Annual Report

State Transit Authority

2017-18 • Volume 1

Letter to Minister

The Hon. Andrew Constance, MP
Minister for Transport and Infrastructure

Parliament House
Macquarie Street,
Sydney NSW 2000

31 October 2018

Dear Minister,

I am pleased to submit for presentation to Parliament the Annual Report for the State Transit Authority of NSW for the financial year ended 30 June 2018.

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

We seek to continually improve our services to offer an attractive, efficient public transport service for the people of NSW.

Yours sincerely,

Steffen Faurby
Chief Executive Officer
State Transit

Contents

iv

Chief Executive's foreword

4

State Transit is one of the largest and most modern bus transport providers in Australia. As the only government bus company in NSW, we proudly move 200 million customers a year around Sydney, getting them to their destination as quickly and safely as possible.

The 2017-18 financial year has been an exciting time at State Transit, albeit one of much change. To remain competitive with other private bus operators, and to continually improve the service we provide to our customers, things had to be done differently. A new executive team was established in November 2017 and an organisational redesign implemented that focussed on empowering our frontline management, lifting performance, efficiency and cost effectiveness.

We are well on our way to doing that. However organisations are only as strong as their people, which is why we introduced a fresh vision and set of values for State Transit. Under the banner 'Be the Best you can Be', our aim is to continually put customers at the centre of everything we do and ensure a high standard is delivered on the thousands of services we operate from our various depots.

There have been several notable achievements in the last 12 months. The introduction of the B-Line, a turn-up-and-go double decker service running between the city and the Northern Beaches, has been immensely popular with locals and tourists alike. Data shows there is an average of 17,600 trips each weekday on B-Line buses, which represents around 30 per cent of all trips on the Northern Beaches and Lower North Shore bus networks. Overall there has been an approximate 10 per cent increase in patronage across our bus services on the Northern Beaches.

We successfully transitioned Region 6 (Inner West and South Western) services to a private operator as the financial year drew to a close. Our focus was to ensure that the four depots – Tempe, Kingsgrove, Burwood and Leichhardt – plus the employees and assets, were transferred as seamlessly as possible. Ensuring that staff felt supported and there was minimal disruption to customers were key considerations.

We embarked on a new bus driver recruitment campaign to get more drivers behind the wheel. With significant improvements made to the recruitment process, we managed to reduce the time it takes to assess and hire new employees from 75 to 49 days. In 2018 we inducted nearly 600 drivers. The benefit, of course, is to customers as with more drivers, we can provide more services.

Work to improve services in the 2018-19 financial year is well underway, with the next wave of turn-up-and-go services commencing in September 2018, this time in Sydney's Eastern Suburbs. I'm confident State Transit can continue to provide a high standard of service for customers, and I look forward to what the next year brings.

Steffen Faurby
Chief Executive Officer
State Transit

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Thanks
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Overview

About State Transit

State Transit operates as a public transport provider in a cluster managed by Transport for NSW (TfNSW). All of the below figures include Region 6, which was not transitioned to a private bus operator until 1 July 2018.

Deploying the biggest bus fleet in Australia, State Transit manages one of the largest bus networks in the world and carries about 200 million customers each year.

Patronage

- State Transit carried more than 201 million customers in 2017–18.
- There are more than 73,500 timetabled services every week and nearly 3000 school trips per week during school terms.

Employees

More than 4600 employees.

Bus Fleet

At 30 June 2018, State Transit's bus fleet totalled 2049 and travelled 93 million kilometres.

2049 buses are air-conditioned (100% of the fleet)

1869 buses are wheelchair-accessible (91.2% of the fleet)

498 buses are Euro 3 compliant (CNG or Euro 3 diesel) (24.3% of the fleet)

730 buses are Euro 5 diesel or Euro 4 CNG (35.6% of the fleet)

450 buses Enhanced Environmentally-Friendly Vehicles (EEV) (21.9% of the fleet)

233 buses are high-capacity articulated buses (11.3% of the fleet)

Routes

In 2017-18:

- State Transit operated 270 routes in the Sydney metropolitan area
- our fleet travelled around 93 million kilometres
- there are more than 73,500 timetabled services every week and nearly 3000 school trips per week during school terms.

Legislation

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

Contracts with Transport for NSW

State Transit held four Sydney Metropolitan Bus Service Contracts (SMBSC) with Transport for NSW in 2017-18:

- SMBSC Region 6 – Inner Western and South Western suburbs
- SMBSC Region 7 – Northern and Western suburbs, including Parramatta, Chatswood, Macquarie and Ryde
- SMBSC Region 8 – Northern Beaches and Lower North Shore
- SMBSC Region 9 – Eastern and South Eastern suburbs.

Transition of Region 6

At midnight on 30 June 2018, Region 6 staff and operations (based at Burwood, Kingsgrove, Leichhardt and Tempe depots) transitioned to the private bus operator Transit Systems, which will operate services in the Inner Western and South Western suburbs.

Network Map

Sydney Service Area

Year in review

Performance highlights

B-Line shifts into gear

The B-Line, a high frequency bus service operating between Mona Vale and the CBD, launched in late November, has proven extremely popular with Northern Beaches residents and visitors alike.

Operating seven days a week from 4.30am until 1.30am, the B-Line is a turn-up-and-go service utilising a fleet of modern, bright yellow double-decker buses. B-Line buses make 335 trips per weekday and 222 per day on weekends. While they make up 10 per cent of the bus fleet on the Northern Beaches, they carry more than 26 per cent of customers.

In June, planning began for the introduction of another turn-up-and-go service – this time for the busy corridor from the CBD to iconic Bondi Beach. This service commenced on 23 September 2018.

Improving safety performance

Nearly all of State Transit's key safety indicators are trending downwards, which is a great result in light of ever increasing patronage. These included significant reductions in passenger falls, pedestrian collisions and lost time injuries, and modest improvements in relation to bus collisions and number of employee injuries.

The number of assaults on bus operators by passengers is unchanged year on year, and will be a continued area of focus in 2018-19. Ensuring colleagues go home from work in the same condition that they arrive is a key priority for the organisation.

Introducing a centralised customer feedback model

In April 2018, State Transit launched a centralised customer service model. The new structure marked a departure from the previous approach where customer feedback was managed at depots by staff, in addition to their operational duties.

The Customer Feedback team all have excellent customer service and conflict resolution skills. They are focused on customer feedback and take a more analytical approach to identifying trends and recurring themes.

In the May 2018 Transport Customer Satisfaction Index results, State Transit scored 89 per cent – up one per cent from November 2017. A breakdown of the figures reveals satisfaction across all categories had either improved or remained steady.

Recruiting new bus operators

In late 2017, State Transit began a highly successful recruitment campaign in partnership with TfNSW. Attracting new bus operators is essential for the organisation to meet growing demand for public transport in Sydney.

Advertisements on social media, careers websites, via Google search, on buses and at train stations prompted interested people to visit the State Transit website and register to attend an open day at a bus depot. After learning more about the salary, working conditions and flexibility, potential bus operators had the opportunity to begin the thorough recruitment process.

The campaign from November 2017 to April 2018 resulted in nearly 5000 registrations for open days – more than double the target. Around 10 per cent of these applicants join State Transit as bus operators.

Restructuring to improve efficiency

Chief Executive Officer Steffen Faurby led an organisational restructure in 2017-18, starting with five new faces joining the Executive team. State Transit portfolios now include: Asset Management; Customer Operations; Finance and Corporate Services; Transformation; People and Culture; Safety, Health, Environment and Quality; and Communications.

The focus of the Executive team is to lead the organisation with improved efficiencies, increased competitiveness, unwavering focus on customer service, safety and greater resilience. To further embed these priorities with frontline staff, Executive team members and management are now based at State Transit's various bus depots rather than in a corporate office. By June 2018 all corporate and administrative staff were relocated to depots.

Transitioning Region 6

A large multidisciplinary team displayed professionalism, patience and commitment during the successful transition of Region 6 at midnight on 30 June 2018. The 62 routes that ran from the Leichhardt, Burwood, Tempe and Kingsgrove depots moved to a private operator, as announced by the NSW Government in May 2017.

The complex, six-month transition involved coordinating the transfer of the fleet, Human Resources and Information Technology systems, equipment and – importantly – people. The vast majority of the 1100-plus Region 6 staff transferred to the new employer, Transit Systems, but the essence of what they do remains the same – providing customers with a safe, reliable mode of public transport.

Safety

Key objective

- Keeping employees and customers safe through a robust safety program and an embedded safety culture.

Key performance areas

- Providing safe and accessible services
- Ensuring safety management requirements are understood and undertaken by all staff.

Safety performance

During 2017-18, the total number of employees injured decreased by 4.6 per cent, continuing the positive trend over recent years and an improvement on last year's two per cent reduction.

The key Lost Time Injury Frequency Rate (LTIFR) reduced by a further 12.9 per cent over 2016-17. The LTIFR of 2.7 for 2017-18 exceeded the target of 3.0. The severity rate of injuries to staff also decreased.

Passenger falls reduced by 17.2 per cent, improving upon the 12 per cent reduction achieved over the previous year. Pedestrian collisions reduced by 14.8 per cent, while the number of bus collisions (insurance claims) reduced by 5.4 per cent. Workers' compensation claims fell by 12.8 per cent.

There were no reportable environmental incidents in 2017-18.

Safety compliance

State Transit maintained its Bus Operator Accreditation Scheme (BOAS) accreditation, Advanced Fatigue Management Accreditation and Workers' Compensation Self Insurance Licence.

The State Insurance Regulatory Authority (SIRA) tiered supervisory model acknowledges exemplary and acceptable workers' compensation performance. It also detects risks to the achievement of workers' compensation system objectives, prompting a risk-based regulatory response form SIRA.

SIRA awarded State Transit 'top tier' Self Insurance status and licence renewal for an eight year period in 2017-2018.

The Regulators are:
- SafeWork NSW
- SIRA
- Transport for NSW
- Roads and Maritime Services
- National Heavy Vehicle Regulator (NHVR).

Safety Management System

State Transit's Safety Management System provides a framework of detailed safety policies and procedures, risk management guidelines, safe work instructions and documentation for employees to use. It is regularly reviewed in consultation with staff to ensure currency, compliance and ease of use.

Assurance activities

In accordance with continuous improvement principles, State Transit is refining its systems and processes. During 2017-18, the organisation achieved positive results in various audits and compliance verification activities, both external and internal, including numerous BOAS audits.

In accordance with the Advanced Fatigue Management (AFM) standards set by the National Heavy Vehicle Regulator (NHVR), State Transit has continued annual medical assessments for employees aged between 50-59 years who undertake AFM work. The positive results from these audits and assurance activities indicate that the organisation's Safety Management System is effective and well positioned to maintain its various accreditations and licences.

Safety programs

Key strategies and programs included the following:

Health and wellbeing

State Transit aims to promote and encourage positive health and wellbeing outcomes for all staff. Free depot-based health checks were conducted for staff in March and April 2018 and included the opportunity for all staff to receive a free, confidential health check. The Employee Assistance Program (EAP) provider was also on hand to speak to staff about resilience and stress management. Fitness Passport continues to be available to employees. Targeted health campaigns were communicated in the monthly State Transit staff newsletter, providing advice on topics such as fatigue and staying healthy

during the flu season. The annual free flu vaccination program was rolled out in March and April, with a steady increase in the number of participating staff. Other ongoing programs with a dedicated staff focus include the EAP and the Fatigue Management Program.

Drug and alcohol testing

All employees are subjected to random drug and alcohol testing, as well as testing following serious on-road incidents and where reasonable cause exists. Saliva swab testing has continued to further complement the existing breath alcohol and urine testing program. Various measures are taken when positive tests occur, including counselling and disciplinary proceedings.

Drug and alcohol testing in 2017–18

	Alcohol	Drugs
Number of tests	5505	1120
Number of positive results	1	1

Safety leadership training

One-day cultural change sessions in safety leadership training were conducted for 214 senior, middle management and supervisory staff.

Safety events

Safety Days were held at all depots in 2018. The focus was on raising safety awareness, promoting the EAP, stress management and preparing the body for work through exercise. In addition, the safety team conducted regular Safety 'Town Hall' sessions to engage with staff about important safety matters during the year.

These events were conducted at all depots during the year.

Promotional materials

Safety promotional materials, including posters and signboards, were displayed at all depots. A fortnightly safety bulletin was introduced to all staff, along with the introduction of a safety column in the monthly State Transit staff newsletter.

Workers' compensation

The successful management of workplace injuries and return to work is a key work, health and safety strategy at State Transit.

The organisation is self-insured and delivers its own 'return to work' functions. It is supported by TfNSW Shared Services, which continues to provide workers' compensation services to State Transit as governed by a Service Level Agreement.

The workers' compensation component of the Safety Management System complies with the requirements of the SIRA.

Environment

Key objective

- Minimising the impact of State Transit operations on the environment, and managing operations to ensure they are sustainable and adaptable.

Key performance areas

Ensuring staff understand and action their responsibilities to protect the environment and prevent pollution by:

- improving fuel efficiency in the bus fleet
- reducing electricity consumption in State Transit facilities
- increasing rates of recycling of renewable resources.

Bus fleet emissions profile

As older, early model Euro I and II buses are retired, they are replaced with the latest Euro 5 buses and EEV (Enhanced Environmentally Friendly Vehicles). The overall fleet emissions profile is such that 80 per cent of the fleet is now of a Euro 3 standard or higher and 45 per cent is of the Euro 5 or the latest EEV standard. The fleet's rated emission standards are maintained in accordance with original equipment manufacturer and Roads and Maritime Services (RMS) Clean Fleet standards.

Electricity and water consumption

State Transit depots consumed 7,741,952kWhs of electricity in this reporting period, continuing on its path of energy savings with a nine per cent reduction since the last financial year. This represents the sixth consecutive year of annual electricity savings. State Transit's potable water consumption of 74,423kL represents a 2.7 per cent decrease on 2016-17 water consumption.

Greenhouse emissions footprint

Greenhouse Gas Scope 1 transport emissions for the bus, commercial and passenger vehicle fleet – at 129,749 tonnes $CO_2(e)$ – decreased by 19 per cent from the previous financial year, due in part to the transfer of bus services in the Newcastle region to a private operator on 30 June 2017.

When combining stationary energy greenhouse emissions, the total State Transit greenhouse footprint for transport and stationary energy has – at 137,012 tonnes $CO_2(e)$ – decreased by 18.5 per cent since the previous year. This result was achieved through reduced service kilometres and fleet fuel usage, as well as from other stationary energy savings.

Safeguard Mechanism

State Transit has been granted a three-year assessment period under the Clean Energy Regulator's Safeguard Mechanism. This requires State Transit's total bus fleet emissions for the years 2016-17, 2017-18 and 2018-19 to be below the baseline emissions target of 159,748t $CO_2(e)$ for each of the three years.

Customer experience

Key objective

- Continually enhancing the overall customer experience to ensure the bus is an attractive alternative to the car.

Key performance areas

- Increasing customer satisfaction
- Improving punctuality
- Increasing service reliability.

Performance expectations

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

As per our Key Performance Indicators, State Transit's target for overall customer satisfaction is 85 per cent. In 2017-18, the figure was 89 per cent. We work with TfNSW in designing and implementing programs to ensure the customer is the core focus when delivering services and providing customer information.

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

Customer information

Individual timetables for every bus route are available online from **transportnsw.info**. Stop-specific timetable information is also displayed at bus stops along main routes and corridors in contract areas.

Real-time arrival information for all of State Transit's bus routes is available through third-party apps using data made available by TfNSW.

Transport Customer Service Centres at Central and Circular Quay train stations can assist with trip planning for all public transport in NSW.

State Transit's website

In May 2018, State Transit's customer-facing website – **sydneybuses.info** – was incorporated into **transportnsw.info** to provide a one-stop-shop for customers to plan their journeys on multiple modes of public transport.

Collaboration with Transport Management Centre

State Transit continues to work with the Transport Management Centre to provide updates on peak hour conditions to the public via radio announcements and social media platforms.

Transportnsw.info services

Transportnsw.info provides information for customers to plan their trips using buses, trains and ferries. Services include trip planning, timetables, news and special events. **Transportnsw.info** includes web-based information and the Transport Infoline **(131 500)**.

There is also a range of apps available to customers to download onto smart devices, which provide real-time transport information.

The website enables customers to provide feedback on services. All feedback received is important, and is used to continuously improve and deliver quality, timely information. This ensures the customer remains at the centre of everything State Transit does.

Customer feedback

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

In 2017-18, customer feedback topics ranged from reliability of bus services to interactions with staff, including compliments for excellent service provided by bus operators.

Implementing the Growth Services Program

In 2017-18, patronage on State Transit's Sydney buses was 201,792,231 – an increase of 5.4 per cent (or 10.3 million) when compared to the previous financial year. As a result, State Transit introduced additional services and made timetable adjustments as part of the TfNSW Growth Services Program to cater for more customers catching our buses.

In November 2017, both Region 7 and 9 timetables were adjusted along various corridors where additional trips were added on weekdays and weekends. Further introduction of growth services occurred in May 2018, when Region 7 timetables were again adjusted with additional trips added on weekdays and weekends (see Appendix 29 Service changes).

With patronage fluctuating due to seasonal and employment cycles and new infrastructure being built across Sydney, it's important that the State Transit bus network is able to adapt to these changes so customers can get where they need to go.

We continue to work closely with TfNSW and regularly monitor our services and customer feedback to ensure the right level of services are in the areas where they are needed.

Service delivery and growth strategies

Key objective

- Managing increased demand by designing a network that is flexible and meets customers' expectations.

Key performance areas

- Improving services for customers
- Ensuring bus service efficiency
- Improvements in productivity.

The new B-Line

The introduction of the double-decker B-Line service on 26 November 2017 created the biggest opportunity for State Transit to deliver a regular, sustained, high-frequency service (also known as a 'headway service') for Sydney commuters, replacing the reliance on a timetable with a turn-up-and-go service.

In its first six months between November and May, the popular B-Line buses reached 2.7 million passenger trips. While the new buses make up 10 per cent of the Northern Beaches' services, they carry more than 26 per cent of customers.

There was a 4.6 per cent increase in people using buses on the B-Line corridor this year compared to 2017, and 10 per cent more people travelling to the CBD in the evening peak between 3pm and 8pm.

Providing more frequent turn-up-and-go services, the B-Line runs seven days a week, 4.30am-1.30am giving customers more options to get to and from the city, and leave the car at home.

Frequency

Managing a frequency service enables State Transit to better provide extra capacity when demand increases (for example, routes to and from Sydney beaches during summer months) and to limit the wait time for a service. The implementation of headway management by State Transit's Network Control Centre (NCC) in early 2018, coupled with its bus operator recruitment drive, has resulted in the organisation consistently achieving incentive Excess Wait Time (EWT) performance levels for 2018. Additionally, reductions in cancelled trips have consistently improved month on month since the commencement of the B-Line.

In November 2017 and May 2018, State Transit and TfNSW worked collaboratively to alter some existing timetables for weekdays during the peak and daylight off-peak times. The purpose was to ensure that all intending passengers had a 15-minute or less wait time. Ten timetables were altered across various major corridors.

State Transit has taken this customer service opportunity further and, in addition to these headway managed services (see Appendix 29), has also focused on identifying where services similar to B-Line could operate in the network to better deliver on customer demand. Due to the summer capacity requirements for Sydney beaches, the Eastern Suburbs (Region 9) has been a primary focus and plans are well underway for a high frequency turn-up-and-go service between Bondi, Bondi Junction and the CBD from September 2018.

On-time running

In May 2018, improvements to on-time running resulted in changes in Western Region 7 (Ryde and Willoughby depots) to better reflect traffic and road conditions, and manage customer expectations. These contributed to the five per cent improvement in OTR on school days. Additional growth services were provided in the Western and Eastern regions as State Transit adapted to the increase in capacity demands across the network in response to Sydney's rapid growth (see Appendix 29). The challenge was to provide these increased services with the most efficient and effective cost structure for TfNSW, which has involved a network review on process to drive continuous improvements in cost. As per State Transit's contractual KPIs, the on-time running benchmark is 95 per cent *(see table on next page for breakdown of quarterly figures)*

State Transit on-time running performance July-September quarter (start points)

	Jul 17	Aug 17	Sep 17
Region 6	96.6%	91.3%	87.3%
Region 7	95.9%	94.5%	96.0%
Region 8	98.2%	97.4%	94.6%
Region 9	96.9%	95.1%	96.3%

State Transit on-time running performance October-December quarter (start points)

	Oct 17	Nov 17	Dec 17
Region 6	90.9%	89.7%	89.3%
Region 7	94.2%	93.1%	95.0%
Region 8	96.4%	94.9%	96.6%
Region 9	94.1%	93.3%	96.0%

State Transit on-time running performance January-March quarter (start points)

	Jan 18	Feb 18	Mar 18
Region 6	96.3%	91.8%	91.9%
Region 7	97.3%	92.2%	92.0%
Region 8	98.2%	95.9%	96.7%
Region 9	97.9%	94.1%	94.2%

State Transit on-time running performance April-June quarter (start points)

	Apr 18	May 18	Jun 18
Region 6	93.9%	92.2%	92.6%
Region 7	95.0%	94.2%	94.8%
Region 8	97.7%	96.7%	96.9%
Region 9	95.8%	95.3%	95.5%

Franchising of Region 6

Since the announcement of Region 6 being franchised in May 2017, and the announcement of Transit Systems as the new operator in February 2018, State Transit and TfNSW embarked on a strategy to ensure as smooth a transition as possible for staff, and with minimal disruption to customers.

From 1 July 2018, Region 6 was run by Transit Systems. However all timetables, routes and bus stops will continue to be regulated by the NSW Government via TfNSW, and all buses and other assets, such as depots, will remain government-owned.

For customers, fares will remain the same as they would with State Transit and customers will still be able to use their Opal cards.

Affected Award staff were guaranteed the same job, at the same level, for 18 months and all were transferred to the new operator with their accrued entitlements such as annual leave, sick leave, long service leave and superannuation.

The new operator will be bound to meet contractual requirements and high performance standards for safety, reliability, customer satisfaction, and cleanliness.

Financial review

In 2017-18, State Transit reported a surplus of $21.5 million ($84.1 million surplus in 2016-17). The decrease in the financial performance was mainly due to a significant reduction in the personal services liability in the 2016-17 reporting period that was assessed by actuarial valuation. The result compares favourably with the original budget of $8.6 million surplus.

Capital expenditure

State Transit spent $25.0 million on capital works in 2017-18, including $23.5 million on the acquisition of 37 new replacement and 16 growth buses, and $1.5 million on depot infrastructure and facility upgrades.

The bus replacement program ensures State Transit's compliance with its contracts with TfNSW in regard to average fleet age and scheduled replacement plans. The upgrades to the depot infrastructure and facilities are to maintain and support operational requirements.

Sydney Metropolitan Bus Service Contracts

During 2017-18, State Transit operated its bus services through four Sydney Metropolitan Bus Service Contracts (SMBSC).

The four SMBSC are:

- Contract Region 6 – Inner Western and South Western suburbs
- Contract Region 7 – North Western, Northern Harbour and Riverside suburbs
- Contract Region 8 – Northern Beaches and Lower North Shore
- Contract Region 9 – Eastern and South Eastern suburbs

The State Transit contract for Region 6 commenced on 1 July 2013 and at midnight 30 June 2018, was officially handed over to the new operator, Transit Systems.

Contracts for regions 7, 8 and 9 commenced on 1 July 2017 for a period of five years. All contracts include the provision of additional services for specific special events such as New Year's Eve, Australia Day, ANZAC Day and Mardi Gras.

State Transit has a monthly reporting regime, which is an obligation under each contract. The reporting principally takes the form of strict KPI benchmark comparison. The benchmarks cover various aspects including: on-time running; accessible services; customer satisfaction; customer complaints per boarding and complaints resolution; fare compliance and bus cancellations.

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

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

Network Control Centre

State Transit's Network Control Centre (NCC) is structured to provide support for four regions (12 depots) and promotes proactive on-road operational management. As of 1 July 2018, this reduced to three regions and eight depots following the franchising of Region 6.

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

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

Additional focus has been placed on providing commuters with live up-to-date service interruptions due to traffic incidents or accidents via Transport Management Centre media and its Twitter account. Customers can follow various Twitter bus handles to receive notification of any impacts to their services and can adjust their trip to minimise travel time.

Special events

State Transit does the scheduling for the regional route network for sporting events at Sydney Olympic Park. For major events such as Vivid, City2Surf, New Year's Eve, Sydney Festival and Sculptures by the Sea, State Transit schedules additional buses along major corridors to help customers get to where they need to go, on time and hassle free.

Supporting the community

85th anniversary

As December 2017 marked 85 years of Sydney buses, to celebrate State Transit decorated 12 of its buses in historic markings. The first government bus ran on Christmas Day 1932, and thousands of people tried out the new Route 144 from Cremorne Junction to Manly.

These 12 wrapped buses capture special moments in Sydney and State Transit's history, from the camouflage buses used in 1942 to transport troops along the coastline to the commemorative buses for Queen Elizabeth's first trip to Australia 1954, the 1988 Bicentenary celebration and Sydney Olympic themed buses in the 1990s. These historic buses, which customers are able to catch, represent a moving history of Sydney. Information on what anniversary bus is being used on what route is available on the **transportnsw.info** website.

Christmas buses

State Transit loves connecting with the Sydney community and one of its favourite events is the annual Christmas Bus Competition. For the last 12 years, depot staff have decorated buses in tinsel and ornaments to spread some festive cheer to customers in the weeks leading up to Christmas.

In 2011, State Transit developed a partnership with the Sydney Children's Hospital at Randwick and one of their patients has the honour of judging the competition. The patient chooses the best decorated bus and the driver from that depot is awarded money to donate to the charity of their choice. State Transit then matches that donation. In 2017, State Transit's special judge was four-year-old Bentley. With Chief Executive Officer Steffen Faurby, Bentley picked the Kingsgrove bus as the winner.

Business transformation

Key objective

- Improving cost efficiency, streamlining processes and encouraging best practice.

Key performance areas

- Maintaining effective business systems
- Managing scheduling performance to achieve balanced schedules and rosters
- Reducing the cost of operations per kilometre.

Pre-agreed priority focus areas

While the priority focus was on cost per kilometre reduction, all activity to drive value also had a deliverable for customer satisfaction.

One such area is streamlining processes to remove duplicated or manual activity from the business that does not add value. With the implementation of the reduced headcount structure, process improvement was necessary and required a new way of working. An example of this is the Customer Feedback team. With reduced staff, this function took activities conducted at 12 depots, centralised and streamlined their work to better service customer queries and feedback. An additional benefit was harnessing the power of a centralised hub of feedback to further enhance and improve network knowledge.

Big data is used to drive better performance. The ability to analyse patronage using Opal data and the Public Transport Information and Priority System (PTIPS) has enabled State Transit to target a cost and efficiency program where it will have the biggest positive impact for the organisation and the greatest benefit to customers.

This program included depot operational activity for on-time running, network planning to target improvements on routes with a high demand, bus operator recruitment to ensure the organisation can deliver on planned improvements and customer satisfaction targeted on what passengers value most. The reduction of cost per kilometre and the increase in the Transport Customer Satisfaction Index from 87 per cent to 89 per cent (from August 2017 to May 2018) highlights the overall success of the program.

Project and change management discipline

Underpinning all of this activity is a need to ensure sustainable, strong business systems. Project and change management discipline was required for the delivery of these improvements. An internally managed process to upskill internal staff was instigated and progressed to enable the roadmap for continuous improvement to occur for years to come.

Assets

Key objective

- Managing and maintaining assets, managing emergency response plans and coordinating security.

Key performance areas

- Providing efficient maintenance programs
- Improving asset performance, reliability and availability
- Ensuring security of assets.

Bus fleet

In 2017-18, 97 new buses were delivered to State Transit. These included 38 MAN double decker buses with Gemilang bodies, six Volvo B7RLE with custom bodies, 16 Scania K310UB buses – seven with custom bodies and nine with Volgren bodies – and 37 Volvo B8RLE buses (one with a custom body and 36 with Volgren bodies). All new buses delivered have Euro 5 or Enhanced Environmentally Friendly Vehicle (EEV) emission levels.

State Transit's operating contracts require an average fleet age of not more than 12 years. The delivery of these new buses and subsequent retirement of older ones has kept the average age of State Transit's fleet to 11.26 years as at 30 June 2018. In February 2018, State Transit donated two retired buses to a community in the state's Far West. The retired buses will be used to transport workers around Bourke to a soon-to-open abattoir.

With the delivery of new buses and subsequent retirement of older buses, the fleet is now 100 per cent air conditioned, improving the level of comfort for customers.

State Transit continues to purchase only wheelchair-accessible buses, which total 1869 (91.2 per cent) of the fleet. This places State Transit above target toward achieving the next Commonwealth Disability Standards for Accessible Public Transport milestone date later in 2018.

Timetabled wheelchair-accessible bus services now operate on all main corridors. Many of these services provide links to accessible train stations to increase opportunities for multi-modal travel. Wheelchair-accessible services are identified by the wheelchair icon in bus timetables located at **sydneybuses.info.**

All new buses acquired by State Transit feature:

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

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

Emergency response plans

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

Officers from the NSW Police Transport Command (PTC) – which is responsible for patrolling the transport network – received training from State Transit's Security Unit in Bus Incident Response.

The training focuses on the following scenarios: the first minute after an incident to provide police with a set plan and priorities if they were on a bus when an incident occurred; and the first five minutes to provide police with a more detailed response plan if they are the first responders to a bus incident. All officers attached to the PTC attended this training during 2017-18. Training is expected to be ongoing for new officers joining the PTC.

Security coordination

State Transit's Security Unit provides police intelligence reports of incidents that occur on the bus network. Data is given on a daily basis, and a detailed report with data analysis is provided on a quarterly basis. High profile areas of the network are identified and the PTC can be provided with intelligence suitable for tasking their resources to areas of concern to State Transit.

The Security Unit provides a conduit for all police requesting on-board bus Closed Circuit Television (CCTV) footage to assist with their investigations. It facilitates the delivery of footage and provides evidence in court in relation to the continuity of the CCTV system. During 2017-18, the Unit processed 504 requests for information. Requests from police for CCTV footage are not restricted to matters occurring on buses. Around 43 per cent of requests were for incidents where the bus and its CCTV system captured an incident occurring elsewhere. Police request assistance in identifying buses that pass incident sites and obtain that footage to further their investigations.

Revenue protection

Checking customers on buses for valid tickets is the responsibility of Sydney Trains transport officers. The State Transit Revenue Protection Unit performs the following functions:

- reviews complaints from customers and members of the public regarding allegations of fraud i.e. incorrect issuance or non issuance of tickets to passengers by bus operators
- investigates allegations of theft or the misuse of State Transit property or equipment by any employee or member of the public
- conducts internal investigations regarding the misuse of employee Opal cards by an employee's family or friends
- collects and manages payment of fines received by Revenue NSW and the Local Courts for penalty notices issued by State Transit enforcement officers to vehicles illegally parked in bus zones and/or on State Transit premises.

For 2017-18, the total amount received by State Transit in relation to the above, including fare evasion, was $666,570.85. This amount was distributed as follows:

- State Transit received $250,198.43
- Revenue NSW received $56,864.01 (processing fees)
- NSW Treasury received $359,508.41.

A campaign on State Transit buses was run in conjunction with TfNSW to tackle fare evasion in Region 9 (Eastern Suburbs).

People and culture

Objectives

- Attracting talent and developing State Transit's people
- Revitalising the frontline recruitment campaign.

Key performance areas

- Improving staff engagement
- Improving staff retention
- Developing a more inclusive and diverse workforce.

Recruitment

During 2017-18, a bold new recruitment campaign for bus operators was initiated by State Transit in collaboration with specialist recruitment and marketing teams at TfNSW. The campaign was mostly driven via digital and social media channels and was a huge success, leading to almost 600 new bus operators being hired, and a further 1000 in the recruitment pipeline.

With new Executive Director of People and Culture, Mark Cox, particular focus was given to improving the recruitment process and reducing the amount of time it took potential employees to move through the recruitment pipeline. As a result of an innovative new approach, by the end of June the time had been reduced from 75 days to 49.

Diversity and inclusion

Aboriginal employment

The current representation of Aboriginal and Torres Strait Islander people in State Transit is 0.77 per cent. State Transit's target is to increase this to 1.07 per cent.

To improve the recruitment and retention of Aboriginal employees, State Transit – with TfNSW – continued a targeted Aboriginal Bus Operator recruitment program in 2018. This program included planning for the first Aboriginal Open Day (held in Redfern in October 2018). This targeted campaign aims to promote the benefits of employment as a State Transit bus operator to the Aboriginal community, assist potential applicants' understanding of the role, and ensure existing bus operators and managers are available to answer any questions.

Women in State Transit

Women represent 7.2 per cent of State Transit's total workforce. Bus operators make up 80.4 per cent of the entire workforce; women represent 4.6 per cent of all bus operators.

At State Transit depots, women work as Depot Directors, Duty Managers, Duty Officers, Yard Supervisors, Senior Staff Supervisors, Bus Operator Trainers, Tradespersons and Apprentices.

The representation of women in State Transit Senior Service roles was 25 per cent as at 30 June 2018. The number of Senior Service positions is relatively small (34), so any increase or decrease has a significant impact on overall percentages. Within the Transport cluster, State Transit's target is to increase this to at least 30 per cent by June 2019.

In 2017-18, strategies were developed and implemented which aimed to increase the number of new female employees and retain existing female employees. These included:

- 'planning for Career' conversations for female bus operators as part of the Grow, Perform, Succeed Program discussions, and extending this to other groups
- planning for the development of a mentoring program for new female bus operators
- inclusion of women bus operators in promotional and advertising campaigns
- ensuring that any Senior Service role recruitment has a 50/50 male/female shortlist.

Organisational development

State Transit is committed to developing a capable and resilient workforce by investing in its people. The organisation works in partnership with TfNSW to deliver targeted training and development programs to ensure it has the right organisational capability and culture to deliver effective services. In FY2017-18, the focus has been on supporting and enabling frontline staff through professional development, quality training, and increasing the capability of trainers.

Depot Supervisors are often the first line of leadership in the organisation and as such it makes sense to invest in their development. Accordingly, several Depot Supervisors enrolled and completed the Leading Team Success program run by TfNSW.

This allows the participants to be equipped with the fundamental leadership skills required to lead operational activity at the depots.

Bus operator training and development

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

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

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

The Traineeship Program was revised and updated in line with the national training package to provide additional support for trainees. All Bus Operator Trainers were provided the opportunity to improve their feedback and coaching skills through formal training and coaching.

In 2017-18, several initiatives were instigated to improve the skills and engagement of State Transit staff.

The Bus Operator Development Day was conducted on multiple occasions, concluding in October 2017. Part One of the workshop focused on refreshing and building technical, safety and emergency capability using digital resources and practical experience. Part Two explored the attitudes, behaviours and self awareness that underpin great customer service, using an interactive 'Forum Theatre' approach. Further development activities are planned for 2018-19.

Other aligned initiatives and resources included:

- an online communication platform for bus operators, providing information, questions and answers and resources targeting employee wellbeing
- attendance of managers and supervisors at Professional Development workshop sessions.

Apprenticeships

Heavy vehicle mechanical, body repair and vehicle painting apprenticeships are an essential element of State Transit's fleet operations. The apprentice program focuses on developing a highly skilled workforce with comprehensive technical and safety competencies as well as strong workplace standards.

Annual apprentice recruitment continues to reflect the diverse State Transit workforce.

Apprentices undertake on-the-job training in the workshops, ongoing technical training and assessment on the State Transit fleet and workplace plant and processes, and trade qualifications from TAFE.

In addition to trade-specific training, State Transit apprentices undertake heavy vehicle licence upgrades and safety training to develop competency across all critical work areas.

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

New apprentice development programs

In 2018 Asset Management developed and delivered two new programs for State Transit apprentices:

1. **Apprentice Technical Development Program.** This program was developed to supplement technical training delivered by TAFE as part of an apprenticeship trade qualification. Training was delivered by Asset Management over eight days and modules covered brake, engine, electrical and suspension fundamentals and hydraulics in relation to automatic transmissions.
2. **Apprentice Professional Development Program: Culture, Norms and Positive Change.** This program examined workplace culture, good communication, teamwork, collaboration and personal accountability. It identified positive group and individual attitudes, behaviours and norms that contribute effectively to business goals and objectives.

Fleet technical training

To support State Transit's extensive fleet replacement program, more than 70 technical training courses were delivered to maintenance staff during the year. Training on Volvo and Scania buses covered electrical systems, diagnostic systems, fuel systems, brakes, suspension, servicing and engines. Body and auxiliary systems training covered VST, Customs Body, Thoreb, door systems and air conditioning systems. Training on familiarisation and maintenance of the chassis and sub systems of the new MAN double deck bus was delivered for staff in the Northern Region.

Safety

As part of State Transit's commitment to ensure the safety and competency of maintenance staff, more than 500 competency-based and knowledge assessments were undertaken by staff. These covered both the operation of workshop plant and equipment, general safety and workplace standards. This brings the total assessments completed to more than 10,500 since 2012.

Emergency Response Training Program

There was a major redevelopment of State Transit's Emergency Response Training Program, with 30 modules developed covering practical and required knowledge competencies.

Field assessments commenced for Network Supervisors and Asset Management Leading Hands with other staff following in the second part of 2018. Practical and knowledge competencies assessed to date include white level inspections, the HOT Principle, safe handling of sharps, biohazard spills, emergency equipment checks, transmission of SITREPS using radio equipment and defibrillator familiarisation.

Leadership development

State Transit's focus on leadership development in 2017-18 has been on the roll-out of the Leading Team Success program for Maintenance supervisors. This cluster-wide program is designed to build capability to provide effective people leadership.

All State Transit Senior Executives and people leaders attended the inaugural Extended Leadership Program in March 2018. This program was designed to bring together the new leadership of State Transit to ensure a consistent approach across the organisation, to share ideas and innovative ways of working, and encourage better communication between the executive team and the next level of management.

The Extended Leadership team includes all depot directors and managers, as well as directors and managers in specialist and corporate areas. These events will be rolled-out bi-annually. The second forum was held in September 2018.

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

The Performance Agreement Program for Transport Senior Service employees and Salaried and Senior Officers continued during 2017-18, using an online system. The online system provides electronic records and sign-offs, as well as tools to support the development of appropriate performance objectives and personal development plans. It also features reporting functions which summarise progress in meeting objectives and alignment of objectives to the State Transit Corporate Plan.

Grow Perform Succeed program

During 2017-18, the Grow Perform Succeed program (GPS) continued for operations staff. The purpose of this program is to provide employees with the opportunity to:

- discuss their role with their supervisor
- understand work goals
- receive regular feedback about how they are performing and what they are doing well
- be recognised for a job well done
- build capabilities to carry out work to the best of their abilities.

Enterprise agreements and awards

The industrial instruments applicable to groups in State Transit include:

- the State Transit Authority Bus Engineering and Maintenance Enterprise (State) Award 2018 – this covers all trades and non-trades staff who maintain the State Transit bus fleet, operative to 31 December 2019
- the State Transit Authority Bus Operations Enterprise (State) Award 2018 – this covers all bus operators and related classifications, operative to 31 December 2020
- the State Transit Authority Senior and Salaried Officers Enterprise (State) Award 2018 – this covers all administrative, managerial and operational (non-bus or maintenance) staff, operative to 31 December 2020.

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

In 2017-18, State Transit provided effective support to TfNSW in the franchising of Region 6 operations to a private operator, Transit Systems (effective from midnight 30 June).

Retreat spaces

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

Staff engagement

In 2018, the State Transit Executive team introduced a new vision for the organisation:

'Providing our customers with the safest and most reliable bus experience in Sydney, delivered by passionate people who will always be the best they can be.'

The new vision encompasses the following important themes:

- putting the customer at the centre of what we do
- the importance of safety
- reliability and competitiveness
- a workforce of people who always strive to be the best that they can be.

In addition, a set of workshops across the organisation led to the establishment of a new set of values. These were embraced by staff and set new categories for the annual staff awards program. The new State Transit Values are:

- Work Safe, Home Safe
- We're Moving Sydney
- One Team
- Good-Better-Best
- Value for Money

A new program to increase engagement between the Executive team and depot staff began in January 2018 with monthly 'Town Hall' style staff sessions giving people the opportunity to ask the Executive questions, and provide feedback. At each of these sessions an award for outstanding performance is given to an employee from that depot.

Staff recognition

The Annual Service and Achievement Award presentations were held in a combined event in June 2018. These awards reflect the values embedded in the State Transit Corporate Plan 2018-19.

The categories and recipients for these awards were:

- **Apprentice of the Year:** Andrew Wilcock
- **Work Safe, Home Safe:** Ray Zhou, Scott Hoskin, Tony Maiuolo, Costas Niahos
- **We're Moving Sydney:** George Karageuzian, Kevork Beyleryan, Vincent Tagg
- **One Team:** James Forsyth, John Paris
- **Good-Better-Best:** Centralised Customer Feedback team trainers (Karin Althuis, James Forsyth, Leslie Khair, Scott Berriman, Simon Munday); Customer Information Team for B-Line Implementation (James Forsyth, Matthew Doyle, Anthony Christie, Shaunilee Lo Monaco and Benjamin Perrott); Selina Hatcher; Tony Traynor; Wen Lu; Andrew West
- **Value for Money:** Waverley Depot.

Appendices

Appendix 1: Management and structure (as at 30 June 2018)

Chief Executive Officer

Steffen Faurby

Reports to Secretary, Transport for NSW

Qualifications: Bachelor of Science (Mechanical Engineering), Graduate Diploma (HD) Business Administration, Graduate of the Australian Institute of Company Directors

Executive Director, Asset Management

Michael Reardon

Reports to the Chief Executive Officer

Qualifications: Certificate of Transport Management

Key responsibilities:

- Asset Security
- Operational Infrastructure
- Fleet Operations
- Bus Maintenance
- Incident Response and Emergency Management

Executive Director, Finance and Corporate Services

Craig Webster

Reports to the Chief Executive Officer

Qualifications: Bachelor of Economics, Masters in Business Administration

Key responsibilities:

- Finance
- Information and Communication Technology
- Contracts and Procurement
- Insurance
- Corporate Governance

Executive Director, Safety, Health, Environment and Quality

Wayne Potter

Reports to the Chief Executive Officer

Qualifications: Bachelor of Arts (Psychology), Bachelor of Arts in Social Work, Graduate Diploma in Occupational Health and Safety Management

Key responsibilities:

- Safety
- Health
- Environment
- Quality
- Risk and Assurance

Executive Director, People and Culture

Mark Cox

Reports to the Chief Executive Officer

Qualifications: Bachelor of Business, Masters in Human Resources

Key responsibilities:

- Human Resources
- Organisational Culture
- Training and Development
- Recruitment
- Employee and Industrial Relations

Executive Director, Transformation

Helen Jessop

Reports to the Chief Executive Officer

Qualifications: Bachelor of Arts (Accounting and Finance), Chartered Institute of Management Accountants

Key responsibilities:

- Business Process Improvement
- Project and Change Management
- Transformation Projects to deliver business efficiencies

Director, Communications

Kylie Keogh

Reports to the Chief Executive Officer

Qualifications: Post Graduate
Certificate (Applied Management)

Key responsibilities:

- Corporate and Strategic Communications
- Media Relations
- Social and Digital Media
- Issues Management
- Internal Communications

Appendix 2: Human resource statistics

The below table shows a comparison of State Transit's staff by classification
(and full-time equivalent) over the six-year period from July 2012 to June 2018.

Human resource statistics

Head count	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Operations	4191	3856	3857	4074	4115	4047
Maintenance	348	370	329	322	318	287
Administration	510	436	430	444	429	336
SES	10	0*	0*	0*	0*	0*
Transport Senior Service	N/A	36*	34*	34*	34*	24*
Total	5049	4543	4562	4686	4892	4694
Full-Time Equivalent	4847	4543	4562	4686	4695	4479
Casuals (included above)	162	116	78	100	124	181

Note: The figures are converted to full-time equivalents for part-time staff, and represent the average staffing levels for the year (they do not include overtime hours). Administration figures for 2012-13 to 2016-17 exclude positions assigned to Transport for NSW and Transport Shared Services.

* SES classification discontinued during 2013-14. Former SES and various Senior Officers transferred to Transport Senior Service classification (Level 1 to 6). Transport Senior Service (Level 2 to 6) transitioned to Transport Service Senior Executive (Band 1 to 3) from 1 July 2017

Appendix 3: Senior service contracts and remuneration

TSSE contracts and remuneration

TSSE Band	Female	Male	Total	Average of TRP
Band 1	3	4	7	$240,000
Band 2	2	4	6	$330,000
Band 3	-	1	1	$500,000
Band 4	-	-	-	-
Total	**5**	**9**	**14**	

The percentage of total salaries and wages expenditure that relates to senior executives was 1.4 per cent for 2017-18

Appendix 4: Workforce diversity

Trends in the representation of workforce diversity groups

Workforce diversity group	Benchmark / Target	% of total staff – 2015	% of total staff –2016	% of total staff – 2017	% of total staff – 2018
Women	50%	7.9%	7.5%	7.2%	6.3%
Aboriginal People and Torres Strait Islanders	2.6%	0.7%	0.9%	0.7%	0.9%
People whose first language spoken as a child was not English	19.0%	27.0%	28.5%	29.4%	48.5%
People with a disability	N/A	2.2%	2.2%	2.1%	1.8%
People with a disability requiring work-related adjustment	1.5%	2.2%	2.1%	2.1%	0.0%

Trends in the distribution of workforce diversity groups

Workforce diversity group	Benchmark / Target	2015	2016	2017	2018
Women	100	123	127	124	130
Aboriginal People and Torres Strait Islanders	100	89	88	89	87
People whose first language spoken as a child was not English	100	95	94	93	93
People with a disability	100	113	119	114	121
People with a disability requiring work-related adjustment	100	113	113	114	N/A

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

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

Appendix 5: Multicultural Policies and Services Plan

State Transit provides mainstream services for all people of NSW. We are committed to delivering services within a culturally, linguistically and religiously diverse society.

Network service planning and community stakeholder engagement for service change programs are now the principal responsibility of TfNSW. State Transit's role is to assist and support TfNSW in service change management programs.

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

The cluster-wide Multicultural Policies and Services Plan outlines how TfNSW and State Transit respond to the NSW Government's multicultural objectives and incorporate multicultural principles into their processes and systems.

We continue to work towards meeting the five objectives identified for multicultural customers:

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

Appendix 6: Agreements with Multicultural NSW

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

Appendix 7: Disability Inclusion Action Plan

State Transit maintains Disability Inclusion Action Plans for each of its bus service contracts with TfNSW. These plans are regularly reviewed, in conjunction with TfNSW, to ensure they conform to the requirements of the *Disability Inclusion Act 2014*. State Transit also implements the requirements of the *Disability Standards for Accessible Public Transport 2002* under the *Disability Discrimination Act 2012* (Commonwealth).

Progress in this area includes:

- benchmarking of State Transit's Disability Inclusion Action Plan against external best practice organisations
- progressive upgrading of the fleet, bringing the total number of wheelchair-accessible buses to 1869 buses that are wheelchair accessible (91 per cent of the fleet). This places State Transit well ahead of the 2017 target of 80 per cent
- a total of 93 per cent of scheduled route services (excluding school services) each week are wheelchair-accessible. Wheelchair-accessible buses are scheduled to operate on all trips catering for major Sydney events
- timetabled wheelchair-accessible bus services now operate on all main corridors and cross-regional routes
- competency assessment is included in training of bus operators.

Appendix 8: Risk management

State Transit recognises that the effective identification and management of risk provides greater certainty over decisions and is central to achieving business objectives.

State Transit is compliant with the *Internal Audit and Risk Management Policy for the NSW Public Sector* (TPP 15-03) published by NSW Treasury. State Transit's risk management activities are based on *ISO AS/NZS 31000: 2009 Risk Management Standard.*

State Transit's risk management program aims to improve decision-making and to minimise the negative impact of events that may affect the organisation's operational activities, reputation, compliance with regulators and the safety and security of employees, passengers and road users.

Activities relating to risk management are reviewed by State Transit's Governance and Risk Committee, comprising senior executives of State Transit, which oversees the implementation, operation and review of the risk management program. State Transit's Audit and Risk Committee, comprised of independent members, provides independent assistance to the Chief Executive Officer by overseeing and monitoring State Transit's governance, risk and control framework plus its external accountability requirements.

The delivery of bus services is paramount to State Transit's success. State Transit recognises that services are provided in an environment that may be affected by events outside its control. To assist in managing such events, State Transit has an Emergency Management Plan that provides for the effective communication and management of serious incidents. To support service delivery, State Transit has business continuity plans that detail the provision of services during and after adverse events and incidents.

Appendix 9: Ethics and corruption prevention

State Transit is committed to operating efficient, safe and reliable bus services, consistent with its legislative responsibilities. The organisation conducts its business in an ethical manner, having regard to NSW Government, Transport for NSW (TfNSW) and State Transit policies.

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

The Statement of Business Ethics, which is published on State Transit's website, provides clear guidelines on how the organisation expects its business partners to behave. It tells them what they can expect from State Transit, particularly in relation to procurement practices, safety, environmental management, reporting unethical behaviour, gifts and benefits, and conflicts of interest. All individuals and organisations that deal with State Transit must comply with these standards of ethical behaviour.

Public interest disclosures

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

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

State Transit undertook activities to promote staff awareness of the protections available, and organisational responsibilities and obligations under the Act. These included policy briefings for managers, and training for new staff through their general induction. In addition, general information updates to all staff are included in internal newsletters and State Transit's intranet.

The *Public Interest Disclosures Regulation 2011* (the Regulation) requires agencies to report the number of public interest disclosures received during the reporting period. In accordance with regulation 4 of the Regulation and section 31 of the Act, the tables below show the number of public interest disclosures received by State Transit and the main concerns raised.

Public interest disclosure statistics

	Number
Number of public officials who have made a public interest disclosure to State Transit	0
Total number of public interest disclosures received by State Transit	0
Number of public interest disclosures finalised	1

Main concerns identified in public interest disclosures received

	Number
Corrupt conduct	0
Maladministration	0
Serious and substantial waste	0
Government information contravention	0
Local government pecuniary interest contravention	0

Fraud and corruption prevention

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

State Transit maintains a Fraud Control Plan compliant with NSW Treasury Policy (TPP 18-02) *Fraud and Corruption Control,* which details the fraud and corruption prevention activities aimed at reducing fraud and corruption risk within the workplace. The program is supported by a suite of procedures providing guidance and advice to staff and management on a wide range of corruption risks, ethical, probity and policy issues. To raise general awareness of corruption prevention issues, information is regularly published in State Transit's staff newsletter. An annual review of policies and procedures ensures currency with obligations under legislation. Training courses conducted by the education units of the Independent Commission Against Corruption and NSW Ombudsman on corruption awareness, corruption prevention and internal investigations of corrupt conduct are scheduled bi-annually.

Throughout the year, State Transit fulfils its statutory obligations by reporting relevant matters to the Independent Commission Against Corruption and the NSW Ombudsman.

The Audit and Risk Committee reviews State Transit's annual Internal Audit Plan, the coverage provided by audit projects and the resources of the internal audit function. The results, progress and performance of the internal audit program are regularly reviewed by the Audit and Risk Committee.

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

State Transit's management is responsible for ensuring that appropriate corrective actions appropriate corrective actions identified by the internal audit program are taken in a timely manner to address reported areas for improvement.

The status of corrective actions is monitored by State Transit's Governance and Risk Committee and the Audit and Risk Committee.

Appendix 10: Internal audit

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

During 2017-18, O'Connor Marsden & Associates (OCM) partnered with State Transit in the delivery of its internal audit services. At State Transit, the internal audit service delivery model consists of an in-house Chief Audit Executive, an audit support service and OCM as a contracted external service provider. The model was selected to provide State Transit with access to a wide range of internal auditing skills, to meet State Transit's changing risk profile and environment.

Appendix 11: Internal audit and risk management attestation

Transport State Transit — NSW Government

Internal Audit and Risk Management Attestation for the 2017-18 Financial Year for the State Transit Authority of New South Wales

I, Steffen Faurby, Chief Executive, am of the opinion that the State Transit Authority of New South Wales has internal audit and risk management processes in operation that are compliant with the eight (8) core requirements set out in the Internal Audit and Risk Management Policy for the NSW Public Sector, specifically:

Core Requirements	Compliant, non-compliant, or in transition
1.1 The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2 A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant
2.1 An internal audit function has been established and maintained	Compliant
2.2 The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3 The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
3.1 An independent and Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2 The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3 The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

The Chair and Members of the Audit and Risk Committee are:

- Independent Chair, Allan Cook, (July 2014 to June 2018)
- Independent Member, Carolyn Walsh, (March 2016 to February 2019)
- Independent Member, Greg Fletcher, (July 2017 to June 2020)

These processes demonstrate that The State Transit Authority of New South Wales has established and maintained frameworks, including systems, processes and procedures for appropriately managing audit and risk within the agency.

Steffen Faurby
Chief Executive
State Transit Authority
1 August 2018

Appendix 12: Digital information security annual attestation

Transport
NSW GOVERNMENT | State Transit

Digital information security attestation statement for the 2017-18 financial year for State Transit

I, Steffen Faurby, am of the opinion that State Transit had an Information Security Management System (ISMS) in place during the 2017-18 financial year that is consistent with the core requirements set out in the NSW Government Digital Information Security Policy.

The controls in place to mitigate identified risks to the digital information and digital information systems of State Transit are adequate.

There is no agency under the control of State Transit which is required to develop an independent ISMS in accordance with the NSW Government Digital Information Security Policy.

Steffen Faurby
Chief Executive Officer
State Transit

Appendix 13: Annual environment report

In 2017-2018, an updated Environmental Policy was published and promulgated throughout State Transit.

Nil EPA or LGA notices or penalties were issued during the financial year, meeting a key environmental performance target.

A total of 19 environmental incident reports were received and reviewed by the Principal Environment Manager. Three incidents were notified to the regulator, as having a potential to cause material harm. These were appropriately investigated and managed to the regulator's satisfaction.

Public environmental complaints equalled 350, up 1.5 per cent from the previous year. The majority of these complaints related to noise or smoke from prolonged idling.

State Transit's fleet emissions' profile continued to improve with new replacement or growth buses, such that 80 per cent of the fleet is of a Euro 3 or higher emissions standard.

Our total greenhouse emissions for the 2017-18 financial year decreased by 19 per cent to approximately 137,000 tonnes $CO_2(e)$, due in part to no longer operating within the Newcastle Region.

Our depot electricity consumption decreased by nine per cent from the previous year due to energy efficiency and conservation measures.

Potable water consumption also decreased by 2.8 per cent to 74,423kL in 2017-18. Much of these mains water savings were achieved via rainwater and stormwater harvesting systems supplementing or displacing potable water use.

In 2017-18, State Transit recycled some 1353 tonnes of solid or liquid wastes while sending 636 tonnes of waste to landfill, to achieve a recycling rate of 68 per cent, a small decrease on the previous year's rate.

The principal recycled waste stream totals included:

	tonnes
Liquid oily water waste	565
Recycled batteries	344
Recycled metals	209
Recycled waste oil	116
Recycled coolant	107
Paper & cardboard recycled waste	9.7
Fluorescent tubes	2.2

For WRAPP Reporting under the Government Resource Efficiency Policy, the three primary waste streams by volume were oily water, recycled batteries and recycled metals. Individual waste streams cost data was not available however State Transit's Total Waste Management spend (all waste streams) for the last three financial years is as summarised below:

Financial Year $K	2015-16	2016-17	2017-18
Total waste management spend	773	795	656

Appendix 14: Summary of land

In accordance with section 41B(1)(d) of the *Public Finance and Audit Act 1983*, the following is a summary of State Transit's land holding as at 30 June 2018 according to actual use of the land.

Summary of land

Land Use Classification	$'000
bus depots	176,679
minor operational assets	1936
commercial properties	9430
Total	**188,045**

Appendix 15: Disposal of property

During the year, State Transit transferred land associated with Newcastle operations, on termination of the Outer Sydney Metropolitan Bus Service Contract, to Transport for NSW. The land was valued at $8,052K. State Transit also sold land in Alison Road, Randwick, to Transport for NSW, for $239K.

Appendix 16: Income and expenditure

Income

	2016-17 Actual $'000	2017-18 Actual $'000	2017-18 Budget $'000	2017-18 Variance $'000	2017-18 Variance %
Operational revenue	618,721	579,472	567,942	11,530	2.03
Interest	27,816	25,367	24,871	496	1.99
Other revenue	36,526	36,100	24,493	11,607	47.39
Total income	**683,063**	**640,939**	**617,306**	**23,633**	**3.83**

Expenditure

	2016-17 Actual $'000	2017-18 Actual $'000	2017-18 Budget $'000	2017-18 Variance $'000	2017-18 Variance %
Personnel services	403,349	438,077	429,970	(8107)	(1.89)
Depreciation and amortisation	13,321	12,867	12,724	(143)	(1.12)
Fleet running expenses	99,146	89,156	94,166	5010	5.32
Borrowing costs	9316	7206	6618	(588)	(8.88)
Other operating costs	73,877	72,154	65,201	(6953)	(10.66)
Total expenditure	**599,009**	**619,460**	**608,679**	**(10,781)**	**(1.77)**

Profit/(Loss)

	2016-17 Actual $'000	2017-18 Actual $'000	2017-18 Budget $'000	2017-18 Variance $'000	2017-18 Variance %
Profit/(loss)	84,054	21,479	8627	12,852	148.97

State Transit reported a profit of $23.4 million for 2017-18. The operating budget for 2018-19 is a surplus of $4.2 million comprising total revenue of $448.2 million and total expenditure of $444 million.

Further commentary on financial performance is included as part of Service Delivery and Growth Strategies (see Page 21).

Appendix 17: Funds granted to non-government community organisations

State Transit made the following donation to a non-Government community organisation during 2017-18: Mission Australia $500.

Appendix 18: Liability management performance

In the year ended 30 June 2018, the market cost of funds of State Transit's debt portfolio, which includes actual interest costs, accrued interest costs, the amortisation of bond premium or discount amounts, and the change in market capital value of the debt portfolio, was 2.72 per cent.

Appendix 19: Investment management performance

In 2017-18, State Transit did not have funds invested in NSW Treasury Corporation's investment facility. Surplus funds generated were used to repay borrowings of approximately $1.5M.

Appendix 20: Performance in paying accounts for all suppliers

Performance in paying accounts for all suppliers

Measure	September 2017	December 2017	March 2018	June 2018
Number of accounts due for payment	14,786	14,670	12,070	15,174
Number of accounts paid on time	14,676	14,567	11,782	15,004
Actual percentage of accounts paid on time (%)	99.3%	99.3%	97.6%	98.9%
Dollar amount of accounts due for payment	$65,630,065	$60,652,581	$57,760,065	$99,053,032
Dollar amount of accounts paid on time	$65,348,006	$60,305,244	$57,005,000	$98,198,645
Actual percentage of accounts paid on time (%)	99.6%	99.4%	98.7%	99.1%
Number of payments for interest on overdue accounts	NIL	NIL	NIL	NIL
Interest paid on overdue accounts	NIL	NIL	NIL	NIL

Performance in paying accounts for small business suppliers

Measure	September 2017	December 2017	March 2018	June 2018
Number of accounts due for payment	1552	1523	1144	1678
Number of accounts paid on time	1541	1520	1135	1672
Actual percentage of accounts paid on time (%)	99.3%	99.8%	99.2%	99.6%
Dollar amount of accounts due for payment	$1,489,452	$1,719,816	$1,339,872	$1,493,611
Dollar amount of accounts paid on time	$1,480,370	$1,710,381	$1,335,779	$1,486,148
Actual percentage of accounts paid on time (%)	99.4%	99.5%	99.7%	99.5%
Number of payments for interest on overdue accounts	NIL	1	NIL	NIL
Interest paid on overdue accounts	NIL	136.33	NIL	NIL

Aged transactions by quarter for all suppliers and small business suppliers

Quarter	Current count	31–60	61–90	90+	Total count
All suppliers					
Sep-17	2083	13	5	9	2110
Dec-17	1248	77	7	10	1342
Mar-18	1901	23	3	7	1934
Jun-18	459	28	10	22	519
Small business suppliers					
Sep-17	225	2	-	-	227
Dec-17	105	3	-	1	109
Mar-18	209	-	-	1	210
Jun-18	57	1	-	1	59

Quarter	Current $'000	31–60 $'000	61–90 $'000	90+ $'000	Total Amount $'000
All suppliers					
Sep-17	5008	6	7	13	5033
Dec-17	3534	61	4	0	3599
Mar-18	5844	125	1	-3	5966
Jun-18	6919	199	5	-5	7117
Small business suppliers					
Sep-17	353	-1	-	-	351
Dec-17	124	3	-	-2	125
Mar-18	221	-	-	-2	219
Jun-18	62	1	-	-2	61

Appendix 21: Response to matters raised by the NSW Auditor-General

There were no significant matters identified by the Auditor-General in the statutory Audit Report.

Appendix 22: Legislation

The State Transit Authority of NSW is constituted as an operating body without policy or regulatory functions and is not charged with the administration of legislation. However, set out below is an overview of the legislation directly relevant to the State Transit Authority of NSW during 2017-18.

Transport Administration Act

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

Regulations

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

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

Orders

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

Passenger Transport Act

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

Appendix 23: Privacy management

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

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

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

In accordance with the plan, State Transit informs all individuals when collecting personal information how the details will be used and to whom the personal information may be passed.

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

Appendix 24: Government Information (Public Access) (GIPA) Act

Review of proactive release program – clause 7(a)

Under section 7 of the GIPA Act, agencies must review their programs for the release of government information to identify the kinds of information that can be made publicly available. This review must be undertaken at least once every 12 months. State Transit's Agency Information Guideline is published annually on its website.

State Transit's program involves the proactive release of information concerning State Transit's operations, functions and structure and its performance in the provision of passenger transport services.

This includes:

- publication of State Transit's annual report and Corporate Plan
- details on State Transit's fleet of buses
- transport news and announcements, timetable changes and other travel information regularly publicised through the Transport for NSW and State Transit websites
- the publication of performance information
- customer service charter
- accessible transport plan
- environmental management plan
- passenger relations plan
- code of conduct
- statement of business ethics.

All key publications are available on the State Transit website or through the Transport Info website at **transportnsw.info**

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

- examining the types of information being requested through formal and informal applications
- assessing the type of information held by State Transit
- analysing the types of information proactively released by other agencies.

Number of access applications received – clause 7(b)

During the reporting period, State Transit received a total of 16 formal access applications (including withdrawn applications but not invalid applications).

Number of refused applications for Schedule 1 information – clause 7(c)

During the reporting period, State Transit refused two applications (one wholly and one partly) because the information requested was information referred to in Schedule 1 of the GIPA Act.

Statistical information about access applications – clause 7(d) and Schedule 2

Table A: Number of applications by type of applicant and outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held
Media	0	2	0	2
Members of Parliament	2	1	0	1
Private sector business	0	0	0	0
Not-for-profit organisations or community groups	0	0	0	0
Members of the public (application by legal representative)	1	6	2	5
Members of the public (other)	0	0	0	1

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

	Information already available	Refuse to deal with application	Refuse to confirm/ deny whether information is held	Application withdrawn
Media	0	0	0	0
Members of Parliament	0	0	0	0
Private sector business	0	0	0	0
Not-for-profit organisations or community groups	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0
Members of the public (other)	0	0	0	0

*More than one decision can be made in respect of a particular access application. If so, a recording will be made in relation to each such decision. This also applies to Table B.

Table B: Number of applications by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held
Personal information applications*	0	1	2	2
Access applications (other than personal information applications)	3	2	0	3
Access applications that are partly personal information applications and partly other	0	6	0	4

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

	Information already available	Refuse to deal with application	Refuse to confirm/ deny whether information is held	Application withdrawal
Personal information applications*	0	0	0	0
Access applications (other than personal information applications)	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0

A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Table C: Invalid applications

Reason for invalidity	Number of application
Application does not comply with formal requirements (section 41 of Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act

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

*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration will be recorded. This also applies in relation to Table E.

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act

	Number of occasions when application not successful
Responsible and effective government	4
Law enforcement and security	0
Individual rights, judicial processes and natural justice	5
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	5
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	13
Decided after 35 days (by agreement with applicant)	3
Not decided within time (deemed refusal)	0
Total	**16**

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT (NCAT)	0	0	0
Total	**0**	**0**	**0**

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

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

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

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

	Number of applications transferred
Agency-initiated transfers	4
Applicant initiated transfers	0

Appendix 25: Consultancy fees

The following table is a summary of consultancy fees incurred during the year. Expenditure relating to high-level specialists or professional advice that assists managerial decision-making is classified as a consultancy fee.

Consultancy fees	$'000
Where consultancy fees exceeded $50,000	165
Where consultancy fees paid were less than $50,000	Nil

Appendix 26: Overseas travel

There was no overseas travel undertaken by any State Transit employee in the 2017-18 financial year.

Appendix 27: Digital recordkeeping

State Transit has established the capability to formally manage digital records in accordance with Government policies and standards.

Appendix 28: Customer response

State Transit's Customer Relations staff provide timely, accurate responses to customer feedback and ensure effective resolution of issues in each operational area.

In late May 2018, State Transit strengthened its Customer Feedback Team by relocating it to a centralised area, enabling quicker and more meaningful responses than ever before. Customer feedback on State Transit's bus services in Sydney includes queries, compliments, feedback and complaints that are received via Transport Info (**transportnsw.info** and via the **131 500** feedback line), letters and from other sources.

State Transit continues to encourage its customers to report all feedback via the above channels to assist with the improvement of its overall service. Internally, State Transit has a strong commitment to responding to feedback. This ensures that promotion of the customer feedback process is a focus within the organisation.

In 2017-18, State Transit saw a 4.79 per cent decrease in the amount of customer feedback received (44,752 compared to 47,006 in 2016-17). Customer feedback included enquiries, complaints, compliments and general feedback.

This decrease in customer feedback reflects various initiatives introduced by State Transit in 2017-18 to increase the standard of customer service and improve overall customer satisfaction. These initiatives included:

- continuation of a comprehensive review of on-time running of bus services and the implementation of updated running times to improve reliability of services
- continuation of the bus operator development day training program, which has a strong focus on customer service
- implementation of additional services as part of the Transport for NSW Growth Services program and adjustment of services where required as a result of customer feedback
- the use of speakers in some buses to provide direct communication to customers while they travel.

State Transit continues to encourage customers to provide feedback on bus services and is committed to investigating and responding to feedback where required. The primary topics of customer feedback during 2017-18 related to buses being late, failing to stop, staff behaviour and service reliability. A large proportion of complaints relating to late or unreliable buses is attributable to construction works associated with major infrastructure projects.

Breakdown of complaints received by channel

Source	2016-17	2017-18
Phone **131 500**	18,682	16,680
Online channels	18,147	19,400
Letters	166	1
Ministerial correspondence	254	248
Total complaints	**37,249**	**36,329**
Other feedback	9757	8423

In 2017-18, State Transit received 36,329 customer complaints (or 18 complaints per 100,000 passengers boarding).

Appendix 29: Service changes

Rail and ferry timetable changes

From 26 November 2017, both Sydney Trains and Sydney Ferries introduced new changes to their timetables to improve the customer experience and connectivity between modes of transport. In response, minor timetable adjustments were made to 35 bus routes across Regions 6 and 7.

Light rail construction

The construction of the Central Business District (CBD) and South East Light Rail continued in the CBD and Eastern Suburbs. Works in the Kensington area resulted in many routes near the University of New South Wales (UNSW) being diverted or having their stops relocated temporarily.

Permanent changes from 26 November 2017 included new routes: **Route 893**, which departs from High Street, Kensington (Gate 3) and **Route 898**, which departs from High Street (Gate 8) to Central.

On-time running review

In 2017-18, timetable adjustments were made to many routes to improve reliability, with the implementation of an on-time running review for Regions 7 and 9. The on-time running review was mostly for weekday timetables, plus some weekend timetables in Region 9. Major corridors included in the review were:

- Region 7 – Lane Cove (via Freeway): **Routes 251 and 253**
- Region 7 – Lane Cove (via Pacific Highway): **Routes 252 and 254**
- Region 7 – Epping Road: **Routes 285, 286, 287, 288, 290, 291, 292, 293, 294 and 297**
- Region 7 – Victoria Rd: **Routes 500, X00, 501, 502, 505, 506, X06, 507, 508, 510, 513, 515, X15, 518, X18, 520 & M52**
- Region 9 – Bondi Road/Oxford Street corridor: **Routes 352, 333, 380, 381 and 382**.
- Region 9 – Botany Road corridor: **Routes 309, 310, X09, X10 and L09**
- Region 9 – New South Head Road and Old South Head Road corridor: **Routes 200, 323, 324, L24, 325, 326, 327 and 328**
- many other routes in both the Western and Eastern Region.

Growth Services Program

Throughout the year, State Transit introduced additional services and made timetable adjustments as part of the Transport for NSW's Growth Services Program.

In November 2017, both Region 7 and 9 timetables were adjusted along various corridors where additional trips were added on weekdays and weekends. These included:

- Region 7 – **Routes 251, 267, 285, 289, 294, 297, 533 and 534**
- Region 9 – **Routes 324, 333, 352, 353, 360, 370, 374, X74, 379, X79, 380, 381, 389, X92, 418, 440 and M20**.

Further introduction of Growth Services occurred in May 2018, when Region 7 timetables were adjusted with additional trips being added on weekdays and weekends. These included: **Routes 500, 501, 506, 507, 510, 513, 518, X18, 520, 521, 545, 546, 549, M52 and M54**.

Fare integrations/service optimisation and reallocation

State Transit, along with Transport for NSW, made service changes and timetable adjustments periodically to take full advantage of the Opal fare structures encouraging modal transfer. These included:

- Region 6 (effected in November 2017) – **Routes 389, 440, 530 and M30**
- Region 6 (effected in May 2018) – **Routes 422, 423, L38, L39, 444, 462, 463, 464, 466 and 504**
- Region 7 (effected in November 2017) – **Routes 267, 272, 289, 292 and 297**
- Region 7 (effected in May 2018) – Routes **507, 545, 546, 547 and 549**
- Region 9 (effected in November 2017) – **Routes 333, 360, 380, 379, X79, 389, 392, X93 and 440**.

Introduction of B-Line

In Region 8, the B-Line service was introduced on 26 November 2017 as a high frequency, high capacity service between Mona Vale and Wynyard. It became the first headway bus service in NSW.

There were also changes to other bus routes within Region 8 along Military Road, Pittwater Road and the local bus network.

Headway routes

In May 2018, minor timetable changes were made to provide headway timetables for weekdays during the peak and day off-peak times. These included: **Routes 333, 343, 379, 389, 431, 440, 470, 545, E65 and E70**.

Additional trips and route extensions

The annual summer 'Beachrunner' service, **Route 362**, operated from October 2017 until April 2018 linking Coogee, Bronte, Tamarama and Bondi beaches.

Abbotsford Wharf was closed between February and June 2018 while reconstruction works were undertaken by Roads and Maritime Services. A temporary shuttle, **Route 437**, conveyed customers between Abbotsford Wharf and the nearest operating wharf at Chiswick.

In November 2017, State Transit won the bid to operate some Night Ride routes. These were implemented on 1 March 2018. They included:

- **Route N10** – Town Hall to Sutherland
- **Route N11** – Town Hall to Cronulla
- **Route N90** – Town Hall to Hornsby via Chatswood
- **Route N91** – Bondi Junction Interchange to Macquarie Park.

Separation of Region 6 services

In March 2018, State Transit undertook the separation of all Region 6 routes from other regions to ensure a smooth transition to the new operator. This transition was finalised in June 2018, and the new operator commenced bus operations for Region 6 on 1 July 2018.

Appendix 30: Annual Report accessibility requirements

The State Transit Annual Report was produced in-house and complies with Web Content Accessibility Guidelines (WCAG) 2.0, as per the NSW Premier's Circular 2012-08 NSW Government Website Management.

State Transit's financial statements in Volume 2 of this report are not WCAG 2.0 compliant. If assistance is required to access this volume of the report, please call (02) 8202 2200.