation		1 095 109	1 101 881
At market selling price		165 886	4 325
Total land		1 269 162	1 143 247
Buildings			
At historical cost		0	50 662
Less accumulated depreciation		0	7 459
		0	43 203
At replacement cost		1 852 750	1 248 190
Less accumulated depreciation		719 208	582 660
		1 133 542	665 530
At market selling price		227 834	9 203
Less accumulated depreciation		87 411	0
		140 423	9 203
Total buildings		1 273 965	717 936
Rollingstock (non-leased)			
At replacement cost		3 001 788	3 046 795
Less accumulated depreciation		1 687 710	1 609 705
Total rollingstock (non-leased)		1 314 078	1 437 090
Leased rollingstock			
At replacement cost		988 312	988 121
Less accumulated depreciation		237 743	208 269
Total leased rollingstock		750 569	779 852
Plant and machinery			
At historical cost		35 631	0
Less accumulated depreciation		564	0
		35 067	0
At replacement cost		211 197	232 069
Less accumulated depreciation		113 778	111 770
		97 419	120 299
Total plant and machinery		132 486	120 299
Trackwork and infrastructure			
At replacement cost		323 227	330 429
Less accumulated depreciation		194 195	201 018
Total trackwork and infrastructure		129 032	129 411
Capital works in progress		205 035	794 089
Total property plant and equipment		5 074 327	5 121 924

The market value of surplus trackwork has been assessed to be similar to replacement cost.

Notes to and forming part of the financial statements

7.3 Useful Lives

When a depreciable asset is acquired it is initially assigned a standard useful life for depreciation purposes, as follows:

	2000 Years	1999 Years
Leased rollingstock	20 - 35	20 - 35
Rollingstock (non-leased)	20 - 35	20 - 35
Stations (and related works)	200	200
Non-station buildings, brick	80	80
Non-station buildings, non-brick	50	50
Plant and machinery	5 - 30	5 - 30
Trackwork and infrastructure	200	200

7.4 Revaluations

Land and non-surplus buildings were revalued in 1999 - 2000 by the State Valuation Office. Strata leased to tenants for air space development were revalued in 1999 - 2000 by Herron Todd White.

Rollingstock, non-surplus trackwork, and plant and machinery were revalued during 1998 - 1999. The revaluations were performed by management except for certain categories of plant and machinery, which were revalued by Hyman Valuations Pty Limited.

Surplus buildings were revalued in 1997 - 1998 by the State Valuation Office. Surplus trackwork was revalued in 1997 - 1998 by management.

See note 1.9 (ii).

7.5 Gross Replacement Cost of Fully-Depreciated Assets

The gross replacement cost of fully depreciated assets is \$39.697m (1999: \$21.139m).

7.6 Encumbrance of Surplus Land

All future net proceeds arising from the sale of surplus real estate, all premiums received from the leasing of surplus real estate, and certain rental revenues have been assigned to the Treasurer in consideration for the injection of equity capital in 1990.

Notes to and forming part of the financial statements

7.7 Asset Class Movements

	Land	Buildings
	\$000	\$000
1999-2000		
Carrying amount at start of year	1 143 247	717 936
Additions	8 362	274 816
Disposals	(29 516)	(10 363)
Net revaluation increments	147 069	304 036
Depreciation expense	---	(12 460)
Divested (to Rail Access Corporation)	---	---
Adjust Capitalisation threshold for spares	---	---
Other movements	---	---
Carrying amount at end of year	1 269 162	1 273 965
1998-1999		
Carrying amount at start of year	1 151 550	689 303
Additions	15 289	89 444
Disposals	(21 449)	(45 295)
Net revaluation increments	---	---
Depreciation expense	---	(13 243)
Divested (to Rail Access Corporation and Rail Services Australia)	(2 143)	(34)
Other movements	---	(2 239)
Carrying amount at end of year	1 143 247	717 936
Note	30.6.2000	30.6.1999
	\$000	\$000
8 Other Assets		
Non-current other assets		
Deferred losses on rollingstock sale and leaseback	4 050	4 050
Less accumulated amortisation	1 621	1 358
Total other assets	2 429	2 692

Notes to and forming part of the financial statements

	Note	30.6.2000 \$000	30.6.1999 \$000
9 Borrowings			
9.1 Total Borrowings			
Current borrowings			
Face value		55 711	78 429
Total current borrowings		55 711	78 429
Non-current borrowings			
Face value		145 750	114 208
Unamortised premiums		453	2 325
Less unamortised discounts		3 361	5 645
Total non-current borrowings		142 842	110 888
Total borrowings			
Face value		201 461	192 637
Unamortised premiums		453	2 325
Less unamortised discounts		3 361	5 645
Total borrowings		198 553	189 317
9.2 Maturity Profile			
Not later than 1 year		55 711	78 429
Later than 1 year and not later than 2 years		18 871	1 553
Later than 2 years and not later than 5 years		50 049	55 098
Later than 5 years		73 922	54 237
Total borrowings		198 553	189 317
10 Creditors			
Current Creditors			
Trade creditors		25 285	30 284
Capital works accruals		79 822	94 103
Other creditors and accruals		108 373	71 001
Total creditors		213 480	195 388

Notes to and forming part of the financial statements

	Note	30.6.2000 \$000	30.6.1999 \$000
11 Provisions			
11.1 Total Provisions			
Current provisions			
Superannuation (unfunded)	11.2	90 561	68 711
Annual leave		44 051	43 958
Long service leave	11.3	10 016	9 737
Severance payments		2 159	3 602
Pay in lieu of certain holidays worked		5 804	5 062
Wages and salaries		19 795	21 246
Total current employee entitlements		172 386	152 316
Workers' compensation	11.4	8 742	3 180
Pre -1. 7.1996 workers' compensation	11.4	22 578	24 240
Total current provisions		203 706	179 736
Non-current provisions			
Superannuation (unfunded)	11.2	390 333	404 651
Long service leave	11.3	81 884	79 592
Pay in lieu of certain holidays worked		5 802	7 592
Total non-current employee entitlements		478 019	491 835
Workers' compensation	11.4	22 994	15 918
Pre -1. 7.1996 workers' compensation	11.4	125 061	150 210
Total non-current provisions		626 074	657 963
Total provisions			
Superannuation (unfunded)	11.2	480 894	473 362
Long service leave	11.3	91 900	89 329
Annual leave		44 051	43 958
Pay in lieu of certain holidays worked		11 606	12 654
Severance payments		2 159	3 602
Wages and salaries		19 795	21 246
Total employee entitlements		650 405	644 151
Workers' compensation	11.4	31 736	19 098
Pre -1. 7.1996 workers' compensation	11.4	147 639	174 450
Total provisions		829 780	837 699

Notes to and forming part of the financial statements

11.2 Superannuation

Employer contributions are made to three defined-benefit superannuation schemes, the State Authorities Superannuation Scheme (SASS), the State Authorities Non-Contributory Superannuation Scheme (SANCSS), and the State Superannuation Scheme (SSS). Each scheme is administered by the SAS Trustee Corporation.

Employer contributions made to the superannuation schemes to fund emerging liabilities are held in investment reserve accounts maintained by the SAS Trustee Corporation.

The net unfunded superannuation liability to the three schemes comprises:

	SASS \$000	SANCSS \$000	SSS \$000	Total \$000
30.6.2000				
Gross liability	414 274	47 251	2 898	464 423
Plus/(less) investment reserve	18 952	4 477	(6 958)	16 471
Net unfunded liability	433 226	51 728	(4 060)	480 894
30.6.1999				
Gross liability	421 576	51 644	3 084	476 304
Plus/(less) investment reserve	2 198	382	(5 522)	(2 942)
Net unfunded liability	423 774	52 026	(2 438)	473 362

The gross superannuation liability for each scheme at year end was assessed by a consulting actuary, William Mercer Pty Limited, using membership databases as at 29 February 2000. The actuary assumed an interest rate of 7% per annum, a salary growth rate of 4% per annum and a Consumer Price Index increase of 2.5% per annum for current and future years.

11.3 Long Service Leave

The non-current liability for long service leave was assessed in July 1997 by a consulting actuary, Mr G. McRae FIAA. The assessment was revised for each subsequent year by management using a method prescribed by the actuary. The economic assumptions were an interest rate of 8.5% per annum, a salary growth rate of 5% per annum and a discount period of 10 years.

Notes to and forming part of the financial statements			
	Note	30.6.2000 \$000	30.6.1999 \$000
11.4 Workers' Compensation			
The pre -1.7.1996 workers' compensation provision relates to all claims incurred prior to 1 July 1996, the date of the restructuring of the NSW rail industry. The NSW Treasury has undertaken to fund all such claims. This undertaking has been recognised as a receivable with a corresponding credit to accumulated funds. See notes 5 and 14.			
For injuries incurred on or after 1 July 1996, workers' compensation insurance is in place to cover any claim exceeding \$1m and the workers' compensation provision is maintained for smaller claims, for which State Rail is a licenced self-insurer. The liability at year end was assessed by a consulting actuary, Mr D.A. Zaman FIA FIAA.			
12 Deferred Revenue			
Deferred gains on rollingstock sale and leaseback		86 741	86 741
Less accumulated amortisation		35 582	30 620
Total deferred revenue		51 159	56 121
13 Reserves			
Asset revaluation reserve			
Balance at start of year		2 505 364	1 597 239
Revaluation increments		440 259	973 701
Transfers to accumulated funds on asset disposal		(10 205)	(65 576)
Adjust Asset Revaluation Reserve for derecognised spare parts	1.2	(36 219)	0
Stocktake and other adjustments		372	0
Balance at end of year		2 899 571	2 505 364
The Asset Revaluation Reserve recognises the accumulated net revaluation increments in relation to property plant and equipment currently held.			
14 Equity Adjustments			
Equity contributions by government			
Consideration for withdrawal of net assets		0	20 000
Funding of pre -1.7.1996 workers' compensation liabilities	11.4	1 817	5 946
Liabilities withdrawn for transfer to other entities	1.13	2 800	0
Total contributions		4 617	25 946
Other equity increases			
Reclassification of last year maintenance as capital		0	4
Total other equity increases		0	4
Less equity distributions to government			
Net assets withdrawn for transfer to other entities	1.13	566 405	137 980
Total distributions		566 405	137 980
Less other equity decreases			
Derecognition of consumable spares inventories	1.2	33 106	0
Alteration of capitalisation threshold for spares	1.2	37 657	0
Asset Revaluation Reserve adjustment for spares	1.2	(36 219)	0
Total other equity decreases		34 544	0
Total equity adjustments		(596 332)	(112 030)

Notes to and forming part of the financial statements

	Note	30.6.2000 \$000	30.6.1999 \$000
15 Expenditure Commitments			
15.1 Expenditure Commitments			
Rail access fees			
Within 12 months		367 605	329 706
12 months or longer but not longer than 5 years		1 838 023	1 287 544
Longer than 5 years		0	643 771
Total rail access fees		2 205 628	2 261 021
Leasing (excluding rail access fees)			
Within 12 months		26 663	17 152
12 months or longer but not longer than 5 years		56 056	29 898
Longer than 5 years		52 321	37 696
Total leasing (excluding rail access fees)		135 040	84 746
Capital			
Within 12 months		151 480	---
12 months or longer but not longer than 5 years		333 291	---
Longer than 5 years		144 918	---
Total capital		629 689	569 202
Other expenditure			
Within 12 months		230 863	---
12 months or longer but not longer than 5 years		202 627	---
Longer than 5 years		1 076	---
Total other expenditure		434 566	502 490
Total			
Within 12 months		776 611	---
12 months or longer but not longer than 5 years		2 429 997	---
Longer than 5 years		198 315	---
Total expenditure commitments		3 404 923	3 417 459
The expenditure commitments as at 30 June 2000 include any associated Goods and Services Tax. A contingent asset of \$302 000 exists for the related input tax credits which are expected to be recoverable from the Australian Taxation Office.			

Notes to and forming part of the financial statements

15.2 Minimum Lease Payments Committed Under Non-Cancellable

Operating Leases

Not later than 1 year	390 989	343 010
Later than one year and not later than 5 years	1 890 459	1 313 686
Later than 5 years	52 321	681 467
Total committed	2 333 769	2 338 163

Rail access fees are now classified as lease payments and the 1998-1999 comparative figures have been adjusted accordingly.

Minimum lease payment commitments as at 30 June 2000 include any associated Goods and Services Tax. A contingent asset of \$212 000 exists for the related input tax credits which are expected to be recoverable from the Australian Taxation Office.

16 Contingent Liabilities

At year end, unsettled claims subject to litigation and other disputes amounted to \$19.651m (1999: \$44.885m). Depending on the outcome of the litigation or dispute, the claims may or may not be incurred.

See also note 17.3.

17 Financial Instruments

17.1 Credit Risk

Receivables, interest rate swaps, forward foreign exchange contracts, and foreign currency option contracts are exposed to the risk of financial loss due to the other party to the contract failing to discharge a financial obligation thereunder.

The maximum credit risk exposure in relation to receivables is the carrying amount, less the provision for doubtful debts, as set out in note 5.1.

The maximum credit risk in relation to interest rate swap contracts, forward foreign exchange contracts, and foreign currency option contracts is the fair value of the contracts, as set out in note 17.3.

The only significant concentration of credit risk arises in respect of receivables from other NSW rail entities (Rail Services Australia, FreightCorp and the Rail Access Corporation). Receivables from these entities totalled \$21.440m (1999: \$19.641m) at year end. It is considered that, despite the size of the credit risk exposure, the risk of loss is minimal due to the nature and general financial standing of the debtors concerned.

Notes to and forming part of the financial statements

17.2 Interest Rate Risk

Cash at bank, investments, borrowings and interest rate swap contracts are exposed to the risk that their value will fluctuate due to changes in market interest rates.

The maturity (or contractual repricing) dates and weighted average effective interest rates of financial instruments exposed to interest rate risk at year end are:

	Average Interest Rate	Average Interest Rate	Principal Amount	Principal Amount
Timing of Exposure	2000 %	1999 %	30.6.2000 \$000	30.6.1999 \$000
Not later than 1 year				
Cash	4.83	4.49	32 293	3 923
Investments	5.97	4.89	39 828	44 149
Borrowings*	6.2	11.45	55 711	78 428
			127 832	126 500
Later than 1 year and not later than 5 years				
Borrowings*	7.24	7.37	68 920	56 652
Interest rate swap contracts:				
• Fixed rate paying	8.63	8.82	52 263	49 562
• Fixed rate receiving	6.38	5.82	24 000	6 000
• Floating rate	6.2	---	(76 263)	(55 562)
			68 920	56 652
Later than 5 years				
Borrowings*	8.16	7.82	73 921	54 237
Interest rate swap contracts:				
• Fixed rate paying	---	5.78	0	36 000
• Fixed rate receiving	6.7	5.98	12 000	36 000
• Floating rate	6.48	---	(12 000)	(72 000)
			73 921	54 237
Total principal exposed			270 673	237 389

* Borrowings are net of any unamortised discounts or premiums

Notes to and forming part of the financial statements

17.3 Valuation of Financial Instruments

Financial assets and financial liabilities recognised in the balance sheet are carried at historical cost which, except in the case of borrowings, is also fair value. At year end, the fair values for borrowings and for financial instruments not recognised in the balance sheet were:

		Carrying/ Contract Value	Carrying/ Contract Value	Fair Value	Fair Value
	Note	30.6.2000 \$000	30.6.1999 \$000	30.6.2000 \$000	30.6.1999 \$000
Assets (current and non-current)					
Favourable commodity swap contracts		798	1 078	923	1 180
Favourable interest rate swap contracts		40 263	42 000	371	2 343
Favourable forward foreign exchange contracts		9 261	0	8 988	0
Financial guarantees receivable		78 135	91 842	78 135	91 842
Liabilities (current and non-current)					
Borrowings	9	198 553	189 317	208 817	216 340
Unfavourable interest rate swap contracts		48 000	85 562	4 752	8 385
Unfavourable forward foreign exchange contracts		11 531	2 164	11 660	2 150

Financial guarantees receivable comprise security deposits, retention moneys, fixed price contract deposits and contract bank guarantees.

State Rail has entered into an agreement with a private sector company requiring the company to operate four stations on the Airport Line until 2030. If the agreement is terminated early due to default by either party, State Rail has an obligation, depending on the cause of the termination, to pay the company either (i) the value of the future income expected to be earned by the station business or (ii) compensation for its shareholders and to meet its debt obligations. The liability would be assessed by an independent appraiser.

Notes to and forming part of the financial statements

17.4 Maturity Profiles of Interest Rate Swap and Commodity Swap Contracts

			Notional Contract Value	Notional Contract Value
Maturity Profiles			30.6.2000 \$000	30.6.1999 \$000
Interest rate swaps				
Later than 1 year and not later than 5 years			76 263	55 562
Later than 5 years			12 000	72 000
Total interest rate swaps			88 263	127 562
Commodity swaps				
Not later than 1 year			798	1 078
Total commodity swaps			798	1 078

17.5 Forward Foreign Exchange Contracts

At year end \$36.964m (1999: \$6.986m) of overseas purchase orders were exposed to fluctuations in foreign exchange rates. The amount of these purchases hedged was:

	Average Exchange Rate	Average Exchange Rate	Contract Value	Contract Value
Maturity Profiles	30.6.2000	30.6.1999	30.6.2000 \$A000	30.6.1999 \$A000
Contracts denominated in US dollars				
Not later than 3 months	0.5965	0.6650	4 724	1 510
Later than 3 months and not later than 12 months	---	0.6673	0	300
Total hedged US dollar contracts			4 724	1 810
Contracts denominated in pounds sterling				
Not later than 3 months	0.3936	---	1 787	0
Later than 3 months and not later than 12 months	0.3936	---	2 236	0
Total hedged pounds sterling contracts			4 023	0
Contracts denominated in Spanish pesetas				
Not later than 3 months	102.21	104.77	26	354
Total hedged Spanish peseta contracts			26	354
Contracts denominated in Euros				
Not later than 3 months	0.6306	---	1 610	0
Later than 3 months and not later than 12 months	0.6347	---	3 072	0
Total hedged Euro contracts			4 682	0
Total hedged purchases			13 455	2 164

Notes to and forming part of the financial statements

18 Legal form

The Transport Administration Act 1988 constitutes the State Rail Authority of New South Wales as a statutory body representing the Crown in right of New South Wales.

19 Principal activities

During the year State Rail continued to operate passenger rail services and rural feeder coach services, principally in New South Wales.

20 Interest in associate

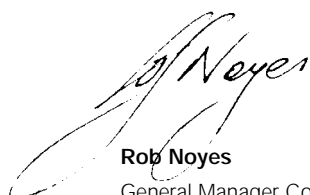
State Rail has an interest in an associated entity, Parramatta Rail Link Company Pty Limited.

The company was registered on 14 June 2000 for the purpose of facilitating the design and construction of a railway from Parramatta to Chatswood via Epping.

State Rail, Rail Access Corporation, and the Director-General of the Department of Transport each hold one third of both the equity and the voting power in the company.

As from 1 July 2000, the company will manage the Parramatta Rail Link Project as agent of the three shareholders.

The carrying amount of State Rail's investment is \$10.



Rob Noyes

General Manager Corporate Finance

16 November 2000

(Finish of audited financial statements)

Statement by Members of the Board

in relation to the financial statements for the year ended 30 June 2000

Pursuant to section 41C (1B) of the Public Finance and Audit Act 1983 and clause 14 (1) of the Public Finance and Audit (General) Regulation 1995 and in accordance with a resolution of the Board of the State Rail Authority of New South Wales, we state that:

- In our opinion, the accompanying financial statements for the year ended 30 June 2000, read in conjunction with the notes thereto, exhibit a true and fair view of the financial position and transactions of the State Rail Authority of New South Wales;
- The financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Public Finance and Audit (General) Regulation 1985, and the Treasurer's directions; and
- We are not aware, as at the date of this statement, of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Paul Binsted

Chairman

17 November 2000



Ron Christie

Acting Chief Executive



BOX 12 GPO
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

STATE RAIL AUTHORITY OF NEW SOUTH WALES

To Members of the New South Wales Parliament and Members of the State Rail Authority of New South Wales

Scope

I have audited the accounts of the State Rail Authority of New South Wales (SRA) for the year ended 30 June 2000. The members of the Board of the Authority are responsible for the financial report consisting of the accompanying balance sheet, operating statement and statement of cash flows, together with the notes thereto, and the information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament and members of SRA based on my audit as required by sections 34 and 41C(1) of the *Public Finance and Audit Act 1983* (the Act).

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

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

- core business activities being in accordance with the *Transport Administration Act 1988*;
- the Premier's Department SES Guidelines in respect of the Chief Executive's contract;
- operation of the Special Deposits Account in accordance with the *Transport Administration Act 1988*;

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

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

Audit Opinion

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

R J Sendt
Auditor-General

SYDNEY
17 November 2000
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(Start of audited financial statements)

Income and Expenditure Statement for the period 1 September 1999 to 30 June 2000

	Note	1999-2000 \$000
Revenues		
Total revenues		Nil
Expenses		
Total expenses		Nil
Operating result		Nil

Balance Sheet as at 30 June 2000

	30.6.2000 \$000
Assets	
Total assets	Nil
Liabilities	
Total liabilities	Nil
Net assets	Nil
Total Equity	Nil

Statement of Cash Flows for the period 1 September 1999 to 30 June 2000

	1999-2000 \$000
Cash flows arising from operating activities	
Net cash used in operating activities	Nil
Cash flows arising from investing activities	
Net cash used in investing activities	Nil
Cash flows arising from financing activities	
Net cash provided by financing activities	Nil
Net increase (decrease) in cash held	Nil
Cash at the beginning of the year	Nil
Cash at the end of the year	Nil

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

1 Summary of Accounting Policies

The financial statements have been prepared as a general purpose financial report in accordance with Australian Accounting Standards, other authoritative pronouncements of the Public Sector Accounting Standards Board, Urgent Issues Group consensus views, the Public Finance and Audit Act 1983, the Public Finance and Audit (General) Regulation 1995, and specific directions issued by the Treasurer.

The historical cost basis of accounting has been adopted and the financial statements do not take into account changing money values or current valuations.

The accrual basis of accounting has been adopted in the preparation of the financial statements.

The going concern basis has not been adopted as the Trust has ceased to operate.

2 Parent Entity

The SRA Property Trust came into existence on 1 September 1999 and is controlled by the State Rail Authority of New South Wales.

3 Operation of the Trust

The Trust was established to acquire property for the parent entity. Only one property was acquired. It cost \$247,287. All of the Trust's expenditure is paid directly by the parent entity. The assets of the Trust were transferred to the parent entity on 30 May 2000.

4 Audit Fee

The cost of auditing the Trust's financial statements is borne by the parent entity.

5 Trustee's Emoluments

No emoluments or other benefits were paid or payable to the trustee as trustee.


(Finish of audited financial statements)

Statement by the Trustee

in relation to the financial statements for the ten months ended 30 June 2000

Pursuant to section 41C (1B) of the Public Finance and Audit Act 1983 and clause 14 (1) of the Public Finance and Audit (General) Regulation 1995, I state that:

- In my opinion, the accompanying financial statements for the ten months ended 30 June 2000, read in conjunction with the notes thereto, exhibit a true and fair view of the financial position and transactions of the SRA Property Trust;
- The financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Public Finance and Audit (General) Regulation 1995, and the Treasurer's directions; and
- I am not aware, as at the date of this statement, of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



K McManus

Trustee

16 November 2000



BOX 12 GPO
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

SRA PROPERTY TRUST

To Members of the New South Wales Parliament and Trustee of the SRA Property Trust

Scope

I have audited the accounts of the SRA Property Trust (Trust) for the period 1 September 2000 to 30 June 2000. The Trustee is responsible for the financial report consisting of the accompanying balance sheet, income and expenditure statement and statement of cash flows, together with the notes thereto, and the information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament and the Trustee of the Trust based on my audit as required by sections 34 and 41C(1) of the *Public Finance and Audit Act 1983* (the Act).

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

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

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

Audit Opinion

In my opinion, the financial report of the SRA Property Trust complies with section 41B of the Act and presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of the Trust as at 30 June 2000 and the results of its operations and its cash flows for the period 1 September 2000 to 30 June 2000.

A handwritten signature in black ink, appearing to read 'R J Sendt'.

R J Sendt
Auditor-General

SYDNEY
16 November 2000

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Appendix 1

The State Rail Authority Board

The State Rail Authority Board is established under Part 2 of the Transport Administration Act 1988.

Its statutory function is to determine the policies of the State Rail Authority. As far as practicable, it must ensure that State Rail's activities are carried out properly and efficiently.

Under the Transport Administration Act the Board comprises the Chief Executive and four to seven members, including its chairman, appointed by the Minister for Transport.

Appointment may be for periods of up to three years. Candidates are eligible for reappointment.

Board members receive an annual fee determined by the Premier of NSW, based on State Rail being a 'Category B Governing Board'. The maximum annual fees for 1999–2000 were:

- Chairperson \$54,000 per annum
- Non-executive directors \$32,000 per annum

Board members

On 30 June 2000 the Board comprised:

Paul Binsted, BEc, LLB (age 46)

Chairman since November 1998
Current term expires on 31 December 2002

Mr Binsted is a Vice-Chairman of Salomon Smith Barney Australia, Investment Bankers. He is a solicitor and an Associate of the Securities Institute of Australia. Mr Binsted has previously held senior roles at Schroders Australia Limited and Lloyds Corporate Advisory Services. He has also previously held Board positions at Rail Access Corporation, Sydney Ports Corporation and Paringa Mining and Exploration Company plc, and was chair of the Board's Strategic Planning Committee and Parramatta Rail Link Committee, which were disbanded during the year. Mr Binsted is Chair of the Glenbrook Committee.

Ron Cunningham, BComm (age 53)

A director since January 1997
Current term expires on 30 June 2002

Mr Cunningham is a teacher in accounting and finance with NSW TAFE, having previously been involved in the accounting profession in the areas of taxation and auditing. In the 1970s, Mr Cunningham was employed as a transport economist in the Commonwealth Department of Shipping and Transport and the Industries Assistance Commission. He is also the principal of several private publishing and distribution companies operating in the Australian tourism industry. Mr Cunningham is a member of the 3801 Limited Board.

Joanne Curin, BComm (age 42)

Appointed on 1 January 2000
Ms Curin resigned from the Board on 9 January 2001

Ms Curin is the Finance Director of The Peninsular and Oriental Steam Navigation Company and a member of the Institute of Chartered Accountants. Ms Curin chaired the Board's Audit Committee.

Simon Lane, BA (Hons in Ec) (age 40)

Chief Executive since December 1997

Mr Lane has previously held senior management positions with MetTrains in Victoria, ScotRail and British Rail, and led a program of significant reform and service improvements in Victoria. He is a member of the Public Transport Authority of New South Wales.
(Mr Lane left State Rail on 30 October 2000.)



Samantha Mostyn

Simon Lane

Samantha Mostyn, BA, LLB (age 35)

Appointed on 30 January 2000

Current term expires on 30 January 2003

Ms Mostyn is a barrister and solicitor. She is currently Group Director of Human Resources and Acting Director of Corporate Communication, Cable & Wireless plc. She previously held the positions of Director, Government and Corporate Affairs, Optus Communications, Director, Corporate Affairs, Optus Vision and senior advisory positions in Government. A member of INSEAD Advisory Committee for Management Education, Ms Mostyn chairs the Appointments and Remuneration Committee.

Joanne Rees LLB (age 44)

Appointed on 25 October 1999

Current term expires on 30 June 2002

Ms Rees is a barrister and solicitor. She is currently a partner at Phillips Fox Lawyers in Sydney. Joanne was previously Managing Partner of Phillips Fox Lawyers, Canberra; a partner at Corrs Chambers Westgarth, Sydney and Canberra; a partner at Tress Cocks & Maddox, Sydney; and a barrister at the independent Bar. Ms Rees was appointed a member of the ACT Credit Tribunal 1994-1997; established the ACT Sub-Branch of the Australian Insurance Law Association in 1994; was Secretary/Council Member of the ACT Law Society between 1980 and 1994; and was a member of the Legal Aid Review Committee. Ms Rees chairs the Board's Major Projects Committee.

Anthony Sheldon (age 39)

Appointed on 25 October 1999

Current term expires on 31 December 2001

Mr Sheldon is the State Secretary of the Transport Workers Union.

Anthony Shepherd, BComm (age 56)

Appointed on 25 October 1999

Current term expires on 31 December 2001

Mr Shepherd is the Chief Executive Officer, Project Development at Transfield Pty Limited. He previously held the position of Chief Executive Officer, Infrastructure Development Corporation Pty Ltd, subsequently acquired by Hambros. He is a member of Australian Industry Group Defence Manufacturers Council, Vice President, Australia Council for Infrastructure Development and Adviser to the Board of Transfield Holdings Pty Ltd. Mr Shepherd chairs the Board's Safety Committee.

Joanne Curin was not available for photography.



Joanne Rees

Ron Cunningham

Anthony Shepherd

Anthony Sheldon

Paul Binsted

The following changes to the composition of the Board occurred during the year:

- **Ms Gail Gregory** resigned from the Board on 31 August 1999.
- **Mr John O'Brien's** and **Mr John Menadue's** terms concluded on 31 August 1999.
- **Ms Joanne Rees, Mr Anthony Shepherd** and **Mr Anthony Sheldon** were appointed on 25 October 1999.
- **Dr Barry Hughes'** and **Ms Marilyn Alt's** terms ended on 31 December 1999.
- **Ms Joanne Curin** was appointed on 1 January 2000; and
- **Ms Samantha Mostyn** was appointed on 30 January 2000.

How the Board Works

The functions of the Board include:

- Establishing goals and strategic direction;
- Determining policies;
- Endorsing plans, performance targets and budgets;
- Assessing the performance of the Chief Executive and senior management;
- Monitoring policies, procedures and internal controls to minimise the organisation's risks;
- Ensuring compliance with statutory and legal obligations and meeting ethical and corporate governance standards; and
- Monitoring performance to ensure activities are carried out properly and efficiently.

Board members are able to seek independent professional advice at the expense of State Rail to assist in the performance of their duties.

In 1999-2000 the Board met 18 times. Twelve of these meetings were scheduled, and an additional six special Board meetings were held where the matters under consideration could not be held over to a scheduled meeting.

To assist the Board's understanding of the business, three meetings were held at State Rail sites to meet staff and to inspect operations.

Senior management attends Board and committee meetings by invitation.

Board Committees

From time to time the Board establishes committees to permit detailed attention to be given to key areas and help ensure it meets its responsibilities. On 30 June 2000 there were five Board committees:

- Audit;
- Safety;
- Appointments and Remuneration;
- Glenbrook; and
- Parramatta Rail Link.

During the year, the Strategic Planning Committee was disbanded.

The minutes of committee meetings are provided to the Board at the next Board meeting, along with short reports from committee chairs.

The Secretary of the Board and each of its committees is Margot Maasakkers, Corporate Secretary.

[The Audit Committee:](#)

- Reviews the effectiveness of State Rail's internal and external audit programs;
- Ensures internal controls and risk management structures are appropriate;
- Reviews draft financial statements;
- Reviews significant recommendations of the internal and external auditors;
- Reviews any changes in accounting practices and policies; and
- Reviews the effectiveness of external communication processes.

This committee has a majority of non-executive independent directors, with one of these as the chair. In April 2000, Ms Joanne Curin took over as chair from Mr Paul Binsted. Other committee members on 30 June 2000 were Mr Ron Cunningham and Ms Joanne Rees.

Internal and external auditors have direct access to the committee and may discuss any matters which arise in connection with their audits.

The Safety Committee:

- Addresses due diligence issues with respect to safety and active work, and
- Aims to improve safety attitude and behaviour.

It also has a majority of non-executive independent directors, with one of these as the chair. Its members on 30 June 2000 were Mr Anthony Shepherd (chair), Mr Paul Binsted, Mr Ron Cunningham, Mr Simon Lane, Mr Anthony Sheldon and Mr Alex Claassens. Other executives attend by invitation.

The Appointments and Remuneration Committee:

- Recommends appointments to key State Rail positions reporting to the Board, including the Chief Executive and the Corporate Secretary, and reviews the performance and remuneration of the Chief Executive and senior management.

It consists entirely of non-executive independent directors. Its members on 30 June 2000 were Ms Samantha Mostyn (chair) Mr Paul Binsted, Mr Anthony Sheldon and Ms Joanne Rees.

The Glenbrook Committee:

- Established by the Board to advise on matters relating to inquiry processes following the Glenbrook train accident. Its members on 30 June 2000 were Mr Paul Binsted (chair), Mr Simon Lane and Ms Joanne Rees.

Parramatta Rail Link Committee:

- Established to oversee the formation of the Parramatta Rail Link Company. Its members on 30 June 2000 were Ms Joanne Rees (Chair) and Mr Simon Lane.

Professional Development

Board members are offered opportunities for professional development at State Rail's expense.

An induction process has been developed, with briefings on the organisation, corporate governance issues and the legislative framework.

Measuring Board Members' Performance

As part of the Board's self-assessment process, during the year each director completed a self-assessment of their own individual performance, which was then reviewed by the Chairman. A non-executive director reviewed the Chairman's performance. Following the review, the Chairman discussed any developmental needs with individual directors. The Board agreed that the individual directors' performance reviews would be undertaken every two years.

The Board meets quarterly with no executives present to review the Chief Executive's performance. The Chief Executive then joins the discussion of senior management performance.

Risk Management

State Rail's risks are managed through the risk management process developed by NSW Treasury. The Board has established a number of arrangements to ensure it can monitor the management of risks, including:

- The establishment of the Safety Committee to review safety risks;
- Reviewing reports on risk areas by internal and external auditors; and
- Revising delegations for contracts and implementing regular reporting for contracts over \$1 million.

Conflicts of Interest

Each director is required to complete, and keep up-to-date, a register of interests to ensure that any potential conflicts of interest are identified at an early stage. The Board has adopted procedures to manage conflicts, including declarations of potential interests at the Board meeting and, if material is of personal interest, the exclusion of the particular director from discussion and voting on the matter. In addition, the Board has adopted a Code of Conduct (see Appendix 2).

Appendices

Board Meetings Attendance

Name	Board		Audit Committee		Safety Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Paul Binsted	18	18	2	2	5	4
Ron Cunningham	18	17	2	2	5	5
Joanne Curin	8	6	2	2	-	-
Samantha Mostyn	7	5	-	-	-	-
Joanne Rees	13	9	2	1	-	-
Anthony Sheldon	13	5**	-	-	4	2
Anthony Shepherd	13	11	-	-	4	4
Simon Lane	18	18	2	2	5	5
Merilyn Alt [#]	10	9	-	-	-	-
Gail Gregory ⁺	3	2	-	-	-	-
Barry Hughes [#]	10	10	2	2	-	-
John Menadue ⁺⁺	4	2	-	-	1	1
John O'Brien ⁺⁺	3	3	1	1	-	-

* This Committee was disbanded on 10 February 2000.

** The Board provided leave of absence to Anthony Sheldon for one meeting due to interstate business commitments.

Term expired 31 December 1999

+ Resigned 31 August 1999

++Term expired 31 August 1999

Appendix 2

State Rail Authority Board Code of Conduct

- 1 A director must act honestly, in good faith and in the best interests of the organisation as a whole.
- 2 A director has a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- 3 A director must use the powers of office for a proper purpose, and in the best interests of the organisation as a whole.
- 4 A director must recognise that the primary responsibility is to the organisation's shareholders as a whole but should, where appropriate, have regard for the interests of all stakeholders of the organisation.
- 5 A director must not make improper use of information acquired as a director.
- 6 A director must not take improper advantage of the position of director.
- 7 A director must not allow personal interests, or the interests of any associated person, to conflict with the interests of the organisation.
- 8 A director has an obligation to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.
- 9 Confidential information received by a director in the course of the exercise of directors' duties remains the property of the organisation from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by that organisation, or the person from whom the information is provided, or is required by law.
- 10 A director should not engage in conduct likely to bring discredit upon the organisation.
- 11 A director has an obligation, at all times, to comply with the spirit, as well as the letter, of the law and with the principles of this Code.

Appendix 3

Staff Code of Conduct

Each new employee receives a copy of State Rail's Code of Workplace Standards. This Code sets out policy standards in the areas of:

- Outside employment;
- Drugs and alcohol in the workplace;
- Public comment;
- The use of official information;
- Gifts and benefits or favours; and
- Post-separation employment.

The Code is directly linked to the ethics and values set out in State Rail's Corporate Plan 1998-99 to 2001-02, and focuses on the establishment of high ethical standards and the elimination of corruption.

It places a great emphasis on clarity and includes meaningful examples relevant to State Rail's work environment.

The Code is designed to acknowledge work practices in the use of State Rail facilities and equipment. It includes contact information for staff to obtain assistance or additional information in relation to each of the areas outlined in the Code. The responsibilities of managers and staff are outlined, together with the accountability of managers for maintaining standards in their respective areas.

Appendix 4

Major Works in Progress

Major works in progress at 30 June 2000 were:

	Cost to Date (\$)	Completion Due
Stations and Buildings		
Sydney Central station easy access and upgrade	31 123 071	2000
Installation of closed circuit TV on stations	18 052 537	2000
On train and station passenger information system	12 698 311	2006
Western Gateway building fitout	9 457 223	2001
Lighting improvements for CityRail stations	6 849 487	2001
City underground stations fire management system	5 620 435	2001
Integrated ticketing project	4 021 885	2003
Bondi Junction station easy access and upgrade	3 786 250	2001
Additional ticketing machines	3 430 000	2001
Liverpool station upgrade	3 100 913	2001
Station appearance enhancement	1 561 198	2001
Ashfield station upgrade	1 547 609	2000
Passenger help points	1 057 628	2000
Rollingstock		
80 Millennium carriages	10 526 537	2003
New engines for 19 XPT power cars	9 100 226	2002
Air conditioning upgrade for suburban K set cars	6 334 694	2001
Locking door motors for suburban cars	4 257 921	2001
Upgrade servicing facilities for Millennium train	2 416 357	2000
Spring parking brakes for suburban cars	2 404 042	2001
Speedo project for suburban cars	2 346 208	2002
Speedo project for intercity cars	1 955 761	2002
Cab upgrade for intercity V set cars	1 749 095	2001
Wheel line amalgamation	1 216 230	2001
Total	144 613 617	

Appendices

Appendix 5

Four-Year Comparative Income and Expenditure Statement

	1996-1997	1997-1998	1998-1999
	Actuals	Actuals	Actuals
	\$000	\$000	\$000
Revenues			
Passenger Services	411,262	434,083	457,292
Social Program Funding	507,501	495,525	483,650
Capital and Other Government Contributions	413,578	458,045	490,923
Ancillary Services to Other NSW Rail Entities	137,608	121,901	102,308
Rents	25,495	26,127	25,857
Asset Disposals	1,362	2,081	4,354
Interest	1,367	2,872	3,275
Other (Non Operating)	42,484	27,849	34,541
Total Revenue From Ordinary Activities	1,540,657	1,568,483	1,602,200
Expenses			
Payroll Costs	422,259	440,474	445,422
Employee Entitlements	145,151	177,308	168,042
Severance Payments	3,024	15,297	25,984
Workers' Compensation	38,727	41,271	17,905
Rail Access Fees	419,047	332,609	
Operating Lease Rentals (including Rail Access Fees)			343,257
Contract and General Expenses	309,868	350,548	353,754
Consultants	1,403	855	790
Depreciation	190,639	171,017	150,851
Assets Revaluation Decrements	0	3,565	0
Assets Written Off or Sold	59,060	36,602	73,423
Inventory Write Down or Losses	0	4,572	121
Borrowing Costs	20,948	18,164	21,057
Other Financing Expenses	1,915	3,812	264
Audit Fees	449	349	376
Board Members' Emoluments	159	211	245
Doubtful Debts Expense	170	2,707	55
Capital Grants Made to Rail Access Corporation	0	7,319	38,725
Total Expenses From Ordinary Activities	1,612,819	1,606,680	1,640,271
Net Surplus / (Deficit) From Ordinary Activities	(72,162)	(38,197)	(38,071)
Abnormal Items	(11,756)	(7,187)	51,600
Extraordinary Items			
Operating Surplus / (Deficit)	(83,918)	(45,384)	13,529

Appendices

Appendix 6

Performance in Paying Accounts

State Rail's performance in paying trade creditor accounts during the year ended 30 June 2000 is set out below, in accordance with the requirements of the Annual Reports (Statutory Bodies) Regulation 1995 and Treasury Circular No G1992/12:

	Current (Paid on Time)	Up to 30 Days Overdue
1st Quarter		
Number of accounts (%)	83.20	10.85
Amount paid (\$m)	155.85	23.28
2nd Quarter		
Number of accounts (%)	87.18	9.29
Amount paid (\$m)	162.46	13.36
3rd Quarter		
Number of accounts (%)	60.57	24.26
Amount paid (\$m)	194.41	32.81
4th Quarter		
Number of accounts (%)	83.36	13.39
Amount paid (\$m)	228.58	33.14
Total for 1999-2000 (\$m)	741.30	102.59

Of the number of accounts processed during the year, 77% were paid on time.

No penalty interest was paid during the year ended 30 June 2000, under clause 18 of the Public Finance and Audit (General) Regulation 1995, because of the late payment of any supplier's account.

Appendix 7

Liability Management Performance

In the year ended 30 June 2000, the generalised cost of funds in State Rail's debt portfolio was 7.14%. During the same period the generalised cost of funds of a risk-neutral benchmark portfolio, determined in accordance with the Treasurer's guidelines, was 7.57%.

Appendix 8

Investment Performance

In the year ended 30 June 2000, State Rail earned 5.64% on surplus funds invested. During the same period the comparable Treasury Corporation 'hour-glass' investment facility earned 5.81%.

Appendix 9

Land Values and Land Disposal

The value of land owned or occupied by State Rail as at 30 June was:	Value as at 30 June 2000 \$000	Value as at 30 June 1999 \$000
Land Use		
Rail infrastructure or stations	2 171 267	1 807 274
Strata (air space) leased to tenants	10 216	9 648
Residences	9 742	5 337
Surplus land	76 570	30 000
Total land owned or occupied	2 267 795	1 852 259

The total value of land owned or occupied was higher than the land value recognised in the balance sheet. The latter excludes land under rail infrastructure because, despite its being owned by State Rail, it is controlled by Rail Access Corporation and is therefore not recognisable as a State Rail asset.

During 1999-2000, 67 property sales were completed, yielding gross proceeds of \$62.958m. Contracts were exchanged (or options to purchase were negotiated) on a further nine properties with an aggregate value of \$88.766m.

Of the 67 properties sold, 30 were disposed of by public auction, three by tender and 34 by private treaty. Of the last group, 22 were sold to government bodies, seven were sold to adjoining landowners and five were sold to others. The private treaty sales were all conducted in accordance with State Rail policy. Only one of these private treaty sales exceeds \$5m: the sale of land at Chullora to National Rail Corporation for \$20.131m.

There was no family connection or business association between any property purchaser and the person responsible for approving the disposal of the property.

Properties were disposed of during 1999-2000 to raise funds for Treasury to fund part of State Rail's capital works program.

Applications for access to documents concerning details of the properties disposed of during the year may be made in accordance with the Freedom of Information Act 1989.

Appendix 10

Consultants

Consultant	Project	Cost (\$)
Consultant Contracts Exceeding \$30 000		
NIIT Asia Pacific Pty Ltd	On-Time Running Information Management System Stage 2	220 000
PriceWaterhouseCoopers	GST Implementation	136 000
Indec Consulting	Review of Overtime in Train Crewing	60 000
Dept of Public Works and Services	Security Surveys on Identified Sites	48 600
Interfleet Technology Pty Ltd	Identification of Strategic Directions in Rollingstock Maintenance	46 000
Total contracts exceeding \$30 000	(5 contracts)	510 600
Consultant Contracts Under \$30 000	(31 contracts)	301 434
Total Expenditure in 1999-2000	(36 contracts)	812 034

Appendix 11

Funds Granted to Non-government Community Organisations

Grantee	Amount (\$)
NSW Railway Band	45 000
NSW Railway Institute	20 000
STA/SRA ANZAC Day March Committee	950
Total granted in 1999-2000	65 950

Appendix 12

State Rail Pricing Policies

Countrylink

Countrylink fare levels are set by the Government each year and include a range of concession fares for pensioners, senior citizens, students and other groups. These fare levels range from free travel to 70% off the normal published fare.

Countrylink also offers discounts to attract non-concessional business. These discounts are offered in the off-peak periods between school holidays and are yield managed to maximise the revenue from the fares offered.

On 19 July 1999, Countrylink fares were increased by 8%.

In August 1999, Countrylink announced an extension of its 50% fare policy to include all Australian holders of Seniors cards and Pensioner concession cards.

CityRail

The State Government and the Independent Pricing and Regulatory Tribunal (IPART) determine CityRail passenger fares. State Rail is required to make an annual submission concerning CityRail fares to IPART, which determines maximum fare levels for the following period on the basis of the CityRail submission, submissions from user groups and other information.

During 1996, IPART held an inquiry into the pricing of Public Passenger Transport Services. The most significant recommendation from this inquiry concerning CityRail was that IPART believed it was both equitable and sustainable for CityRail fares to increase by 15% in real terms over four years.

On 28 July 1999, IPART released its determination of maximum fare increases for the 1999–2000 financial year, thereby completing the implementation of its 1996 recommendation.

On 1 August 1999, CityRail's fares increased in compliance with the maximum prices set by IPART.

In nominal terms, CityRail fares increased on a weighted average basis by 13.8%. Most single fares increased by between \$0.40 and \$0.60 most off peak fares increased by between \$0.40 and \$0.60, a number of very long distance off-peak fares increased by \$1.00, most weekly fares increased by between \$2.80 and \$4.00 and TravelPass weekly fares increased by between \$3.00 and \$4.00.

In March 2000, State Rail prepared and delivered its 2000–01 CityRail fare review submission to IPART. In this submission State Rail sought to increase CityRail fares in line with forecast inflation for 2000–01, and also sought a 9.3% increase to take account of the new Goods and Services tax (GST) regime.

The proposal for an inflation-related increase in fares was subsequently withdrawn.

IPART handed down an interim GST fares increase for long-dated ticket products, extending beyond 1 July 2000, and CityRail applied an average 6.9% increase to these tickets effective from 1 June 2000.

IPART subsequently handed down an 8.1% weighted average increase for all fares in line with new GST commitments imposed on CityRail for implementation from 1 July 2000.

Appendix 13

Government Funding and Social Programs

Government Community Service Obligation (CSO) funding is provided to State Rail under the provision of the Transport Administration Act.

This allows the Director-General of the Department of Transport to direct State Rail to provide services that would not otherwise be commercially viable and allows State Rail to recoup the net cost of these services.

The CSO payments also permit State Rail to offer targeted concessions pricing (low fares).

State Rail received a total of \$465.1m in core CSO contract payments in 1999-2000: \$396.5m for CityRail and \$68.6m for Countrylink. In addition, \$13.8m was received for Olympic-related expenditure, mainly for the recruitment and training of additional crews required over the Olympic period.

State Rail's CSO payment for 2000-2001 is currently being reviewed. \$408.6m has been allocated in the State budget.

State Rail programs have been identified as supporting Government social program 'codes' in the areas of public transport, urban/non-urban passenger services, transportation of students and social security and welfare.

The average subsidies per journey for concession and non-concession recipients are summarised below:

	Units	1997-1998	1998-1999	1999-2000
CityRail Services				
Total concession trips	Million	79.8	75.8	78.3
Average concession subsidy per trip	\$	1.67	1.89	1.95
Total passengers, including concession recipients	Million	266.5	270.5	278.7
Average subsidy per trip, including concessions	\$	1.58	1.56	1.42
Average subsidy per trip, excluding concessions	\$	1.08	1.03	0.88
Countrylink Services				
Total concession trips	Million	1.4	1.4	1.4
Average concession subsidy per trip	\$	48.44	41.30	44.57
Total passengers, including concession recipients	Million	2.5	2.4	2.4
Average subsidy per trip, including concessions	\$	29.66	25.55	28.58
Average subsidy per trip, excluding concessions	\$	2.53	1.46	2.58

Appendix 14

Response to Significant Issues Raised by the Auditor-General

Responses to significant issues raised by the Auditor-General in his report on the 1998-1999 year under section 43(2) of the Public Finance and Audit Act 1983 are set out below.

Payroll Overpayments

The audit noted that a number of payroll overpayments were made to current and past employees for various reasons.

[Response](#)

Controls have been implemented to prevent a recurrence. A significant program of recovery has been achieved to date, with 58% of the overpayments being recovered. Negotiations continue with employees and their unions to resolve outstanding debts.

Insufficient Controls Over Plant and Machinery

The audit noted that controls over the physical security and recording of plant and machinery should be strengthened.

[Response](#)

A physical audit of IT equipment was conducted during May and June 2000. An additional 15% of equipment was recorded as a result.

Excessive Overtime

The audit noted that while the overall level of overtime had decreased, significant payments of overtime to individual employees continued throughout 1998-1999, sometimes in breach of State Rail policy.

[Response](#)

Special events such as Olympic preparations affected levels of overtime during 1999-2000. Operations achieved a 34% improvement in staff exceeding overtime limits. Approval, monitoring and reporting have been strengthened by business group management. In 1999-2000 the number of employees who were paid more than 75% of their base salary in overtime was 63, a decrease from 81 in 1998-1999.

Excessive Accumulated Leave

The audit noted continuing excessive accumulated annual leave and public holiday leave balances.

[Response](#)

A significant 71% reduction in the 1997 balance of leave accumulated from public holidays has been achieved and an agreement is in place for the planned reduction of the balance. There have also been reductions of 202 (32%) and 385 (47%) employees with more than 40 days accumulated leave from 1999 and 1998, achieved respectively. Annual leave continues to be closely monitored, in line with the Enterprise Bargaining Agreement.

No Disaster Recovery Plan

The audit noted the continuing absence of disaster recovery plans for computer installations.

[Response](#)

A disaster recovery plan for critical computer installations has been developed and other arrangements are in place for non-critical installations. The disaster recovery capability will be strengthened during 2000-2001 by physically separating the production and disaster recovery computers.

Unauthorised Payroll Expenditure

The audit noted continuing non-authorisation of payroll expenditure, in breach of the Public Finance and Audit Act 1983 and the Treasurer's Directions.

[Response](#)

A project has been initiated to identify appropriate processes and procedures to comply with payroll approval, certification and authorisation requirements. A review has indicated an improvement in compliance with certification requirements.

Appendix 15

Internal and External Committees

State Rail's Executive Management Committee met weekly to review State Rail's performance and identify actions to improve this performance. This committee, which incorporates the former risk management committee and information technology steering committee, consists of the Chief Executive and the senior management team.

The Olympic Steering Committee met regularly during the year to monitor planning associated with the rail transport task for the Sydney 2000 Olympic and Paralympic Games.

The Heritage Committee provides advice and guidance on the management, conservation and restoration of State Rail's heritage assets. The heritage community is represented on the committee, which is chaired by State Rail management. Meetings are held quarterly.

The Millennium Train Executive Management Committee meets monthly to monitor and review the project. It is a sub-committee of the Executive Management Committee and is chaired by the Chief Executive. Members include the Chief Operations Manager Arthur Smith, General Manager Passenger Fleet Maintenance Ron Creighton, General Manager Corporate Services Rob Noyes, Legal Counsel Bill Kable, Corporate Secretary Margot Maasakkers, General Manager Rail Development Dick Day and Director Capital Works Greg Klamus.

During 1999–2000 State Rail was represented on the following external committees:

- Graffiti Solutions Taskforce (Premier's Department);
- Graffiti Strategy Taskforce (Premier's Department);
- Juvenile Justice Mediation Sessions (Graffiti/Vandalism);
- Membership of The Institute of Public Administration Australia;
- Electrolysis Committee;
- NSW Government Construction Policy Steering Committee;
- NSW Rail Industry Safety Forum;
- Industry Advisory Committee;

- Rail Safety Consultative Forum;
- WorkCover Transport and Storage Industry Reference Group;
- Premier's Women in Transport Taskforce;
- Public Service Equity Specialist Group;
- Central Co-ordinating Committee of Spokeswomen;
- National Diversity Think Tank;
- Department of Information Technology and Management (Y2K Committee);
- Joint SRA/RAC/RSA Chief Executive (Y2K) Committee; and
- Integrated Transport Information System (ITIS) Committee.

Appendices

Appendix 16

Human Resources

16.1 Staff Numbers

Year	Salaried Professional	Tradesperson	Non-Tradesperson
1994 -1995	6,781	1,792	11,613
1995 -1996	6,993	1,588	11,161
1996 -1997	5,038	776	3,530
1997-1998	3,742	595	4,980
1998 -1999	3,137	465	4,942
1999 - 2000	2,976	430	5,560

16.2 Staff by level

Level	Total Staff	Staff Responded to EEO Data Form	Male
Less than \$26,276	618	74	360
\$26,276 to \$34,512	3,463	880	2,636
\$34,513 to \$38,582	2,606	870	2,320
\$38,583 to \$48,823	1,318	678	1,133
\$48,824 to \$63,137	676	295	597
\$63,138 to \$78,921	212	118	184
More than \$78,921	44	24	37
SES	29	9	24
Total	8 966	2 948	7 291

16.3 Staff by Employment Category

Permanent

Full time	8,386	2,802	7,020
Part time	318	126	124

Temporary

Full time	81	3	40
Part time	0	0	0
SES	29	9	24
Casual	152	8	83
Other	0	0	0
Total	8,966	2,948	7,291

16.4 CES/SES Bands

Level	Total CES/SES positions as at 30.6.2000	Total CES/SES positions as at 30.6.1999
CES8	1	1
SES7	-	-
SES6	3	2
SES5	2	2
SES4	4	5
SES3	4	7
SES2	12	10
SES1	3	3
Total	29	30
Women in SES positions	4	3

	Total					
	20,816					
	19,742					
	9,344					
	9,317					
	8,544					
	8,966					
	Female	Aboriginal and Torres Strait Islander	People from Racial, Ethnic, Ethno-Religious Minority Groups	People Whose First Language was not English	People With a Disability	People With a Disability Requiring Adjustment At work
	258	3	30	33	4	2
	827	36	262	149	42	9
	286	26	251	163	47	19
	185	15	181	130	47	19
	79	1	71	56	23	5
	28	0	28	16	13	3
	8	0	5	3	2	1
	4	0	0	0	1	0
	1 675	81	828	550	179	58
	1,367	78	783	514	173	57
	194	2	40	32	4	1
	41	0	2	2	0	0
	0	0	0	0	0	0
	4	0	0	0	1	0
	69	1	3	2	1	0
	0	0	0	0	0	0
	1,675	81	828	550	179	58

Appendix 17

SES Executive Remuneration for SES 5 and above

Performances were reviewed and assessed during the year. All managers at level 5 and above received a bonus.

The bonus for the Chief Executive was approved on submission by the Chairman.

Name	Simon Lane
Position and level	Chief Executive, CES Band 8
Total remuneration package	\$332,925
Performance pay	\$20,000
Period in position	1 December 1997 to 30 June 2000 Simon Lane left the position on 30 October 2000
Name	Geoff Deacon
Position and level	General Manager Information Technology and Telecommunication, SES 6
Total remuneration package	\$220,000
Performance pay	No performance pay was paid during the reporting period
Period in position	April 2000 to 30 June 2000
Name	Bob Irving
Position and level	General Manager CityRail Stations, SES Band 5
Total remuneration package	\$201,800
Performance pay	\$6,000
Period in position	1 February 1999 to 7 April 2000
Name	Bob Mackenzie
Position and level	General Manager Employee Relations, SES Band 5
Total remuneration package	\$198,570
Performance pay	\$12,000
Period in position	20 April 1998 to 30 June 2000 Bob Mackenzie left the position in October 2000
Name	Rob Noyes
Position and level	General Manager Corporate Services, SES Band 5
Total remuneration package	\$181,800
Performance pay	\$2,500
Period in position	1 November 1999 to 30 June 2000
Name	Arthur Smith
Position and level	Chief Operations Manager, SES Band 6 (Upper)
Total remuneration package	\$199,575
Performance pay	\$14,000
Period in position	1 July 1997 to 30 June 2000

Appendix 18

Equal Employment Opportunity

The Human Resources Policy and Diversity Unit of Employee Relations aims to review all State Rail human resource policies and develop a project plan for 50% of all new employees to be women and for one third of all employees to be on flexible work arrangements.

Key results for the unit during 1999-2000 included:

- The implementation of Diversity Training program across State Rail. 5,404 employees had undertaken the training by 30 June 2000;
- A review and revision of harassment, discrimination and grievance handling policies;
- The recruitment of 1,048 employees to State Rail, of which 485 (46.3%) were female;
- An increase in female representation within the organisation from 15% to 18.2%;
- An increase in part-time employees from 277 employees to 318. Women make up 60% of this figure, men 40%;
- The availability of 'salary sacrifice' options to staff. Information sessions on salary sacrifice are being rolled out across the organisation;
- The development of a Workforce Climate Survey;
- The revision of processes for managing excess staff to include competency assessments, work and development plans and out-placement services;
- Continued strengthening of the Spokeswomen's program, with the establishment of Women's Liaison Officers in all business units; and
- Further support for the Aboriginal Committee and Network through the employment of an Indigenous Consultant to ensure strategies and programs are effective.

Appendix 19

NSW Government Action Plan for Women

State Rail is committed to the principles underpinning the New South Wales Government's Action Plan for Women, and in particular the initiatives to ensure workplace equity for women.

Accordingly, State Rail has undertaken to:

- Improve representation of women in the workforce by securing an exemption under the New South Wales Anti-Discrimination Act to implement an employment quota of 50% of all new employees to be women, in particular in the operational areas.
- Roll-out an organisation-wide education and training program in an effort to create a work environment that is equitable and free of discrimination and harassment.

In addition, State Rail is reviewing and promoting its family, maternity and parental leave policies and entitlements and child-care in an effort to promote the harmonisation of work and family responsibilities.

Other initiatives to meet women's needs and benefit women in the community relate to providing improved safety on trains and their surrounds. State Rail has collaborated with the NSW Attorney General's Department in its strategy to reduce violence against women and improve safety on trains by promoting Reclaim the Train cards in different ethnic languages during the Public Transport Week.

State Rail undertakes to provide rail services to country and interstate destinations that cater for the needs of women, children and people with special needs. Countrylink provides a wide range of services specifically relevant to women and families.

Appendix 20

Disability Plans

An early draft of the State Rail Disability Plan was submitted to Department of Ageing and Disability in December 1999, and on 30 June 2000 a final draft was being prepared.

CityRail

State Rail is well advanced in implementing Easy Access facilities at CityRail stations. Already 46 stations throughout the network have facilities installed to provide the aged and people with disabilities with ready access from the street to the train. Portable ramps are also available at these stations to allow easy boarding.

Significant progress was made on the Easy Access program during 1999-2000 and prior to the Olympics, with Easy Access works being completed at the major city stations of Wynyard, Town Hall and Central and at Lidcombe, Ashfield and Penrith.

Firm commitments have been made to continue the rollout of Easy Access stations in the future. Depending on the availability of funding, up to five additional locations will be completed each year for the next six to seven years.

Countrylink

Countrylink is committed to providing quality access facilities for people in wheelchairs, people with disabilities, the aged and parents with children.

All of Countrylink's on-board crews undergo training on how to assist people with disabilities. In addition, staff are regularly reminded of their responsibilities in assisting people with mobility difficulties and people in wheelchairs.

Countrylink operates 68 railway stations, of which 60 are wheelchair accessible.

All Countrylink XPT and Xplorer services have portable ramps on board, operated by the crew, offer disabled toilets and feature special seating areas designed for wheelchairs and nebulisers. The XPTs also have recharging facilities for electric wheelchairs.

In addition, on-board staff provide personalised service such as meals delivery for those who require it and provide special narrow wheelchairs for those who wish to utilise XPT sleepers.

Hearing-impaired people with telephone typewriters (TTY) can call 1800 637 500 for Countrylink information and bookings.

Countrylink brochures available at stations and Travel Centres outline all of Countrylink's disability services. In addition, special arrangements can be made by calling Countrylink on 13 22 32.

Appendix 21

Ethnic Affairs Priority Statements and Agreements

A draft Ethnic Affairs Priorities Statement document has been forwarded to Ethnic Affairs Commission for feedback.

State Rail's main Ethnic Affairs emphases are to:

- Ensure State Rail creates and maintains a workplace free of discrimination and harassment;
- Ensure and promote equal opportunity in the workplace;
- Improve service quality to meet needs of customers, in particular those from ethnic communities;
- Reinforce safer rail transport for the community;
- Support and sponsor community events to maximise appreciation of our ethnic and cultural diversity; and
- Ensure equitable access of State Rail's services to the community.

The main strategies during 1999-2000 were:

- The delivery of two days of intensive cross-cultural training for all local police and CityRail staff on the Bankstown line;
- Sponsorship of a women's award through the Arabic Carnivale;
- Communication services between management and non-English speaking background staff (NESB) at local maintenance depots;
- The release of employees from different ethnic groups in CityRail North West Sector to attend religious ceremonies;
- The provision of interpreters for employees in CityRail North West Sector involved in negotiations or medical appointments;
- Support for the promotion of indigenous culture by celebrating National Aboriginal Day through story telling, dance and music;
- Support for reconciliation by involvement in the organisation of Corroboree 2000 events. Many State Rail employees participated in the People's Walk for Reconciliation; and
- Summarised translations of State Rail's Code of Workplace Standards booklets (see Appendix 3), to ensure NESB staff comprehend the guidelines and standards for professional conduct in the workplace.

Appendix 22

Overseas Travel

Officer and Position	Date	Travel Details/Purpose	Expenditure
Robert Ledger Fleet Engineer Tangara	11 July 1999 to 19 July 1999	Japan (Economy class) - Witness non-destructive and strain gauge testing of a Tangara bogie	Estimate - \$5,000 Actual - \$2,152 (RSA met accommodation and airfare costs)
Nadine Annesley Countrylink Sales Manager	28 August 1999 to 14 September 1999	London and Frankfurt (Business class) - Sales and product training trade shows.	Estimate - \$10,000 Actual - \$10,148.50
Bob Mackenzie General Manager Employee Relations	November 1999	United States (Business class) - International Career Conference to present a paper.	Estimate - \$8,000 Actual - \$11,592.15
Dick Day General Manager Rail Development	12 September 1999 to 24 September 1999	Singapore, United Kingdom, China (Business class) - Review of transport smartcard ticketing contracts.	Estimate - \$11,000 Actual - \$8,352.80
John Comb Insurance Manager	25 February 2000 to 8 March 2000	United Kingdom (Business class) - To represent State Rail insurance renewal to International Underwriting Panels	Estimate \$1,800 Actual - \$1,170.40
Geoffrey Slade Passenger Fleet Maintenance	28 March 2000 to 18 May 2000	United Kingdom (Economy class) - Maintenance training for the introduction of new engines for the XPT fleet - United Kingdom	Estimate - \$8,000 (travel and accommodation), \$4,000 (course costs) Actual - \$8,648 (travel, accommodation and expenses), \$4,000 course costs

Appendices

Officer and Position	Date	Travel Details/Purpose	Expenditure
Keith Atkins Passenger Fleet Maintenance	28 April 2000 to 18 May 2000	United Kingdom (Economy class) - Maintenance training for the introduction of new engines for the XPT fleet - United Kingdom	Estimate - \$8,000 (travel and accommodation), \$4,000 (course costs) Actual - \$9,995.50 (travel, accommodation and expenses), \$4,000 course costs
Ian Tomlinson Passenger Fleet Maintenance	28 April 2000 to 18 May 2000	United Kingdom (Economy class) - Maintenance training for the introduction of new engines for the XPT fleet - United Kingdom	Estimate - \$8,000 (travel and accommodation), \$4,000 (course costs) Actual - \$8,561 (travel, accommodation and expenses), \$4,000 course costs
Kerry Phillips Passenger Fleet Maintenance	28 April 2000 to 18 May 2000	United Kingdom (Economy class) - Maintenance training for the introduction of new engines for the XPT fleet - United Kingdom	Estimate - \$8,000 (travel and accommodation), \$4,000 (course costs) Actual - \$10,852.50 (travel, accommodation and expenses), \$4,000 course costs
Peter Allwork Passenger Fleet Maintenance	28 April 2000 to 18 May 2000	United Kingdom (Economy class) - Maintenance training for the introduction of new engines for the XPT fleet - United Kingdom	Estimate - \$8,000 (travel and accommodation), \$4,000 (course costs) Actual - \$8,681 (travel, accommodation and expenses), \$4,000 course costs

Appendix 23

Freedom of Information

66 Freedom of Information applications were received by State Rail during 1999-2000. The Public Affairs Unit processed the applications, but State Rail's internal Legal Counsel was responsible for any internal reviews.

The number of applications processed during year was similar to that in 1998-1999, but the number of requests for personal information was nearly half that of the previous year.

Most applications were processed within the required 21-day period.

State Rail's Freedom of Information Officer is now based in Corporate Legal Services, Level 6, 18 Lee Street, Chippendale (PO Box K349 Haymarket, NSW 1238), telephone 02 8202 2348. Hours of business are 8.30 am to 5.00pm Monday to Friday, except public holidays. Documents available for inspection are listed in the Summary of Affairs which is produced in June and December and published in the Government Gazette.

FOI Statistics, NSW Freedom of Information Act,

Data between 1 July 1999 and 30 June 2000 inclusive.

Section A – Numbers of new FOI requests – Information relating to numbers of new FOI requests received, those processed and those incomplete from the previous period.

FOI Requests	Personal	Other	Total
A1 New (including transferred in)	19	48	67
A2 Brought forward	0	0	0
A3 Total to be processed	19	48	67
A4 Completed	18	47	65
A5 Transferred out	0	0	0
A6 Withdrawn	0	1	1
A7 Total processed	18	48	66
A8 Unfinished	1	0	1

Section B

What happened to completed requests?

(Completed requests are those on line A4)

Result of FOI Request	Personal	Other
B1 Granted in full	9	26
B2 Granted in part	4	4
B3 Refused	4	15
B4 Deferred	1	2
B5 Completed*	18	47

Section C

Ministerial Certificates – number issued during the period.

C1 Ministerial Certificates issued	0
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* Note: relates to whether or not the original agency decision was upheld or varied by the internal review.

Appendices

Section D

Formal consultations – number of requests requiring consultations (issued) and total number of formal consultation(s) for the period.

D1	Number of requests requiring formal consultations	4	4
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Section E

Amendment of personal records – number of requests for amendment processed during the period.

	Result of Amendment Request	Total
E1	Result of amendment - agreed	0
E2	Result of amendment - refused	0
E3	Total	0

Section F

Notation of personal records – number of requests for notation processed during the period.

F1	Number of requests for notation	0
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Section G

FOI requests granted in part or refused – Basis of disallowing access – Number of times each reason cited in relation to completed requests which were granted in part or refused.

	Basis of Disallowing or Restricting Access	Personal	Other
G1	Section 19 (application incomplete, wrongly directed)	0	0
G2	Section 22 (deposit not paid)	0	0
G3	Section 25 (1) (a1) diversion of resources)	0	1
G4	Section 25 (1) (a) (exempt)	4	12
G5	Section 25 (1) (b), (c), (d) (otherwise available)	0	1
G6	Section 28 (1) (b) (documents not held)	4	6
G7	Section 24 (2) - deemed refused, over 21 days	0	0
G8	Section 31 (4) (released to Medical Practitioner)	0	0
G9	Totals	8	20

Section H

Costs and fees of requests processed – during the period (those included in lines A4, A5 and A6).

	Assessed Costs	FOI Fees Received	
H1	All completed requests	\$1,980.00	\$1,890.00

Section I

Discounts allowed – numbers of FOI requests processed during the period* where discounts were allowed.

	Type of Discount Allowed	Personal	Other
I1	Public interest	0	0
I2	Financial hardship - pensioner / child	1	0
I3	Financial hardship - Non profit organisation	1	0
I4	Totals	2	0
I5	Significant correction of personal records	0	0

Section J

Days to process – number of completed requests (A4)
by calendar days (elapsed time) taken to process.

Elapsed Time	Personal	Other
J1 0 - 21 days	15	39
J2 22 - 35 days	1	1
J3 Over 35 days	2	7
J4 Totals	18	47

Section K

Processing time – number of completed requests (A4)
by hours taken to process.

Processing Hours	Personal	Other
K1 0 -10 hours	17	47
K2 11 - 20 hours	1	0
K3 21 - 40 hours	0	0
K4 Over 40 hours	0	0
K5 Totals	18	47

Section L

Reviews and Appeals – number finalised during the period.

L1 Number of internal reviews finalised	5	
L2 Number of Ombudsman reviews finalised	2	
L1 Number of District Court appeals finalised	1	

Details of Internal Results

in relation to internal reviews finalised during the period.

Bases of Internal Review (Grounds on which internal review requested)	Personal Upheld*	Varied*	Other Upheld*	Varied*
L4 Access refused	0	0	5	0
L5 Deferred	0	0	0	0
L6 Exempt matter	0	0	3	0
L7 Unreasonable charges	0	0	0	0
L8 Charge unreasonable incurred	0	0	0	0
L9 Withdrawn	0	0	0	0
L10 Totals	0	0	8	0

* Note: relates to whether or not the original agency
decision was upheld or varied by the internal review.

Appendix 24

Customer Commendations and Complaints

Countrylink

During 1999-2000 Countrylink recorded 290 compliments
regarding its services and staff, mainly via letter. This
represented a decrease of 19% from the previous year.

It received 9,241 complaints, compared to 3,582 the
previous year, an increase of 56%.

Appendices

More than 65% of customer complaints were directly linked to the installation of a new telephone system for Countrylink's Central Reservation Centre (13 22 32) and the introduction of a new Y2K-compliant computer reservation system in November 1999.

Software and hardware problems with both systems meant customers experienced extensive delays when seeking information on services over the telephone and trying to make telephone bookings. Additional ticketing problems were experienced in the Travel Centres and Booking Offices as a result of the new reservation system.

Both systems were stabilised by late February 2000 and a number of software upgrades having been made since, greatly improving their functionality. As a result, the number of complaints in this area dropped substantially.

	Complaints (%)
1998 - 1999	
Fares and ticketing	25
Booking difficulties	15
Operations (mainly on time running)	15
Train facilities	10
General	5
	Complaints (%)
1999 - 2000	
Contacting Countrylink Reservations Centre	38
Fares and ticketing	14
Booking difficulties	13
Operations	12
Staff	9
CityRail	
During 1999-2000, 443 compliments were received from the public. This was an increase of 13.8% compared to the previous year.	
16,685 complaints were recorded, an increase of 55% compared to the previous year (10,779). These complaints were registered by phone and email through the Your Say Line.	
The largest numbers of complaints concerned the following issues:	
	Complaints (%)
1998 - 1999	
Inadequate information	21
Staff	18
Safety	13
Reliability	14
	Complaints (%)
1999 - 2000	
On-time running	23
Information	18
Staff	17
Service	12
Safety	8
Facilities	7
State Rail's Government Relations unit registered 2,580 Ministerial matters during the reporting period.	

Appendix 25

Heritage Management

State Rail's Heritage and Conservation Register is being updated to include items of moveable heritage. A program is also being implemented to ensure the register is regularly updated, as required, in the future.

State Rail has committed substantial funding to ensure that items of moveable heritage, buildings and structures are well maintained in accordance with the Heritage Act.

The Register may be inspected by making an appointment with the Heritage Unit at State Rail.

Appendix 26

Research and Development

No major Research and Development programs were carried out during the year.

Appendix 27

Publications

The publications listed were published during the reporting period.

State Rail

- 1998-99 Annual Report
- Way to Go (staff magazine)

CityRail

- Accessing CityRail brochure;
- Pocket Guide to Sydney;
- Airport Line pocket guide (two versions);
- Welcome to Liverpool Station brochure;
- Welcome to St Leonards Station brochure;
- Ticket Vending Machines brochure;
- Conference pack and ticket;
- CityRail timetables (13 versions published on 21 May 2000); and
- Student Passes brochure.

Countrylink

- Melbourne Winter Escapes flyer;
- Impressionist Legacy – Monet to Moore brochure;
- Springtime Flower Festivals brochure;
- Floriade in Canberra brochure;
- Countrylink Fly/Rail Adventure Holidays brochure;
- Countrylink Holidays/Fox Studios brochure;
- Countrylink Network map;
- Great Conference Ideas brochure;
- Book of Kells Exhibition National Gallery brochure;
- Melbourne Flower and Garden Show brochure;
- Blue Moon February 29 Promotion brochure;
- Countrylink Travel Centres flyer;
- Mainstream Holidays 1999-2000 brochures (four versions); and
- Rail Escape Holidays brochures (three versions).

Employee Relations

- Careers Options and Information Weekly (job vacancy and information weekly publication)
- EEO Annual Report
- Mentoring Information Pack
- Diversity Information Folder
- Management Development Initiative Pack
- Salary Sacrifice brochure
- Careers folder and brochure
- Code of Workplace Standards
- Passes Booklet.

Appendix 28

Controlled Entity: SRA Property Trust

SRA Property Trust is a trust created and controlled by State Rail. It commenced operation on 1 September 2000 and ceased operating on 30 May 2000. It is now dormant.

The trust was established to acquire property along the route of the proposed Parramatta-Chatswood railway. One property was acquired and was subsequently transferred to State Rail.

Appendix 29

Changes in Acts and Subordinate Legislation

The Transport Administration (Amendment Parramatta Rail Link) Act 2000 commenced on 1 July 2000. This is the enabling legislation for the construction of the Parramatta Rail Link between Parramatta and Chatswood.

The Occupational Health and Safety Act 2000 was assented to however by 30 June 2000 it had not commenced. This Act repeals the OH&S Act 1983. It includes higher penalties for employers who breach its provisions and requires employers to have a higher level of consultation with workers regarding OH&S matters.

The Anti-Discrimination Amendment (Carers Responsibilities) Act 2000 amends the Anti-Discrimination Act 1977 to render unlawful discrimination on the basis of a person's responsibilities as a carer, including discrimination during the course of employment. On 30 June 2000, this legislation had also not commenced.

The Transport Administration (Staff) Regulation 2000 commenced on 1 September 2000.

The Transport Administration Amendment (Rail Management) Act 2000 was assented to on 6 December 2000. This Act effects changes to the Transport Administration Act 1988 and other Acts. The object of the Act is to revise rail management in New South Wales following reports from the Co-ordinator General of Rail and recommendations made by the Commissioner of the Special Commission of Inquiry into the Glenbrook Rail Accident. Schedule 3 of the Act changes the management of the State Rail Authority. The Authority:

- Will be required, as its principal objective, to deliver safe and reliable railway passenger services in an efficient, effective and financially responsible manner;
- Will be required to act in the best interests of the network as a whole; and
- Will be subject to Ministerial control, without the current exception that a direction which the Board considers is not in the commercial interests of the Authority need not be complied with unless the Treasurer approves a reimbursement of the financial loss concerned from public revenue.

The Workers Compensation Legislation Amendment Bill 2000 had a third reading in Parliament on 17 November 2000. The primary changes will include:

- The introduction of a framework for a 'premium discount scheme' to encourage employers to improve occupational health and safety and injury management performance;
- The introduction of an injury management scheme which will permit the appointment of a person as an 'injury manager' for an employer;
- A provision for common law awards founded on breach of contract to be reduced for contributory negligence;
- The introduction of a regime under which the most recent fund manager of an employer will act for all fund managers in claims which involve multiple claim managers;
- The introduction of a regime which will permit WorkCover to recover unpaid premiums (whether or not insurance was effected) from the directors of a corporation where the premium is unlikely to be paid by the corporation; and
- Substantially increased penalties under the Workplace Injury Management & Workers Compensation Act.

Significant Judicial Decisions Affecting State Rail

On 19 April 2000, the Supreme Court held that an employee's fears about future restructures of State Rail had been reasonably held and that working in an atmosphere of uncertainty constituted 'pressing necessity' under the Public Sector Management Act 1988. This Act provides for the payment of pro-rata Long Service Leave entitlements due to illness or other pressing necessity when an employee leaves his or her employment after less than ten years' service.

74 Accounts Payable Performance	1 Letter to the Minister
63 Appendices	76 Land Values and Land Disposal
58 Auditor General's Report - SRA	71 Major Works (in progress)
62 Auditor General's Report - SRA	19 Millennium Trains
Property Trust	24 Noise Management
29 Balance Sheet	77 Non-Government Organisations
64 Board (The)	- Funds Granted
80 CES/SES Bands	31 Notes to the Accounts
4 Chairman's Report	18 On time running - CityRail
1 Charter	18 On time running - Countrylink
6 Acting Chief Executive's Report	87 Overseas Travel
70 Code of Conduct - Board	12 Organisational Structure
70 Code of Conduct - Staff	74 Performance in Paying Accounts
91 Complaints and Commendations	78 Pricing Policies
81 Committees - Internal and External	91 Publications
77 Consultants	18 Quality
24 Contaminated Land Management	19 Rail Network
26 Corporate Services and Support	91 Research and Development
86 Disability Plans	80 Significant Issues raised
25 Employee Relations	by the Auditor General
24 Environmental Performance	94 Significant Judicial Decisions
85 Equal Employment Opportunity	14 Safety
86 Ethnic Affairs Priority	80 Staff by Employment Category
Statements and Agreements	80 Staff by Level
84 Executive Remuneration	57 Statement by Members of Board
23 Financial Overview	30 Statement of Cash Flows
27 Financial Statements	2 Statement of Purpose
89 Freedom of Information	2 Statement of Value
79 Government Funding	3 Structure
and Social Programs	17 Sydney 2000 Olympic
93 Heritage Management	and Paralympic Games
82 Human Resources	20 Train Maintenance and Presentation
28 Income and Expenditure Statement	21 Timetable Planning
10 Key Performance Indicators	21 Ticketing
*10-year Comparison Table	14 The Year in Review
	22 Video Screens
	24 Waste Management
	24 Water Quality
	85 Women - NSW Government Action
	Plan for Women

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The first part of the paper discusses the importance of the research and the objectives of the study. It highlights the need for a comprehensive understanding of the subject matter and the role of the researcher in this process. The second part of the paper presents the methodology used in the study, including the data collection methods and the analysis techniques. The third part of the paper discusses the results of the study and the conclusions drawn from the data. The final part of the paper provides a summary of the findings and offers suggestions for future research.

The research was conducted in a systematic and rigorous manner, following the principles of scientific inquiry. The data was collected from a representative sample of the population, and the analysis was performed using advanced statistical techniques. The results of the study indicate that there is a significant relationship between the variables under investigation, and this finding has important implications for the field of study.

In conclusion, the study has provided valuable insights into the subject matter and has contributed to the existing body of knowledge. The findings suggest that further research is needed to explore the underlying mechanisms and to test the generalizability of the results. The authors hope that this paper will serve as a useful reference for researchers and practitioners alike.