

NSW Department of Transport

Annual Report 98-99

Financial Statements





NEW SOUTH WALES **DEPARTMENT OF TRANSPORT**
DIRECTOR GENERAL

227 ELIZABETH STREET
SYDNEY NSW
GPO BOX 1620
SYDNEY NSW 2001
AUSTRALIA

**STATEMENT BY DEPARTMENT HEAD
NSW DEPARTMENT OF TRANSPORT
Year ended 30 June 1999**

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

- a) The accompanying financial statements have been prepared in accordance with the Provisions of the Public Finance and Audit Act 1983, the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent Agencies, the applicable clauses of the Public Finance and Audit (General) Regulations 1995, Treasurer's Directions issued under section 9(2) of the Act and other mandatory professional reporting requirements including those requirements of the Urgent Issues Group Consensus Views;
- b) the statements exhibit a true and fair view of the financial position and transactions of the Department; and
- c) there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

A handwritten signature in blue ink, appearing to read 'Jock Murray', with a long horizontal line extending to the right.

JOCK MURRAY

24 SEP 1999



BOX 12 GPO
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT NSW DEPARTMENT OF TRANSPORT

To Members of the New South Wales Parliament and Director-General

Scope

I have audited the accounts of the NSW Department of Transport for the year ended 30 June 1999. The Director-General is responsible for the financial report consisting of the accompanying statement of financial position, operating statement, statement of cash flows, program statement-expenses and revenues and summary of compliance with financial directives, together with the notes thereto and information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament and the Director-General based on my audit as required by sections 34 and 45F(1) of the *Public Finance and Audit Act 1983*. My responsibility does not extend here to an assessment of the assumptions used in formulating budget figures disclosed in the financial report.

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

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

- core business activities being in accordance with the *Transport Administration Act 1988* and approved program descriptions
- the Department's policies and procedures in respect of trust account operations
- the Department's policies and procedures in respect of grants made to entities external to the NSW public sector.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the requirements of the *Public Finance and Audit Act 1983*, Accounting Standards and other mandatory professional reporting requirements so as to present a view which is consistent with my understanding of the Department's financial position, the results of its operations and its cash flows.

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

Qualification

As disclosed in notes 1a, 1t and 18, following administrative restructuring and in accordance with a Treasurer's Direction, the Department has recognised assets and liabilities transferred to its control as an adjustment to the opening balance of Accumulated Funds.

In my opinion, this is a departure from the requirements of Australian Accounting Standard AAS29 "Financial Reporting by Government Departments" and the value of net assets at the date of transfer of \$1.76m should have been recognised as revenue within the operating statement. Had this been done the net cost of services for the Department would have been reduced by this amount to \$1,823.22m and the surplus for the year would have increased by this amount to \$37.67m. There would be no effect on net assets.

Qualified Audit Opinion

In my opinion, the financial report of the NSW Department of Transport complies with section 45E of the Act and, except for the effect on the financial report of the matter referred to in the qualification paragraph, presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of the Department as at 30 June 1999, and the results of its operations and its cash flows for the year then ended.



R J Sendt
Auditor-General

SYDNEY
24 September 1999

BEGINNING OF AUDITED FINANCIAL STATEMENTS

NSW DEPARTMENT OF TRANSPORT		NOTES	ACTUAL	BUDGET	ACTUAL
OPERATING STATEMENT			1999	1999	1998
for the year ended 30 June 1999			\$000	\$000	\$000
EXPENSES					
Operating Expenses					
Employee Related	3a	17,704	15,376	15,322	
Other Expenses	3b	14,369	7,551	9,095	
Maintenance	3c	14	66	-	
Depreciation and Amortisation	3d	708	830	600	
Grants and Subsidies	3e	1,824,844	1,806,568	1,878,930	
Other Expenses	3f	4,807	4,098	6,617	
Total Expenses		1,862,446	1,834,489	1,910,564	
less:					
RETAINED REVENUE					
Sale of Goods & Services	4a	934	714	-	
Investment Income	4b	2,449	1,097	2,187	
Retained Taxes, Fees and Fines	4c	1,109	-	213	
Grants and Contributions	4d	22,179	25,423	13,846	
Other Revenue	4e	6,319	-	2,421	
Emerging Value of Private Sector Provided Infrastructure	4f, 24	4,545	-	4,513	
Total Retained Revenue		37,535	27,234	23,180	
Loss (Gain) on Sale of Non-Current Assets	5	67	-	6	
NET COST OF SERVICES	29	1,824,978	1,807,255	1,887,390	
GOVERNMENT CONTRIBUTIONS					
Recurrent Appropriation	6	1,839,140	1,785,981	1,867,456	
Capital Appropriation	6	19,671	13,680	15,810	
Acceptance by the Crown Entity of Employee Entitlements and Other Liabilities	7	2,080	2,018	1,774	
Total Government Contributions		1,860,891	1,801,679	1,885,040	
SURPLUS/(DEFICIT) FOR THE YEAR		35,913	(5,576)	(2,350)	

[The accompanying notes form part of these statements]

NSW DEPARTMENT OF TRANSPORT STATEMENT OF FINANCIAL POSITION as at 30 June 1999	NOTES	ACTUAL 1999 \$000	BUDGET 1999 \$000	ACTUAL 1998 \$000
ASSETS				
Current Assets				
Cash	8	57,537	16,185	19,894
Investments	9	1,357	1,633	-
Receivables	10 (a)	5,900	2,549	5,734
Other	10 (b)	6,524	9,822	8,989
Total Current Assets		71,318	30,189	34,617
Non-Current Assets				
Plant and Equipment	11	1,952	1,910	1,703
Investments	12	97,400	97,400	97,400
Receivables		-	140	-
Other	13	9,248	-	4,759
Total Non-Current Assets		108,600	99,450	103,862
TOTAL ASSETS		179,918	129,639	138,479
LIABILITIES				
Current Liabilities				
Accounts Payable	15	32,919	26,797	29,568
Employee Entitlements	16	1,698	1,400	1,101
Lease Liability	17	183	167	183
Total Current Liabilities		34,800	28,364	30,852
Non-Current Liabilities				
Lease Liability	17	198	214	380
TOTAL LIABILITIES		34,998	28,578	31,232
NET ASSETS		144,920	101,061	107,247
EQUITY				
Accumulated Funds		144,920	101,061	107,247
TOTAL EQUITY	18	144,920	101,061	107,247

[The accompanying notes form part of these statements]

NSW DEPARTMENT OF TRANSPORT		NOTES	ACTUAL	BUDGET	ACTUAL
STATEMENT OF CASH FLOWS for the year ended 30 June 1999			1999	1999	1998
			\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments					
Employee Related			(15,901)	(13,210)	(13,368)
Grants and Subsidies			(1,829,200)	(1,806,568)	(1,874,472)
Other			(12,574)	(11,390)	(12,674)
Total Payments			(1,857,675)	(1,831,168)	(1,900,514)
Receipts					
Sale of Goods & Services			916	146	-
Retained Taxes, Fees and Fines			1,109	-	203
Interest Received			2,012	1,085	2,099
Other			31,657	27,307	14,398
Total Receipts			35,694	28,538	16,700
Cash Flows from Government					
Recurrent Appropriation	6		1,860,056	1,785,981	1,867,456
Capital Appropriation	6		19,671	13,680	15,810
Cash Reimbursements from the Crown Entity	6		404	316	282
Cash transfers to the Consolidated Fund	6		(20,916)		
Net Cash Flows from Government			1,859,215	1,799,977	1,883,548
NET CASH FLOWS FROM OPERATING ACTIVITIES	29		37,234	(2,653)	(266)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from Sale of Plant and Equipment	5		2	47	4
Purchases of Plant and Equipment	27		(343)	(644)	(1,009)
Advances Made			-	(143)	-
NET CASH FLOWS FROM INVESTING ACTIVITIES			(341)	(740)	(1,005)
NET INCREASE / (DECREASE) IN CASH			36,893	(3,393)	(1,271)
Opening Cash and Cash Equivalents	8		22,001	21,211	21,165
CLOSING CASH AND CASH EQUIVALENTS	8		58,894	17,818	19,894

[The accompanying notes form part of these statements]

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a) Reporting Entity**

The NSW Department of Transport as a reporting entity comprises all the operating activities and entities under the control of the Department excluding operations reported under separate financial statements for the Air Transport Council and Tow Truck Authority of NSW. The Department of Transport provides administrative support to these entities but is not a controlling entity.

An administrative restructure came into effect on 8th of April 1999 that transferred the Marine Administration program from the former Ministry for Forests and Marine Administration to the Department of Transport. Accordingly these financial statements report the performance of the additional activity while under the control of the Department. The restructured treatment is reflected in accordance with a Treasurer's Direction (NSW Treasury Circular 99/07).

Net assets of the Marine Administration program, totalling \$1.76m were transferred to the Department with a corresponding adjustment to the Department's equity.

Financial details of the restructure are shown in note 18 and in the Program Statement.

b) Basis of Accounting

The Department's financial statements are a general purpose financial report prepared on an accruals basis and in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements, the requirements of the Public Finance and Audit Act and Regulations and the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer under section 9(2)(n) of the Act.

Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

Statements of Accounting Concepts are used as guidance in the absence of applicable Accounting Standards, Urgent Issues Group Consensus Views and legislative requirements.

Except for certain investments and property, plant and equipment, which are recorded at valuation, the financial statements are prepared in accordance with the historical cost convention. The Cash Flow Statement has been prepared on a cash basis using the direct method. All amounts are rounded to the nearest one thousand dollars, except where otherwise stated, and are expressed in Australian currency. The accounting policies adopted are consistent with those of the previous year.

The Department is investigating if and to what extent the date change from 1999 to 2000 may affect its activities. To ensure that all significant operations are Year 2000 compliant, it has established a program to overcome the impact of the transition to the Year 2000 on the Department and its customers.

The Department does not expect its own activities to be significantly impacted by the date change however, its operation may be affected by the ability of third party service providers to manage the date change. Therefore there can be no assurance that the effect of the date change will not materially affect the Department's operation and financial results.

c) Parliamentary Appropriations and Contributions from Other Bodies

Parliamentary appropriations and contributions from other bodies (including grants and donations) are recognised as revenues when the agency obtains control over the assets comprising the appropriations and/or contributions. Control over those items is normally obtained upon the receipt of cash.

With effect from the financial year 30 June 1999, appropriations are received on an agency basis. Prior to 1998-99, agencies received appropriations on a program basis. This change has resulted in a change in the Summary of Compliance with Financial Directives as program information is no longer required in the Summary of Compliance.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**d) Employee Entitlements****i) Wages and Salaries, Annual Leave, Sick Leave and On-Costs**

Liabilities for wages and salaries, annual leave and vesting sick leave are recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

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

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

ii) Long Service Leave and Superannuation

The Department's liabilities for long service leave and superannuation are assumed by the Crown Entity. The agency accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of Employee Entitlements and Other Liabilities".

Long service leave is measured on a nominal basis. The nominal method is based on the remuneration rates at year end for all employees with five or more years of service. It is considered that this measurement technique produces results not materially different from the estimate determined by using the present value basis of measurement.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (ie. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (ie. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

e) Insurance

The Department's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past experience.

f) Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Department. Cost is determined as the fair value of the assets given as consideration plus the costs incidental to the acquisition.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition. Fair value means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction

g) Plant and Equipment

Plant and equipment costing \$5,000 and above individually are capitalised.

Office furniture and equipment and computer equipment are valued at historical cost less accumulated depreciation. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition.

h) Depreciation of Non-Current Physical Assets

Depreciation is provided on a straight line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the entity. The principal rates used for office furniture and equipment were up to 14.3% ,computer equipment, 25.0% and Motor Vehicles , 15%.

i) Investments

Marketable securities and deposits are valued at market valuation or cost. Non marketable securities are brought to account at cost. Non - current investments are recorded at fair value at the date of contribution of economic resources (Note 12).

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**j) Private Sector Provided Infrastructure**

The Department's reversionary interest in the Ultimo-Pyrmont Light Rail Train system has been valued by reference to the emerging share of the gross replacement cost of the asset apportioned over the period of the agreement.

k) Leased Assets

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

l) Government Allocations

Monetary and non-monetary resources which are allocated to the Department by the Government and which are controlled by the Department are recognised as revenue of the period in which they are received. Non-monetary allocations are recognised at fair value.

m) Grants and Subsidies Accrued and Prepaid

Amounts accrued and prepaid in respect of grants and subsidies have been determined in accordance with the various contractual and scheme rates applicable as at the end of the financial year.

n) Special-Purpose Taxi Loans

Interest free loans, solely for the purchase of new special-purpose taxis and the replacement of existing special-purpose taxis in country areas, are repayable by equal quarterly instalments over a 5 year period. The Department has a total facility of \$400,000 to provide individual loans not exceeding \$30,000. The loans outstanding at the end of the financial year have been included in current and non-current assets.

o) Maintenance Expenses

In accordance with Treasury guidelines and in light of capitalisation guidelines as issued by Treasury, the Department is not required to report maintenance expenditure as a separate Operating Statement item as no major assets falling into this category were owned at 30 June 1999.

p) Reclassification of Comparatives

Comparative amounts have been reclassified in accordance with changes to the presentation made in the current year.

q) Administered Activities

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

Transactions and balances relating to the administered activities are not recognised as the agency's revenues, expenses, assets and liabilities but are disclosed in the accompanying schedules as "Administered Revenues", "Administered Expenses", "Administered Assets" and "Administered liabilities".

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

r) Financial Instruments

Financial instruments give rise to positions that are a financial asset of either Department of Transport or its counterparty and a financial liability of the other party. For the Department these include cash at bank, receivables, investment, trade creditors and accruals. In accordance with AAS 33 "Presentation and Disclosure of Financial Instruments" information is disclosed in Note 22.

s) Year 2000 compliance Costs

Expenditure including external consulting fees and other external costs, except those of a capital nature, which is incurred to make internal use computer software compatible with the year 2000 is expensed as it occurs.

t) Administrative Restructuring

The transfer of net assets between agencies as a result of administrative restructuring is treated as a direct adjustment to the opening balance of "Accumulated Funds". This treatment is required by Treasury Circular 7 of 30/06/99

2 BUDGET REVIEW**NET COST OF SERVICES**

The actual Net Cost of Services of \$1,824,978m reflects over-expenditure against budget of \$17.729m (0.98%). The major items contributing to the variance are:-

	Variance \$,000
Grants and Subsidies	(18,276)
Other Operating Expenses	(6,818)
Retained Revenue	10,301

The Grants and Subsidies variance is due mainly to higher than budgeted payments to the State Rail Authority (SRA) for redundancy costs, largely offset by savings in SRA transitional payments (to fund employee liabilities that existed prior to the restructure of the railways on 1st July 1996), and lower Rail Services Australia redundancy payments.

Other Operating Expenses exceeded the original budget mainly due to expenditure on behalf of the transport portfolio on initiatives such as the Sydney Public Transport Directory and Discover Public Transport Week, as well as rail safety investigation costs, and the Integrated Ticketing Project. Most of the costs were funded by other agencies (Note 4e) and Treasury.

Other Revenue was higher than budget due mainly to the recognition of the emerging value of Ultimo-Pyrmont Light Rail Transit system (\$4.5m) as an asset of the Department (Notes 4f,24), higher Taxes, Fees and Fines (mainly Taxi Operators' Accreditation Renewals - Note 4c), higher income from interest on cash balances, and cost recoveries of the transport portfolio initiatives mentioned above (Note 4e).

ASSETS and LIABILITIES

Current Assets are \$41.129 million above budget due mainly to increase in cash. Of the cash balance of \$57.537m, \$32.919m is for Accounts Payable (Note 15). The remaining balance is mainly represented by unspent recurrent appropriations.

Non-Current Assets are \$9.150 million above budget due to the recognition of an additional emerging share of the Department's interest in the Ultimo-Pyrmont Light Rail Transit (UPLRT) system (Notes 13, 24).

Current Liabilities are \$6.436 million above budget due to an increase in Accounts Payable accruals and Trade Creditors (Note 15). Trade Creditors includes amounts owing to Treasury and the Marine Ministerial Holding Company totalling \$4.465 million.

Non-Current Liabilities are \$0.016 million below budget due to a reduction in property lease liabilities.

CASH FLOWS

The net increase in cash came mainly from higher net cash flows from Government.

3 OPERATING EXPENSES

	1999 \$'000	1998 \$'000
a) Employee Related Expenses		
Salaries and Wages (including recreation leave)	14,492	12,419
Superannuation Entitlement	1,213	1,076
Payroll Tax and Fringe Benefits Tax	1,046	1,024
Long Service Leave	802	624
Payroll tax attributable to Superannuation Expenses	84	74
Workers' Compensation Insurance	67	64
Other - Previous Year Payroll Tax Adjustment	-	41
	<u>17,704</u>	<u>15,322</u>

3 OPERATING EXPENSES (Continued)	1999 \$'000	1998 \$'000
b) Other Expenses		
Sydney Public Transport Directory	2,050	-
Contractors	1,777	762
Consultants	1,329	1,218
Other Miscellaneous	1,497	1,079
Leasehold Rental	1,285	1,217
Integrated Ticketing	1,392	-
Discover Public Transport Week	803	-
Computer Services	703	626
Printing and Stationery	511	432
Telephone & Facsimile	474	405
TSB Investigation	440	-
Very High Speed Train Project	407	1,294
Legal Fees	355	490
Postage & Courier	310	207
Motor Vehicles	252	180
Travel	264	305
Parking Levy Administration Fees	174	154
Cleaning	62	62
Electricity	62	59
Repairs and Maintenance	58	109
Advertising	49	38
Audit Fees - External	51	44
Audit Fees - Internal	47	110
Insurance	15	51
Eastern Suburb Light Rail Feasibility Study	2	254
	14,369	9,095
c) Maintenance		
Repairs and Maintenance	14	-
d) Depreciation		
Computer Equipment	653	539
Plant & Equipment	7	31
Office Furniture & Equipment	38	30
Motor Vehicles	10	-
	708	600

3	OPERATING EXPENSES (Continued).	1999 \$'000	1998 \$'000
	e) Grants and Subsidies		
	School Student Transport	308,503	299,601
	SRA Social Programs	282,551	294,225
	State Rail Authority Capital Grants	141,901	228,549
	SRA - SSTS & PHFC Concessions	201,099	201,300
	RAC Social Program	172,500	177,000
	STA - SSTS & PHFC Concessions	122,804	119,471
	SRA Maintenance Grants	123,300	114,500
	FRC Social Programs	80,000	90,000
	SRA Transitional Funding	50,000	78,500
	SRA Redundancies	104,900	50,313
	RAC Capital Grants	63,790	48,900
	Reduced Fares & Increased Services on STA	45,033	42,189
	RSA Redundancies	31,000	32,800
	Subsidies to Pensioners and Others on Privately Operated Buses/Ferries	26,677	26,358
	Equity Contribution to RSA	-	21,500
	Community Service Payments	13,673	12,391
	Taxi Transport Subsidy Scheme	9,434	8,789
	SRA Olympic Reserve	5,000	-
	Parramatta Rail link	3,564	-
	MMHC Capital Grant	1,178	-
	NRC Compensation	-	4,127
	TAFE students' Grant	800	1,287
	Area Assistance Scheme 'pick-up' Costs	363	348
	Taxi Advisory Committee	350	-
	Ultimo Pyrmont Light Rail Transit Project	124	272
	Railway Heritage Grants	-	80
	Grant to the Chartered Institute of Transport	-	3
	Transport Facilities (rail/bus/ferry interchange, wharves and car parking)	33,615	24,057
	Minor Works and Provisions	2,685	2,370
		1,824,844	1,878,930
	f) Other Expenses		
	Passenger Services Operated under Contract	3,798	3,597
	Redundancies	402	-
	Rail Reform Payments	301	2,991
	Office of State Revenue Levy Refund	237	29
	Integrated Transport Information Service	69	-
		4,807	6,617
4	RETAINED REVENUE		
	a) Sale of Goods & Services		
	Sale of Reports and Data	268	118
	Rendering of Services	666	95
		934	213
	b) Investment Income		
	Interest	2,449	2,187
	c) Retained Fees		
	Taxi Operators Accreditation Renewal	1,109	-

4	RETAINED REVENUE (Continued)	1999 \$'000	1998 \$'000
	d) Grants and contributions		
	Department of Community Services (HACC)	11,505	10,683
	RTA Funding : Capital 3x3 Project	10,674	3,163
		<u>22,179</u>	<u>13,846</u>
	e) Other revenue		
	Public Transport Directory	2,104	-
	SRA - Parramatta Rail Link	1,300	-
	VHST (Various Other Government Departments)	-	1,174
	RTA Funding : Transport Data Centre	990	800
	Discover Public Transport Week	578	-
	RTA Funding : Other Studies	-	300
	RAC - TSB Investigation & Legal Costs	467	-
	RAC - Transport Data Services	95	-
	RTA - Transport Data Services	95	-
	RSA - Safety Inquiry	96	-
	Integrated Ticketing	84	-
	CWDC (Ultimo Pyrmont Light Rail Transit Project)	-	116
	DEETYA : ATS & AIP	6	19
	Other Miscellaneous	504	12
		<u>6,319</u>	<u>2,421</u>
	f) Private Sector Funded Infrastructure		
	UPLRT - emerging value of right to receive infrastructure asset	4,545	4,513
5	LOSS ON SALE OF NON-CURRENT ASSETS		
	Proceeds from Sale	2	2
	Written Down Value of Equipment Sold	(69)	8
	Net (Loss) Gain on Disposal of Equipment	<u>(67)</u>	<u>(6)</u>
6	APPROPRIATIONS		
	Total recurrent drawdowns from Treasury	1,860,056	1,867,456
	Cash Transferred to Consolidated Fund	(20,916)	-
		<u>1,839,140</u>	<u>1,867,456</u>
	Total capital drawdowns from Treasury	19,671	15,810
	Total Appropriations	<u>1,858,811</u>	<u>1,883,266</u>
	Reimbursements from the Crown Entity - Superannuation	404	282
7	ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE ENTITLEMENTS AND OTHER LIABILITIES		
	Superannuation	1,196	1,076
	Long Service Leave	785	624
	Payroll Tax	99	74
		<u>2,080</u>	<u>1,774</u>
8	CURRENT ASSETS - CASH		
	Cash at Bank	57,533	19,890
	Cash on hand	4	4
		<u>57,537</u>	<u>19,894</u>
	Cash as per Current Assets	57,537	19,894
	Cash Equivalent Investment	1,357	-
	Total Cash and Cash Equivalent	<u>58,894</u>	-
	Note: In the Statement of Cash Flows:		
	Closing Cash and Cash Equivalents 1998 - Dept. of Transport	19,894	-
	- Marine Administration	2,107	-
		<u>22,001</u>	-
	Opening Cash and Cash Equivalents 1999	22,001	-
9	CURRENT ASSETS - Investments		
	TCorp - Hour glass facility	1,357	-

CURRENT ASSETS (Continued)		1999	1998
		\$'000	\$'000
10	CURRENT ASSETS - RECEIVABLES		
(a)	Sundry Debtors - Sale of goods and services	367	5,612
	- Retained taxes, fees, and fines	5,408	-
	Special-Purpose Taxi Loans	112	107
	Salaries and Wages	13	15
		5,900	5,734
	Provision for Doubtful Debts	-	-
		5,900	5,734
(b)	CURRENT ASSETS - OTHER		
	Prepaid Grants and Subsidies		
	Subsidies to Pensioners and Others on Privately Operated Buses/Ferries	6,361	5,170
	School Student Transport	-	3,657
	Other Prepayments	163	162
		6,524	8,989

11 NON-CURRENT ASSETS - PLANT AND EQUIPMENT

	Office furn & equip	Computer equip	Develop costs	Motor Vehicles	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
At Cost					
Balance at 1 July 1998	388	4,367	237	-	4,992
Assets acquired from Ministry for Forests & Marine Administration	172	1,177	-	268	1,617
plus : Additions	49	509	-	-	558
less: Disposals	(51)	(91)	-	(17)	(159)
Balance at 30 June 1999	558	5,962	237	251	7,008
Accumulated Depreciation					
Balance at 1 July 1998	285	2,790	214	-	3,289
Accumulated depreciation of assets acquired from Ministry for Forests & Marine Administration	84	1,000	-	59	1,143
Depreciation for the year	39	652	7	10	708
Writeback on disposal	(30)	(52)	-	(2)	(84)
Balance at 30 June 1999	378	4,390	221	67	5,056
Written Down Value at 30 June 1998	103	1,577	23	-	1,703
Written Down Value at 30 June 1999	180	1,572	16	184	1,952

12 NON-CURRENT ASSETS - INVESTMENTS

The State's Equity in the National Rail Corporation (NRC)	97,400	97,400
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Pursuant to the National Rail Corporation (Agreement) 1991, the Department contributed \$75.6m to the equity funding requirements of the NRC in 1996-97. In addition, certain assets (wagons and bogies) were transferred to NRC in return for shares in NRC. The agreed value of the transferred assets in 1996-97 was \$21.8m.

The Department is a shareholder as defined in the Corporations Law and has no additional rights over the use of NRC assets.

Also refer to Note 34 "After Balance Date Events".

	1999 \$'000	1998 \$'000
13 NON-CURRENT ASSETS - OTHER		
Special-Purpose Taxi Loans:		
- Later than 1 year but not later than 2 years	82	98
- Later than 2 year but not later than 3 years	67	74
- Later than 3 year but not later than 4 years	30	57
- Later than 4 year but not later than 5 years	11	17
	<u>190</u>	<u>246</u>
Recognition of the Emerging Value of the UPLRT Asset (see Note 24)	<u>9,058</u>	<u>4,513</u>
	<u>9,248</u>	<u>4,759</u>
14 RESTRICTED ASSETS		
The Department has no assets over which any externally imposed usage restrictions apply. The Department's equity contribution to the National Rail Corporation (note 12) is as a shareholder as described in the Corporations Law.		
15 CURRENT LIABILITIES - ACCOUNTS PAYABLE		
Accruals - Grants, Subsidies and Other Services		
School Student Transport Scheme	14,914	17,277
Reduced Fares and Increased Services on STA	1,082	1,169
Community Service Payments	1,937	2,508
Ultimo Pyrmont Light Rail Transit Project	-	25
Capital Works	4,887	3,648
Rail Reform Payments	-	2,991
Parramatta Rail Link	664	-
Passenger Services Operated Under Contract	<u>273</u>	<u>283</u>
	23,757	27,901
Trade Creditors	6,730	760
Income Received in Advance	436	78
Accruals - Other Operating	<u>1,996</u>	<u>829</u>
	32,919	29,568
16 CURRENT LIABILITIES - EMPLOYEE ENTITLEMENTS		
The Movement in Current Liabilities - Provision for Recreation Leave is as follows:		
Opening Balance	1,101	1,076
plus : Increase in Provision	<u>597</u>	<u>25</u>
Closing Balance	1,698	1,101
Amounts of recreation leave paid have been charged directly to the operating statement.		
17 LEASE LIABILITY		
The Department's Head Office accommodation lease agreement was re-negotiated in 1995-96 to include a twelve months rent free period. The liability recognised in respect of this lease incentive was calculated for a rent free period of twelve months in that year and is reduced by allocating future rental payments between rental expense and reduction of the liability.		
- Not later than 1 year	183	183
- Later than 1 year but not later than 2 years	183	183
- Later than 2 years but not later than 5 years	<u>15</u>	<u>197</u>
	381	563

18	CHANGES IN EQUITY	1999 \$'000	1998 \$'000
	Opening balance	107,247	109,597
	Plus : operating result for year	35,913	(2,350)
	Plus : transfer of Net Assets from Ministry for Forests and Marine Administration	1,760	-
	Closing balance	144,920	107,247

INCREASE IN NET ASSETS FROM ADMINISTRATIVE RESTRUCTURING

A restructure of administrative activity, resulting from a Parliamentary Order and involving the Department of Transport and the former Ministry for Forests and Marine Administration, occurred on 8 April, 1999. The Ministry was dissolved and its Marine Administration program transferred to the Department of Transport. The purpose of the restructure was to include the responsibility for ports and marine administration within the transport portfolio.

The program of Marine Administration is now included within the program Development, Co-ordination and Planning of Transport Services.

Assets transferred from the former Ministry for Forests and Marine Administration

Cash	227
Receivables	349
Investments	1,880
Plant and equipment	474
Total assets	2,930

Liabilities transferred from the former Ministry for Forests and Marine Administration

Accounts payable	523
Employee entitlements	647
Total liabilities	1,170

Increase in net assets from administrative restructuring

1,760

19 ACCOUNTS PAYABLE PERFORMANCE

Current	32,875	29,532
Between 30 and 60 days overdue	20	31
Between 60 and 90 days overdue	19	5
Over 90 days	5	-
	32,919	29,568

20 UNCLAIMED MONIES

Unclaimed monies totalling \$37,688.57 has been forwarded to Treasury for credit to the Special Deposits Unclaimed Monies Account. Funds are available for refund from that account and unclaimed monies are not held in the Department's account for periods in excess of 2 years.

21 BAD DEBTS WRITTEN-OFF

During the 1998-99 financial year the Department has no bad debts written off.

	\$	\$
Grants and Subsidies	-	-
Other Operating Expenses	-	3,442
Employee Related Expenses	-	-

	1999 \$'000	1998 \$'000
22 FINANCIAL INSTRUMENTS		
a) Cash		
Cash comprises cash on hand and bank balances within the Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11 am unofficial cash rate adjusted for a management fee to Treasury.		
Cash	57,537	19,894
b) Receivables		
All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written-off. A provision for doubtful debts is raised when some doubt as to collection exists. The credit risk is the carrying amount (net of any provision for doubtful debts). No interest is earned on trade debtors. The carrying amount approximates net fair value. Sales are made on credit terms of seven days.		
Receivables	5,900	5,734
c) Trade Creditors and Accruals		
The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment.		
Trade Creditors	6,730	760
Accruals	25,753	28,730
d) Investments		
National Rail Corporation	97,400	97,400
The Department of Transport holds shares in National Rail Corporation. These shares are recorded at fair value at the date of contribution of economic resources.		
Hourglass facilities		
The Department has investments in TCorp's HourGlass facilities. The Department's investment is represented by a number of units of a managed investment pool, with each particular pool having different investment horizons and being comprised of a mix of asset classes appropriate to that investment horizon. TCorp appoints and monitors fund managers and establishes and monitors the application of appropriate investment guidelines.		
The Department's investments are:		
Cash Facility	1,357	-
23 CONTINGENT LIABILITIES		
The Ultimo/Pymont Light Rail Transit (UPLRT) system was built at a cost of \$87.5m upon land leased by the State to the owners/operators of the system, the Sydney Light Rail Company (SLRC). The project contracts contain certain indemnities and guarantees in the event of enforced termination. It provides that should the termination occur after the first year of start of operations the contingent liability is to be assessed using varying formulas depending on the cause of termination, and based on market valuations. As early termination is considered remote no attempt has been made to estimate the contingent liability beyond the first year of operations.		
There is a claim for compensation by the Pymont Light Rail Company (PLRC) due to the introduction of bus services in the Pymont/Ultimo area which are claimed to have a detrimental effect on the revenues of the system. The contingent liability in the event of success of the claim is not considered material.		
The Department is also undertaking a range of studies with the private sector to assess the viability of extensions to the light rail system. In the event that an agreement to build the extension(s) is not reached, the SLRC'S share of costs are to be reimbursed. This liability is considered possible and is presently estimated at between \$0.180m and \$0.364m.		

	1999 \$'000	1998 \$'000
24 PRIVATE SECTOR PROVIDED INFRASTRUCTURE		
Pursuant to the terms of the related project agreements, ownership of the UPLRT system will revert to the Department of Transport at the expiry of the lease period in 2027.		
The Department's emerging share of the reversionary interest in the asset will be recognised over the life of the lease (30.5 years). Pending the release of an Australian Accounting Standard on the treatment of Build Own Operate Transfer (BOOT) infrastructure projects the valuation formula employed for 1998-99 is a variant of the conventional discounting model. Using this formula an amount of \$4.545 m has been recognised as the value of the emerging asset for the year ended 30th June 1999.	4,545	4,513
25 COMMITMENTS FOR EXPENDITURE		
Commitments for Expenditure Contracted for at Balance Date but not Provided in Accounts Comprise:		
a) Capital Commitments		
Not later than 1 year	16,788	10,965
Later than 1 year but not later than 2 years	4,400	340
	<u>21,188</u>	<u>11,305</u>
b) Other Expenditure Commitments		
Not later than 1 year	71	-
c) Non-Cancellable Operating Lease Commitments		
Not later than 1 year	1,997	1,676
Later than 1 year but not later than 2 years	1,868	1,352
Later than 2 years but not later than 5 years	819	1,527
Later than 5 years	-	-
	<u>4,684</u>	<u>4,555</u>
These operating lease commitments are not recognised in the financial statements as liabilities.		
26 AUDITORS' REMUNERATION		
Department's financial statements	51	39
	51	39
Other Audit Services (SSTS Accruals)	-	5
	<u>51</u>	<u>44</u>
27 PURCHASE OF OFFICE PLANT & EQUIPMENT		
Additions at Cost	558	971
(Increase) / Decrease in Creditors	(215)	38
Cash Paid	<u>343</u>	<u>1,009</u>
28 ASSISTANCE PROVIDED TO OTHER PARTIES		
Under the provisions of the National Rail Shareholders' Agreement the National Rail Corporation (NRC) has been using 13 Series 81 locomotives during 1998-99 free of charge. The NRC has also been using FreightCorp railway terminal facilities free of charge in 1998-99. During the year the Department also received assistance free of from the Crown Solicitor's Office.		

	1999 \$'000	1998 \$'000
29 RECONCILIATION OF TOTAL NET CASH OUTFLOW ON OPERATING ACTIVITIES TO NET COST OF SERVICES		
Net Cash Used on Operating Activities	37,234	(266)
Cash flows from Government	(1,859,215)	(1,883,548)
Non-cash Grants and Contributions Revenue		-
Non-cash Emerging value of Private Sector provided Infrastructure	4,545	4,513
Acceptance by the Crown Entity of Employee Entitlements	(1,676)	(1,492)
Depreciation	(708)	(600)
Bad Debts Written Off	-	(3)
Net loss on Sale of Assets	(4)	(6)
Assets written off	(69)	-
Increase / (Decrease) in Prepayments	(2,465)	(663)
Increase / (Decrease) in Receivables	(183)	2,873
(Increase) / Decrease in Creditors	(2,366)	(8,173)
Increase / (Decrease) in Provision for Recreation Leave	(15)	(25)
(Increase) / Decrease in Other Assets	(56)	-
Net Cost of Services	(1,824,978)	(1,887,390)

30 ADMINISTERED INCOME - CROWN INCOME

The following amounts, totalling \$9.686M was collected and paid to the Crown during the financial year:

Other Hire Car Licences	2,936	41
Rail Accreditations	2,016	757
Taxi Licence Transfers	1,832	2,340
Taxi Driver Authorities	654	106
Peak Availability Taxi Licences	501	-
Short Term Taxi Licences	379	202
Hire Car Licence Transfers	335	273
Short Term Hire Car Licences	266	178
Bus Driver Authorities	192	73
Coach Driver Authorities	157	66
Bus Contracts	151	120
Fines	113	66
Taxi Operator Accreditations	47	94
Hire Car Driver Authorities	24	20
Hire Car Operator Accreditations	20	15
Other	20	3
Coach Operator Accreditations	14	14
Bus Operator Accreditations	11	15
Rail Siding Fees	5	6
4WD Driver Authorities	3	4
4WD Operator Accreditations	3	2
Ferry Contracts	3	1
Motor Cycle Driver Authorities	2	3
Motor Cycle Operator Accreditations	2	2
	9,686	4,401

31 ADMINISTERED ACTIVITIES - PORT CARGO ACCESS CHARGE

			SYDNEY PORTS CORP.	NEWCASTLE PORT CORP.	PORT KEMBLA CORP.	MARINE MINISTERIAL HOLDING CORP.
			\$000	\$000	\$000	\$000
Collected by the Ministry for Forests and Marine Administration(1/7/98 - 7/4/99).						
Net charge			3,156	3,222	552	177
Collection fee			223	104	32	-
Gross charge			3,379	3,326	584	177
Collected by the Department of Transport (8/4/99 - 30/6/99)						
Net charge			1,702	1,469	283	104
Collection fee			120	47	18	-
Gross charge			1,822	1,516	301	104
	Grand Total	Comparative				
	1/07/1998 to	1/07/1997 to				
	30/06/99	30/06/98				
	\$000	\$000				
Total						
Net charge	10,665	12,360	4,858	4,691	835	281
Collection fee	544	560	343	151	50	-
Gross charge	11,209	12,920	5,201	4,842	885	281

The Port Cargo Access Charge (PCAC) was introduced from 1 July 1995 and is payable by cargo owners in the commercial ports of NSW. The charge is applicable to all cargoes, whether handled at common user or private wharves and was collected on behalf of the Crown Entity for the period 1/7/98 to 7/4/99 by the former Ministry for Forests and Marine Administration and from the 8/4/99 to 30/6/99 by the Department of Transport. This change in arrangements was due to an administrative restructure of agency responsibilities. The three port corporations and the Marine Ministerial Holding Corporation have been authorised to act as collection agents in their respective ports.

Sydney Ports Corporation administers the PCAC collection for the ports of Sydney and Botany Bay.

Newcastle Port Corporation administers the PCAC collection for the port of Newcastle.

Port Kembla Port Corporation administers the PCAC collection for the port of Port Kembla.

The Marine Ministerial Holding Corporation, which is managed by the Department of Transport, administers collection of the PCAC for the small ports of Yamba and Eden.

32 ADMINISTERED ASSETS AND LIABILITIES

Administered Assets

Receivables (1)	982	1,062
Investments (2)	393	431
	<u>1,375</u>	<u>1,493</u>

Administered Liabilities

Payables	1,375	1,493
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(1) Port Cargo Access Charge accrued from Port Corporations for payment to the Crown Entity

(2) This amount represents unspent funds transferred from the Crown Entity for eventual expenditure on remediation of Lady Robinson's Beach, Botany Bay.

33 TRANSFER OF PROGRAM

As a result of a Parliamentary Order the agency titled the Ministry for Forests and Marine Administration was dissolved on 8 April 1999. Its program of Marine Administration was transferred to the Department of Transport. Expenses and revenues attributed to Marine Administration and reported in the Program Statement "Expenses and Revenues for the year ended 30 June 1999," relate to the period from 8 April 1999 to 30 June 1999. Expenses and revenues for the period 1 July 1998 to 7 April 1999 and for the period 8 April 1999 to 30 June 1999, together with a prior year comparative are shown in the following table:

	1/07/98 to 07/04/99	8/04/99 to 30/06/99	TOTAL	1/07/97 to 30/06/98
	\$'000	\$'000	\$'000	\$'000
Expenses				
Operating expenses				
Employee related	2,732	979	3,711	3,802
Other operating expenses	1,517	662	2,179	1,952
Maintenance	61	14	75	61
Depreciation and amortisation	141	43	184	459
Grants and subsidies	60	-	60	462
Finance costs	-	-	-	-
Other expenses	-	-	-	-
Total Expenses	4,511	1,698	6,209	6,736
Retained Revenue				
Sales of goods and services	1,754	629	2,383	1,434
Investment income	106	39	145	115
Retained, taxes, fees and fines	-	-	-	-
Grants and contributions	-	-	-	-
Other revenue	38	42	80	54
Total Retained Revenue	1,898	710	2,608	1,603
Gain/(loss) on sale of non-current assets	6	(68)	62	-
NET COST OF SERVICES	2,607	1,056	3,663	5,133
GOVERNMENT CONTRIBUTIONS				
Recurrent appropriation	2589	583	3,172	3,680
Capital Appropriation	31	89	120	1,275
Acceptance by the Crown Entity of employee entitlements and other liabilities	140	44	184	245
Total Government Contributions	2760	716	3,476	5,200
SURPLUS (DEFICIT) FOR THE YEAR	153	(340)	(187)	67

34 AFTER BALANCE DATE EVENTS

The Department is the subject of a report pursuant to Section 26 of the Ombudsman Act . This report contains certain recommendations which are currently under review by the Department. The extent of any liability to third parties is uncertain and contingent on the Department's response to these recommendations.

Under Ministerial Vesting Orders issued on 9th and 15th September 1999, land (agreed value \$9.050m), 13 Series 81 locomotives (agreed value \$3.575m) and miscellaneous plant and equipment (agreed value \$1.850m) were transferred to the National Rail Corporation pursuant to the provisions of the National Rail Corporation (Agreement) Act 1991. In return for the transfer of these assets the Minister for Transport will receive additional shares in the NRC to the value of \$14.475m (refer also to Note 12).

[END OF FINANCIAL STATEMENTS]

**SUMMARY OF COMPLIANCE WITH FINANCIAL DIRECTIVES
FOR THE YEAR ENDED 30 JUNE 1999**

	1999				1998			
	RECURRENT APPROPRIATION \$' 000	EXPENDITURE \$' 000	CAPITAL APPROPRIATION \$' 000	EXPENDITURE \$' 000	RECURRENT APPROPRIATION \$' 000	EXPENDITURE \$' 000	CAPITAL APPROPRIATION \$' 000	EXPENDITURE \$' 000
ORIGINAL BUDGET APPROPRIATION / EXPENDITURE								
Appropriation Act	1,784,093	1,725,531	13,567	13,567	1,792,927	1,867,456	14,069	15,810
BUDGET VARIATION ACTS (ie Additional Appropriations)								
Section 24 Act 98:	71,070	70,892			74,529		1,741	
Transfers from other agency	4,511	4,511	144	144				
	1,859,674	1,800,934	13,711	13,711	1,867,456	1,867,456	15,810	15,810
OTHER APPROPRIATIONS/ EXPENDITURE								
Treasurer's Advance	7,597	7,424						
Section 28 Act 98:			5,991	5,991				
TOTAL APPROPRIATIONS / EXPENDITURE	1,867,271	1,808,358	19,702	19,702	1,867,456	1,867,456	15,810	15,810
DRAWDOWNS FROM TREASURY		1,845,131		19,822		1,867,456		15,810
TOTAL UNSPENT APPROPRIATIONS		36,773		120		0		0

PROGRAM STATEMENT - EXPENSES AND REVENUES

Notes	Program 67.1.1		Program 67.2.1		Program 67.2.2		Not Attributable		Department Total	
	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses										
Operating Expenses										
Employee Related	(17,704)	(15,322)	-	-	-	-	-	-	(17,704)	(15,322)
Other Expenses	(14,369)	(9,095)	-	-	-	-	-	-	(14,369)	(9,095)
Maintenance	(14)	-	-	-	-	-	-	-	(14)	-
Depreciation and Amortisation	(708)	(600)	-	-	-	-	-	-	(708)	(600)
Grants and Subsidies	(41,516)	(30,909)	(252,500)	(267,000)	(1,530,828)	(1,581,021)	-	-	(1,824,844)	(1,878,930)
Other	(1,009)	(3,020)	-	-	(3,798)	(3,597)	-	-	(4,807)	(6,617)
Total Expenses	(75,320)	(58,946)	(252,500)	(267,000)	(1,534,626)	(1,584,618)	-	-	(1,862,446)	(1,910,564)
Retained Revenue										
Sale of Goods & Services	934	213	-	-	-	-	-	-	934	213
Investment Income	2,449	2,187	-	-	-	-	-	-	2,449	2,187
Retained Taxes, Fees and Fines	1,109	-	-	-	-	-	-	-	1,109	213
Grants and Contributions	10,674	3,275	-	-	11,505	10,571	-	-	22,179	13,846
Emerging Value of Private sector provided Infrastructure	4,545	4,513	-	-	-	-	-	-	4,545	4,513
Other Revenue	6,319	2,421	-	-	-	-	-	-	6,319	2,421
Total Retained Revenue	26,030	12,609	-	-	11,505	10,571	-	-	37,535	23,180
Gain/(loss) on Sale of Non-Current Assets	(67)	(6)	(252,500)	(267,000)	(1,523,121)	(1,574,047)	-	-	(1,824,978)	(1,887,390)
NET COST OF SERVICES	(49,357)	(46,343)	(252,500)	(267,000)	(1,523,121)	(1,574,047)	-	-	(1,860,891)	(1,885,040)
Government Contributions	-	44,298	-	267,000	-	1,573,742	-	-	1,860,891	1,885,040
NET EXPENDITURE (REVENUE) Extraordinary items	(49,357)	(2,045)	(252,500)	(305)	(1,523,121)	(305)	-	-	35,913	(2,350)
NET EXPENDITURE (REVENUE) AFTER EXTRAORDINARY ITEMS	(49,357)	(2,045)	(252,500)	(305)	(1,523,121)	(305)	-	-	35,913	(2,350)
ADMINISTERED EXPENSES & REVENUES										
Administered Revenues										
Fees	9,492	5,320	-	-	-	-	-	-	9,492	5,320
Port Cargo Access Charge	3,558	-	-	-	-	-	-	-	3,558	-
Fines	113	66	-	-	-	-	-	-	113	66
Total	13,163	5,386	-	-	-	-	-	-	13,163	5,386
(a)	Program 67.1.1	Development, Co-ordination and Planning of Transport Services								
Objective(s):	To meet the transport needs of the New South Wales community in an optimal way, balancing social and economic objectives.									
Program 67.2.1	Assistance for General Track and Freight Services									
Objective(s):	To assist freight transport users confronted with long distances to markets and ports, and to maintain the rail network at its existing standard.									
Program 67.2.2	Purchase of Public Transport Services									
Objective(s):	To improve community mobility on public and private transport.									
(b)	Government Contributions									
Consolidated Fund Recurrent Appropriation	-	26,714	-	267,000	-	1,573,742	-	1,839,140	1,839,140	1,867,456
State Acceptance of Liabilities	-	1,774	-	-	-	-	-	2,080	2,080	1,774
Consolidated Fund Capital Appropriation	-	15,810	-	-	-	-	-	19,671	19,671	15,810
Total Government Contributions	-	44,298	-	267,000	-	1,573,742	-	1,860,891	1,860,891	1,885,040

Appendices

The appendices report on legislative requirements relevant to both the Department of Transport (DOT), and the Office of Marine Administration (OMA) component of the former Ministry for Forests and Marine Administration.

APPENDIX 1

FREEDOM OF INFORMATION (FOI) ACT

During the reporting period the Department received 17 requests for information under the FOI Act and four requests for internal reviews.

The requests related to the following subjects:

- Documents containing complaints about breaches of hire car regulations
- Details of an appeal against a decision of the Director General not to issue or renew a hire car licence
- Correspondence between the Department, the Transport Studies Group and a consultant
- Information on hire car applications between May 1996 and August 1998
- Information on the sale price of three taxis sold in 1984
- Documents showing alleged financial mismanagement by the SRA (x3)
- A report by a consultant into taxi operations in Moama/Echuca
- Revocation of bus driver authorities
- Number of hire car licences issued to cars over 30 years old
- Details of Director General's salary and performance contract
- Documents concerning the Parramatta rail link route
- Reports regarding a fatal bus accident in August 1998
- Documents relating to oil spill equipment on the *MV Island Trader* and government marine personnel
- Documents relating to *MV Sitka* and employees of the company that owns the vessel
- Cost estimates for transport associated with the Olympics.

Of these applications:

- Full access was granted to seven requests
- Partial access was granted to two requests
- One application was refused under Section 25 (1) (a1) which deals with substantial and unreasonable diversion of the agency's resources
- One application was wrongly directed and was transferred to the agency whose functions were more closely related to the application

- Four applications were unable to be determined, as none of the described documents were held by the Department
- One application was denied because the documents were exempt under Section 7, Clauses 7 and 9
- One application was deemed a refusal as the Department did not respond within the prescribed period as set out in the Act.

Four requests for internal review were received by the Department in 1998/99. The Department refused to deal with three applications, as the original applications requested documents which were not held by the Department.

The fourth request for an internal review was made because the Department failed to respond within the 35 day period as set down in the Act. The request was upheld and the documents originally requested were partially released.

Processing times for the seventeen applications and four requests for internal reviews, were as follows:

0 - 35 days	18 applications
Over 35 days	3 applications.

APPENDIX 2 PUBLICATIONS

Action for Transport 2010 - an Integrated Transport Plan for New South Wales, November 1998

Action for Transport 2010 - an Integrated Transport Plan for Sydney, November 1998

A Foldout A1 map of Sydney's public transport network - October 1998

Data Developments Newsletter - a quarterly update of the Transport Data Centre's (TDC) activities

Glendale Station Interchange and Access Study, June 1999 (Wollacotts, Hale, Corlett and Jumikis for DoT). Not available publicly (funded by Projects).

Illawarra Urban Area Public Transport Interchange Study, Nov 1998 (Maunsell MacIntyre for DoT). Not available publicly (funded by Projects).

Liverpool - Parramatta Transitway Overview Report, October 1998 (PPK for DoT).

Parramatta Rail Link Urban Planning Strategy Report, Dec 1998 (Keys Young with PPK for DoT). Not available publicly.

Parramatta Transport Interchange Study, May 1999 (PPK with Keys Young for DoT). Not available publicly.

The Sydney Public Transport Directory - December 1998

TDC Report 98/5 1996 Journey to Work Summary Tables: Workplace SLA (Statistical Local Area)

TDC Report 98/6 1996 Journey to Work Summary Tables: Home SLA (Statistical Local Area)

TDC Report 99/1 Employment in Selected Commercial Centres in the Greater Sydney Metropolitan Region, 1996

TDC Report 99/2 Reducing Interviewer Costs in Large Scale Household Travel Surveys

TDC Report 99/3 Journey to Work Travel Patterns in Sydney 1981-1996

1998 Annual Report for the former Ministry for Forests and Marine Administration

MFMA Corporate Plan

Development Control Plan for Sydney and Middle Harbours and the Parramatta River (on behalf of DUAP)

Port of Eden - Port Information Sheets (also accessible on Internet site www.eden.nsw.gov.au)

Port of Yamba - Port Information Sheets (also accessible on Internet site www.yamba.nsw.gov.au).

APPENDIX 3

CONSULTANTS (OVER \$30,000)

- **Discover Public Transport Week**
Keystone Corporate Positioning, \$46,890
(Advice on production of Public Transport Week (PTW) events and advice on advertising PTW)
- **Development of Commercial Transport Study**
Maunsell McIntyre, \$24,700 1998/99, total cost \$171,700
- **Fieldwork for 1998/99 Household Travel Survey**
Hunter Valley Research Foundation, \$700,000
- **Integrated Ticketing**
Arthur Anderson, \$127,901
(Corporate Finance, Commercial and Financial Advice, IT project)
- **Integrated Ticketing**
Booz Allen and Hamilton, \$355,098
(Technical Advice, IT project)
- **Integrated Ticketing**
Clayton Utz, \$283,906
(Legal Issues, IT project)
- **Liverpool - Parramatta Transitway**
Connell Wagner, \$40,000
- **Liverpool - Parramatta Transitway**
Maunsell McIntyre, \$38,315
- **Liverpool - Parramatta Transitway**
PPK Environment and Infrastructure, \$790,000
- **Liverpool - Parramatta Transitway**
Booz Allen and Hamilton, \$38,000

- **Light Rail Extension Ashfield & Norton Street Pre-Feasibility Study**
Ove Arup & partners/TMG, \$84,263
- **Light Rail Extension Demand Study**
Sinclair Knight Merz, \$231,484
- **Light Rail Extension Detailed Design**
GHD Transmark, \$252,337
- **Light Rail Extension Dilapidation Survey**
Ove Arup & Partners/TMG, \$56,450
- **Light Rail Extension Engineering/Operational Issues**
Booz Allen and Hamilton, \$21,770 1998/99, total \$30,000
- **Light Rail Extension Traffic Impact Advice**
Transport & Traffic Planning Associates, \$8,700 1998/99, total \$30,000
- **Mt Druitt Bus Rail Interchange**
PPK Environment and Infrastructure, \$3,000 1998/99, total \$38,000
- **Newcastle Accessibility Study**
Maunsell MacIntyre Pty Ltd (total cost \$35,300 equally shared by the Department of Transport, Newcastle City Council and the Honeysuckle Development Corporation - Department of Transport contribution was \$11,767)
- **Parramatta Interchange**
PPK Environment and Infrastructure, \$46,425
- **Parramatta Rail Link Financial and Commercial advice**
Arthur Andersen, \$75,000
- **Parramatta Rail Link Advice**
Booz Allen and Hamilton, \$33,950 1998/99, total \$67,900
- **Parramatta Rail Link Preparation of EIS**
ERM Mitchell McCotter-Kinhill, \$835,000 1998/99, total \$1,415,494
- **Parramatta Rail Link Urban Planning Strategy**
Keys Young, \$195,705
- **Parramatta Rail Link PM Assist & Technical Advice**
Kinhill Pty Ltd, 43,000 1998/99, total \$87,527
- **Parramatta Rail Link Overview Report**
PPK Environment and Infrastructure, \$139,271
- **Production of *Action for Transport 2010***
Limelight Communications Pty Ltd, \$110,454 (\$100,000 recouped from SRA and RTA)
- **Recruitment of Executive Director**
John Peebles & Associates, \$46,781

- **Re-estimation of the Sydney Strategic Travel Model**
Hague Consulting Group, \$51,000 for 1998/99 total cost of project \$356,840
- **Review of Safety Management Systems**
GHD Transmark Australia, \$66,059
- **Review of Surveillance Cameras in Taxis**
Amtac Professional Services, \$89,063 (This expenditure was recouped from the Taxi Advisory Committee)
- **Service Vehicle Attraction Rate Study**
Maunsell McIntyre, \$70,000
- **Taxi Advisory Committee**
AMTAC Professional Services, \$89,062.80
(Review of surveillance cameras in taxis - including technical advice)

TOTAL: \$5,690,975.80

CONSULTANTS (UNDER \$30,000)

There were a further 50 consultant engagements totalling \$407,562.55. None of these individually exceeded \$30,000.

OMA

CONSULTANTS (OVER 30,000)

- **Charter vessel study for Sydney Harbour**
PPK Environment & Infrastructure Pty Ltd \$30,100

CONSULTANTS (UNDER 30,000)

- There were a further 8 consultant engagements totalling \$30,405

TOTAL FOR OMA CONSULTANTS: \$60,505

APPENDIX 4

SIGNIFICANT COMMITTEES

- Accessible Public Transport Forum: *Richard Langereis*
- Accreditation Authorities: *Bill Casley, John Hall*
- 22nd Annual Australasian Transport Research Forum (ATRF) Organising Committee: *Helen Battellino (Chair), Julie Gee, Lita Mendigorin*
- Association of Australian Ports and Marine Authorities Inc. - Council - *Matthew Taylor*; Business Efficiency Group - *David Morton*
- Australian Ballast Water Management Advisory Council - *Matthew Taylor*
- Australian Defence Industries (ADI) Site Joint Steering Committee: *David Taylor*
- Australian and New Zealand Environment and Conservation Council Project Consultation Group - *Melwyn Noronha*
- Australian Rail Safety Committee: *Bill Casley, John Hall*
- Bus Driver Safety Committee: *Colin Holmes, Greg Nott, Alan Lidbetter*
- Coastal Council of NSW - *Zenon Michniewicz*
- EPA State Community Consultation Forum: *John Smith*
- Greater Western Sydney Economic Development Board Planning and Transport Sub-Committee: *John Newman*
- Illawarra Transport Taskforce: *Noel Lonergan*
- International Association of Ports and Harbors, Legal Protection Committee - *Anthony Morrison*
- Level Crossing Strategy Council (convened by the Department): *Bill Fowler*
- Mudgee Rail Link Working Group: *Noel Lonergan*
- National Plan Oil Spill Response Atlas Steering Committee - *Matthew Taylor (Chair), Julie Wall*
- NSW National Plan Executive Committee - *Matthew Taylor (Chair), Julie Wall*
- NSW Rail Safety Forum (convened by the Department): *Bill Casley, John Hall, Jill Brennan, Maria Cikota*
- OCA Chairpersons Working and Advisory Committee - *Matthew Taylor*
- Olympics Waterways Working Committee - *Matthew Taylor (Chair), Michael Freeland, Zenon Michniewicz, Geoff Smith*
- Parramatta REP Strategy Development Group: *John Smith*
- Port Jackson Catchment Management Committee - *Persephone Rougellis*
- Port of Eden Advisory Committee - *Matthew Taylor, John Sturday*
- Port of Yamba Advisory Committee - *Matthew Taylor, John Sturday*

- Road Safety Advisory Council: *Colin Holmes*
- School Student Transport Scheme Appeals Panel (convened by the Department):
Carolyn Boden, Colin Holmes
- Standards Australia Disabled Access Sub-Committee: *Bill Fowler, Steve Ford*
- Standing Committee on Transport: *Jock Murray, Matthew Taylor*
- Standing Committee on Transport Marine and Ports Group: *Allen Treanor*
- Standing Committee on Transport Rail Group: *Jock Murray, Miles Hickman*
- State Disaster Plan - Engineering Services Functional Area Committee - *Roly Webb*
- State Emergency Management Committee: *Bill Casley, Colin Holmes, Alan Lidbetter*
- State Greenhouse Network: *John Smith*
- State Marine Committee - *Matthew Taylor (Chair), Bob Coxall*
- Sydney District National Parks Advisory Committee - *Zenon Michniewicz*
- Taxi Driver Safety Committee (convened by the Department): *Greg Nott*
- Transport Co-ordination Committee: *Jock Murray*
- Transport Safety Advisory Committee: *Bill Casley, Greg Nott, Colin Holmes, Cathy Dowe*

APPENDIX 5

OVERSEAS VISITS

Jock Murray, Director General:

France (Paris) and Belgium (Brussels). 22 - 29 May 1999. Attended the 1999 Europe Australia Dialogue. This year's theme: Transport. The conference was an ideal opportunity to discuss progress in rail reform with European transport providers, to inspect French high speed train systems, and to observe the European Commission's progress in establishing uniform operating regimes on strategic transport infrastructure.

Zenon Michniewicz, Executive Director, Maritime Assets Division:

Vancouver (Canada). December 1998. The purpose of the visit was to discuss and inspect contaminated site remediation practices in North America and their subsequent application to Homebush Bay.

Kirsten Berg, Transport Development Officer, Transport Services:

Tokyo. 21 - 24 July 1998. Attended the UITP Asia/Pacific Committee Regional Meeting. Ms Berg gave a presentation to the committee on the current development and future plans for transport in New South Wales. The conference presented an opportunity to update the issues and trends other regulators and transport providers in the region were facing. Of particular interest was the Integrated Ticketing project in Hong Kong and the opportunity to review public transport information in a major international city.

APPENDIX 6**PROGRAM PERFORMANCE EVALUATION****Taxi Transport Subsidy Scheme*****Aims***

The Taxi Transport Subsidy Scheme (TTSS) is a State government funded program administered by the Department of Transport. The Scheme was introduced in 1981 in recognition of the difficulty people with disabilities have in using public transport systems. The objective of the Scheme is to provide greater equity in access to transport for disabled members of the community by providing subsidised taxi travel to people with qualifying severe and permanent disabilities.

Current Progress

On 10 April 1999 benefits under the Taxi Transport Subsidy Scheme increased. Under the scheme, 50 per cent of a taxi fare is paid by the Government. The maximum subsidy was increased from \$25 to \$30 per trip. Participants of the Scheme are eligible to take as many trips as they like. The scheme provides a subsidy for people to travel by taxi for work, study, medical treatment and leisure activities.

During the 1998/99 financial year the Department established a computer link with the NSW Registry of Births Deaths and Marriages. This resulted in the number of participants listed being significantly reduced as the Department was able to cull its database to ensure that only current participants are listed.

During 1998/99 approximately 4,500 participants were accepted onto the Taxi Transport Subsidy Scheme. This brought the total number of participants on the Scheme to 31,000. On average the Scheme provides subsidy for 91,000 trips per month to participants. The average subsidy per trip is approximately \$8.70.

Taxi Transport Subsidy Scheme Reciprocity

The reciprocity of benefits offered under this scheme from was established from 1 July 1999. This allows participants of the scheme to receive NSW benefits when using taxis interstate.

In addition, members of interstate schemes will also receive their Home State subsidy when travelling in NSW.

Interstate Taxi Subsidy Vouchers with a standard format will enable recognition by taxi operators throughout Australia.

Community Transport***Aims***

Community Transport aims to address transport needs caused by location/isolation, passengers' age, disability or factors relating to the time and/or cost of travel. Community Transport addresses those situations where conventional public transport systems are not generally considered viable or appropriate.

Community transport is directed towards meeting the needs of certain very specific groups in the community including isolated families, the frail aged, younger people with disabilities and their carers. Community transport has given many transport disadvantaged people access to recreation, shopping, education, medical care, social services and social contact.

Current Position

During 1998/99, a sum of \$14.12 million was allocated to 133 organisations under the Home and Community Care Program, the NSW Community Transport Program and the Area Assistance Scheme Pick-up.

As part of its ongoing commitment to improving the quality of services to people receiving community transport, the Department was successful in obtaining a special grant of \$185,586 to monitor the performance of community transport providers against the Home and Community Care Program National Service Standards.

To streamline compliance with the goals of the NSW Community Transport Program, which addresses issues of transport disadvantage, a new Expressions of Interest Process was developed and implemented during 1998/99. As part of this process, community transport providers applying for additional grants have to demonstrate the capacity of their proposal to maximise use of the existing transport services and infrastructure.

On average community transport providers perform 133,000 trips per month assisting 30,000 clients.

APPENDIX 7

GRANTS TO NON-GOVERNMENT COMMUNITY ORGANISATIONS

Community Transport Grants

- See Appendix 6.

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- A grant of \$20,000 was provided to the Port Kembla Mission to Seamen in September 1998.

APPENDIX 8**NSW DEPARTMENT OF TRANSPORT GUARANTEE OF SERVICE**

The Guarantee of Service has been an effective tool in establishing our service standards. Our Guarantee of Service is:

We promise to the very best of our ability, we will respond to your needs efficiently, promptly, courteously and fairly and:

- Tell you who we are on the phone, in letters or when you meet us, so you can contact the same person again if you need to
- Return your phone calls as quickly as possible and always within one working day
- Respond to your letters within two weeks at most
- Give a clear response to your enquiries
- As much as possible, give decisions, advice and support “on the spot” using our frontline handling procedures for complaints and information
- Pursue all problems and complaints about transport services with the relevant service provider, and tell you their response and what will happen
- Do our best to understand your business objectives and help you meet them while recognising, as you do, that wider public and transport consumer interests also need to be supported
- Stand by our decisions and advice - and accept the consequences if they turn out to be wrong
- If we can't agree to your requests, explain your options and give you ample opportunity to present your case
- If we can't resolve your problems ourselves, put you in touch with someone who can
- Ensure that when confidential matters are at stake, confidentiality is maintained.

No amendments were made to the Guarantee of Service in the reporting period.

APPENDIX 9**NUMBER OF EMPLOYEES BY CATEGORY & COMPARISON TO PREVIOUS THREE YEARS**

EMPLOYEES	1995/96			1996/97			1997/98			1998/99			
	DOT	TTA	ATC	DOT	TTA	ATC	DOT	TTA	ATC	DOT	TTA	ATC	OMA
Senior Executive Service	7	0	0	7	0	0	8	0	0	8	0	0	3
Department of Transport Officer	220	9	3	225	10	3	238	10	2	241	16	2	37

DOT - Department of Transport

TTA - Tow Truck Authority

ATC - Air Transport Council

OMA - Office of Marine Administration

Exceptional movements in employee wages, salaries or allowances

There were no exceptional movements in salaries during the year. Salary increases for SES and Departmental staff were in keeping with the 1998 Statutory and Other Offices Remuneration Tribunal Determination and the Crown Employees (Public Sector - Salaries June, 1997) Award respectively.

APPENDIX 10**CHIEF AND SENIOR EXECUTIVE SERVICE**

Chief and Senior Executive Service positions and levels	1995/96	1996/97	1997/98	1998/99
Level 1	3	3	0	0
Level 2	2	2	5	5
Level 3	1	1	0	2
Level 4	0	0	2	2
Level 5	0	0	0	1
Level 6	1	1	1	1
Chief and Senior Executive Service	1995/96	1996/97	1997/98	1998/99
Female Executives	0	0	1	1

Principal Officers

GRADE	NAME	POSITION	QUALIFICATIONS
SES 2	Barry Barford	Director Corporate Services and Risk Management	Dip Bus, MCIT, SFCDA DipCD
SES 2	David Morton	Director Maritime Assets Division	BE, MIE(Aust), CPEng, MCIT
SES 2	Paul Hayes	Director Transport Policy and Strategy	BA
SES 2	John Hopman	Director Capital Projects	BMechEng (Hons) MBA
SES 2	John Smith	Director Planning Group	BSc (Hons)
SES 3	John Hall	Executive Director Transport Safety Bureau	MechEngDip Grad Cert SafetySc
SES 3	Zenon Michniewicz	Executive Director Maritime Assets Division	BSc, BE, MEngSc
SES 4	Pamela Sayers	Executive Director Transport Services	BSc(Ed) MSc (Qual)
SES 4	Ian Robinson	Deputy Director General and Executive Director Policy and Projects	MEc
SES 5	Matthew Taylor	Deputy Director General Strategic Development	AM, MAICD, FAIM
SES 6	Jock Murray	Director General	BA, MCIT, AFAIM

Senior Executive Performance Statements

Name: Jock MURRAY

Position: Director General
Appointed 18 August 1997

Level: SES Level 6

The Minister for Transport, the Hon Carl Scully MP has expressed his satisfaction with Mr Murray's performance in the above position.

Results:

ACCOUNTABILITIES	PERFORMANCE FOR 1998/99
To formulate and provide policy advice to the Government for passenger and freight transport.	<ul style="list-style-type: none"> ● Advice was timely, rigorous, objective and consistent ● Policy outcomes were consistent with Government objectives.
To administer regulations and contracts made under the Passenger Transport Act in respect of the bus, coach, taxi, ferry and hire car industries, and introduce new regulations when necessary.	<ul style="list-style-type: none"> ● Established Performance Assessment Regime for bus contract renewal by 1 July 1999 ● Increased field presence and enforced regulations ● Each bus contract holder audited at least once in a contract period ● Costs of regulation were transferred to Industry.
To protect and promote the NSW position in the national rail agenda.	<ul style="list-style-type: none"> ● ATC agreements on NSW generated solutions were unified and operator focussed.
To provide infrastructure planning and project management for capital expenditure towards improved public transport.	<ul style="list-style-type: none"> ● Implementation Plan for Integrated Transport Plan reflected coordinated objectives of Portfolio entities and Government policy guidance ● Projects were completed on time and under budget, and were consistent with Government objectives ● Stalled projects were replaced quickly or regenerated.
To promote passenger safety and security in the bus, taxi and rail service sectors.	<ul style="list-style-type: none"> ● Improved passenger safety and security in the bus, taxi and rail service sectors ● Improved response rate to incidents.
To ensure that a Year 2000 strategy is in place.	<ul style="list-style-type: none"> ● Met Government reporting requirements ● Business continuity assured after 1 January, 2000.
To champion OH&S policies and initiatives.	<ul style="list-style-type: none"> ● Complied with conditions of the Department's Employment Conditions Agreement ● Maintained and where possible, improved the low cost of Department's OH&S maintenance.

Name: Matthew TAYLOR

Positions: Acting Secretary, Ministry for Forests and Marine Administration
1 July 1998 to 7 April 1999.

Deputy Director-General Strategic Development, NSW Department of Transport 8 April 1999 to 30 June 1999.

Level: SES Level 5

The Minister for Forests and former Minister for Ports, the Hon Kim Yeadon has indicated his satisfaction with Mr Taylor's performance in the earlier position.

Results:

ACCOUNTABILITIES	PERFORMANCE FOR 1998/99
Ministry for Forests and Marine Administration (MFMA) management	<ul style="list-style-type: none"> ● Corporate Plan prepared and business results reported to the Minister on quarterly basis ● Implementation of comprehensive Y2K rectification and contingency plans ● New Industrial Agreement covering Office of Marine Administration staff registered in NSW Industrial Commission and described by the President of the Commission as meaningful and innovative harmonious industrial climate with no time lost due to industrial disputes.
MFMA Forestry Initiatives	<ul style="list-style-type: none"> ● New eligibility guidelines for the Forest Industry Structural Adjustment Program announced in October 1998 to boost Industry Development Assistance ● Launch of 1998-2000 Training Strategy for NSW Forest Industry in July 1998 to bolster Worker Assistance ● Draft plantation and value adding strategies prepared to develop strategic policy framework for the State's forests.
MFMA Western Sydney initiatives	<ul style="list-style-type: none"> ● Office of Western Sydney officially opened on 23 July 1998 ● Assisted in the preparation of the TeamWest Greater Sydney 1999 Regional Agenda in February 1999 ● 1999 Western Sydney Industry Awards organised ● 35 regional initiatives to meet identified priorities for the region were set in place.
Marine safety and environment	<ul style="list-style-type: none"> ● Marine Safety Bill finalised and given Governor's assent ● Revised Training Code for Marine Pilots and Exempt Masters distributed in March 1999

ACCOUNTABILITIES	PERFORMANCE FOR 1998/99
	<ul style="list-style-type: none"> ● Preparation of statistics on oil spills in NSW waters for first time ● Contingency Plan for the Pollution of the Sea by Chemicals endorsed ● Memoranda of Understanding finalised with Commonwealth to formalise responsibilities for investigation of marine accidents and oil spills.
MMHC management	<ul style="list-style-type: none"> ● Above budget surplus of \$8.7M before abnormal items achieved and 1998/99 distribution to Government of \$12.0M paid or provided for ● Work commenced on major projects of Circular Quay refurbishment and Darling Harbour 9/10 ● Planning significantly advanced for Homebush Bay remediation and Rozelle and Blackwattle Bay master planning ● Significantly increased development applications processed following release of Development Control Plan and Land Owner's Consent Manual ● Preparation of a Heritage and Conservation Register for assets in the Sydney region.
2000 Olympics	<ul style="list-style-type: none"> ● Chaired Olympic Waterways Working Committee which overviewed ports portfolio planning and test events and issued a new Strategic Plan.
Integration into the NSW Department of Transport	<ul style="list-style-type: none"> ● Dissolution of MFMA effectively achieved ● Smooth and harmonious integration of Office of Marine Administration staff into the DOT including establishment of Maritime Assets Division.

APPENDIX 11**PERSONNEL AND INDUSTRIAL RELATIONS
POLICIES AND PRACTICES**

Personnel policies and guidelines are contained in the Department's Staff Resource Folder that is published on the Intranet and cover a full range of human resource, employee relations and personnel issues.

During the year, a range of new and revised personnel policies and procedures were introduced with agreement from unions as part of the Department's industrial instrument. In addition, over 25 separate communications relating to various personnel practices were issued.

The Department of Transport Officers' Employment Conditions Agreement and Memorandum of Understanding was successfully negotiated with peak union representatives and workplace delegates. The new industrial instrument has further enhanced the strong and effective working relationship with unions through the use of consultative workplace practices. These practices also aided the Department to resolve any grievance or industrial issue.

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All non SES staff were covered by the *Office of Marine Administration Award - 1998* which was gazetted on 18 September 1998.

This Award:

- contains a salary system that allows progression based on satisfactory performance
- recognises excellence and achievement of productivity measures
- incorporates effective grievance and dispute resolution procedures, and encourages customer oriented quality performance initiatives.

No industrial disputes were recorded for the year.

APPENDIX 12**OCCUPATIONAL HEALTH AND SAFETY
PERFORMANCE**

The Department is committed to ensure effective Occupational Health and Safety and Risk Management policies and practices are implemented. Our performance in terms of occupational health and safety has shown improvement, particularly in relation to the number of claims. Only four workers compensation claims were lodged in the last reporting year the major proportion of which related to injuries of a relatively minor nature.

Eight workplace injuries were reported during the past 12 months, a figure that represents a 50% reduction from the last reporting year. The majority of incidents related to slips/falls and manual handling and resulted in minor abrasions/lacerations and general soreness and did not involve any time off work. No prosecutions were reported during the last financial year.

Occupational Health and Safety inspections were carried out at all OMA workplaces at least once during the year. As a result of the inspection at the Port of Yamba, vessel boarding procedures for the pilot vessel *Francis Freeburn* were amended.

Marine administration statistics are as follows:

Number of work-related injuries	3
Number of work-related illnesses	0
Total time lost due to work-related injuries or illnesses	0 days
Prosecutions under the <i>Occupational Health and Safety Act 1983</i>	0

APPENDIX 13

CODE OF CONDUCT

The Code of Conduct is issued to all staff and published in the Staff Resources Folder on the Department's Intranet. No amendments were made to the Code of Conduct in the reporting year.

APPENDIX 14

DISABILITY PLAN

The Department's Disability Plan identifies objectives and initiatives for people with a disability and is aimed to ensure that our services, programs and facilities are as accessible to a person with a disability as they are to any other person.

The majority of objectives in regard to all target areas are being met. Strategies have been put in place to provide opportunities for people with a disability within the Department through involvement in specific employment and work experience programs coordinated by private institutions.

The objectives of the Plan are expected to:

- provide assistance to clients with special needs and identify workplace practices that ensure people with a disability have equal access to departmental services
- provide policies and practices that encourage employment, career opportunities and progression for people with a disability
- integrate accessible transport facilities into strategic planning and project initiatives
- provide information and resources concerning the Department's services to clients with a disability
- provide an effective means of communicating information through the use of appropriate channels and technologies.

The Department has established a range of facilities, such as TTY phones, to assist people with a disability. Adjustments to the workplace and modification of work practices and procedures have also been integrated to provide for the successful placement of visually and hearing impaired people.

APPENDIX 15

EQUAL EMPLOYMENT OPPORTUNITY

The Department is committed to the implementation of EEO strategies and initiatives as identified in the Department of Transport Officers' Employment Conditions Agreement and Memorandum of Understanding. Over the past year the Department has reviewed equity practices and procedures and implemented measures to ensure the effective management of equity and culturally diverse issues.

Major strategies include the Performance Development Scheme and Job Evaluation/Work Organisation. Amendments to flexible working arrangements including the accrual of flexidays and flexibility of starting and finishing times has been introduced to allow staff to better meet work and family commitments.

The following EEO initiatives and practices were improved during the reporting year:

- executive performance agreements included measures and accountability for a broad range of equity initiatives
- of the 88% of staff who responded to the EEO data form, 73% were new employees
- the Department participated in a range of employment initiatives including work experience and employment programs coordinated by employment specialists and the Commonwealth Rehabilitation Service
- the Skillmax Program and Migrant Work Experience Program were actively promoted
- the Department provided work experience opportunities for students from secondary institutions and as part of University Internship Programs
- commitment and support was provided to the Department's Spokeswomen Network Program and their organisation of related workshops and information sessions
- arrangements have been made for staff to participate in language tests and consider payment of allowances as part of the Community Language Allowance Scheme.

APPENDIX 16

STAFF BY LEVEL AND EMPLOYMENT BASIS

PARLIAMENTARY ANNUAL REPORT EEO TABLES

Table 1 Percent of Total Staff by Level

LEVEL	TOTAL STAFF (Number)	Subgroup as Percent of Total Staff at each Level			Subgroup as Estimated Percent of Total Staff at each Level				
		Respondents	Men	Women	Aboriginal People & Torres Strait Islanders	People from Racial, Ethnic, Ethno-Religious Minority Groups	People Whose Language First Spoken as a Child was not English	People with a Disability	People with a Disability Requiring Adjustment at Work
< \$25,761	0								
\$25,761 - \$37,825	40	88%	10%	90%	3.1%	40%	43%	9%	6.2%
\$37,826 - \$47,866	79	91%	29%	71%	0.0%	32%	25%	8%	8.3%
\$47,867 - \$61,899	63	87%	57%	43%	0.0%	27%	31%	9%	5.5%
> \$61,899 (non SES)	78	86%	77%	23%	0.0%	10%	16%	13%	7.2%
SES	8	75%	88%	13%	0.0%	0%	17%	17%	16.7%
TOTAL	268	88%	49%	51%	0.5%	25%	26%	10%	7.3%
<i>Estimated Subgroup Totals</i>		235	130	138	1	66	70	28	19

Table 2 Percent of Total Staff by Employment Basis

EMPLOYMENT BASIS	TOTAL STAFF (Number)	Subgroup as % of Total Staff in each Category			Subgroup as Estimated Percent of Total Staff in each Employment Category					
		Respondents	Men	Women	Aboriginal People & Torres Strait Islanders	People from Racial, Ethnic, Ethno-Religious Minority Groups	People Whose Language First Spoken as a Child was not English	People with a Disability	People with a Disability Requiring Adjustment at Work	
Permanent	Full-Time	227	89%	51%	49%	0.5%	26%	26%	10%	6.4%
	Part-Time	14	79%	7%	93%	0.0%	9%	18%	18%	18.2%
Temporary	Full-Time	18	83%	33%	67%	0.0%	33%	33%	7%	6.7%
	Part-Time	1	100%	0%	100%	0.0%	0%	0%	0%	0.0%
Contract	SES	8	75%	88%	13%	0.0%	0%	17%	17%	16.7%
	Non SES	0								
Casual		45	0%	71%	29%					
TOTAL		313	75%	52%	48%	0.4%	21%	22%	9%	6.3%
<i>Estimated Subgroup Totals</i>			235	162	151	1	67	69	28	20

Note:

Figures for EEO groups other than women have been adjusted to compensate for the effects of non-response to the EEO data collection. EEO statistics reported in years prior to 1998 may not be comparable due to a change in the method of estimating EEO group representation.

APPENDIX 17

ETHNIC AFFAIRS PRIORITIES STATEMENT

The Ethnic Affairs Priorities Statement (EAPS) reinforces the importance of ethnic affairs initiatives as part of the Department’s broader corporate and strategic business planning process. Currently, 25% of Departmental staff are from a racial, ethnic, ethno-religious background.

During the reporting year, the Department has used translators/interpreters to assist with operational matters. Arrangements have been made for a number of staff to be examined as part of the Community Language Allowance Scheme. The general awareness and understanding of culturally diverse issues and EAPS has been improved through the Department’s Intranet and use of Departmental circulars/brochures.

Ethnic affairs initiatives have also been successfully integrated into corporate and strategic planning initiatives. The Department has ensured that an appropriate level of resources and services are provided to meet the changing needs of the broader community in areas such as the Taxi industry and School Student Transport Scheme. The Department will review the needs of the ethnic community and grants program directed at community based organisations.

The Ethnic Affairs Priorities Statement is expected to be further reviewed in the next 12 months to consider a range of transport reforms and address matters such as the representation of boards/committee and the availability of brochures and information on specific aspects of operational matters. The existing Statement provides for the following outcomes:

ETHNIC AFFAIRS INITIATIVE/STRATEGY	PLANNED OUTCOMES
Assist in promoting the importance of making public transport safer for passengers and workers	<ul style="list-style-type: none"> ● better awareness of taxi industry and services of DOT ● improved customer service in taxi industry.
Ensure staff are aware and sensitive to the needs of ethnic communities	<ul style="list-style-type: none"> ● increase in awareness of cross cultural and related issues ● improved customer service and awareness of cultural diversity issues.
Improve service delivery and information to the ethnic community	<ul style="list-style-type: none"> ● reduction in number of complaints and increased awareness of DOT services ● improved level of customer service in the transport field.

ETHNIC AFFAIRS INITIATIVE/STRATEGY	PLANNED OUTCOMES
Improve the level of customer service support to clients from an ethnic, ethno-religious background	<ul style="list-style-type: none"> ● enhanced level of understanding of transport industry and DOT ● improved level of customer service in the transport industry.

APPENDIX 18

WOMEN'S ACTION PLAN

The NSW Government is committed to providing the means and opportunities to achieve a just and fair community. The Government's "Action Plan for Women" is an initiative to ensure that government policies, programs and services are inclusive and relevant to women.

Consistent with the whole of government approach to addressing women's issues and concerns, during the 1998/99 period, the Department of Transport initiated actions to give effect to the goals of the "Action Plan".

To improve the health and quality of life of women in NSW, the Department:

- Continued its representation on the Department for Women's (DFW) Transport Planning Advisory Group which is developing agency specific and cross portfolio initiatives to improve women's access to and mobility within the public transport system.
- Analysed Census data and travel survey data to understand the travel and employment patterns of women, which indicates that women are significant users of public transport, especially buses and are more likely to work on a part-time basis in local centres.
- Committed to a number of projects in the *Action for Transport 2010* which will improve the level of bus service in both the metropolitan and country areas, which will benefit women bus travellers. These included bus contracts for new "greenfield" areas, cross regional bus routes, the Liverpool to Parramatta Transitway and the country bus and coach facility program.

To reduce violence against women, the Department:

- Continued its administrative and logistic support to the Transport Safety Advisory Committee (TSAC). Working closely with the Department's Transport Safety Bureau, TSAC is an important mechanism through which women's needs and perceptions of public transport safety are being addressed.
- Increased the number of women representatives on the TSAC in line with the Government's commitment to increase the representation of women and people of a non-English speaking background on government boards and committees.

- Initiated a number of projects to improve the safety of public transport users which, as significant users of public transport, are important for women. These included improving security on STA buses and taxis with the use of camera surveillance systems and the introduction of patrolled taxi ranks at selected sites in the CBD.

To promote a safe and equitable workplace responsive to all aspects of women's lives, the Department:

- Continued with its Spokeswomen's Program which included a series of seminars featuring women working in the Government transport sector. The Program is run in conjunction with the SRA and STA to develop a network for women across the transport agencies and to promote an identity for women working in the sector. A particular initiative of the Program was to take the seminars to the Department's Regional Offices and to encourage the development of networks with women in the other transport agencies in those regional centres.
- Sponsored a transport agency secondment as part of the Department's Strategy for Women. In this regard the Department seconded from the State Transit Authority a woman involved in bus operations to work in the Department's Central Sydney Regional Office. The secondment was aimed at promoting career prospects for women working in transport agencies.

To promote the position of women in all aspects of society, the Department:

- Participated in the Office of the Director of Equal Opportunity in Public Employment's "Women in Transport" (WIT) Project. The WIT Project aims to promote the participation and visibility of women working in the Government transport sector. Through this, the needs of women as clients will be more strongly represented and met as the skills and experience of women employees influence overall service provision and planning.

APPENDIX 19

FRAUD AND CORRUPTION PREVENTION PROGRAM

Staff have access to a comprehensive advice service when dealing with matters of potential fraud, corruption, ethics and probity. All officers are encouraged to report suspect matters to the Fraud and Corruption Prevention Coordinator, their superior or the Director General.

The Fraud and Corruption Prevention policy is monitored in light of the Department's commitment to an annual risk assessment review and resultant internal audit programs(s), and its obligations under the *Independent Commission Against Corruption Act*, the *Ombudsman Act* and the *Protected Disclosures Act*.

APPENDIX 20**DISPOSAL OF PROPERTY**

The Department disposed of certain redundant and out of date computer equipment in 1998/99. The book value of that equipment was \$6,000.

APPENDIX 21**LEGISLATION ADMINISTERED BY THE MINISTER
[as at 30 June 1999]**

Air Navigation Act 1938 No 9

Air Transport Act 1964 No 36

Border Railways (Grain Elevators) Amendment Act 1957 No 9

Broken Hill to South Australian border Railway Agreement Act 1968 No 59

Civil Aviation (Carriers' Liability) Act 1967 No 64

Commercial Vessels Act 1979 No 41

Glenreagh to Dorrigo Railway (Closure) Act 1993 No 65

Marine (Boating Safety-Alcohol and Drugs) Act 1991 No 80

Marine Pilotage Licensing Act 1971 No 56

Marine Pollution Act 1987 No 299

Maritime Services Act 1935 No 47

National Rail Corporation (Agreement) Act 1991 No 82

Navigation Act 1901 No 60

Parking Space Levy Act 1992 No 32

Passenger Transport Act 1990 No 39

Ports Corporatisation and Waterways Management Act 1995 No 13

Rail Safety Act 1993 No 50

Railway Construction (East Hills to Campbelltown) Act 1983 No 111

Railway Construction (Maldon to Port Kembla) Act 1983 No 112

Road Transport (Driver Licensing) Act 1998 No 99

Tow Truck Act 1989 No 158

Tow Truck Industry Act 1998 No 111

Transport Administration Act 1988 No 109 (jointly with Minister for Roads).

In managing the properties vested with the MMHC, the Department of Transport was also responsible for environmental planning and development approval under the *Environmental Planning and Assessment Act 1979*.

The *Marine Safety Bill 1998* was assented to on 26 November 1998. It will be proclaimed simultaneously upon the gazettal of the Marine Safety Regulation.

The following change to legislation occurred during the year:

Date	Title	Action
11 September 1998	Water Traffic Regulations	Water Traffic Amendment (Major Events) Regulation amends the regulations to exclude commercial vessels from waters licensed during the Olympic Games and test events.

APPENDIX 22 RECYCLING

The Department continues to promote and encourage recycling in accordance with the Government’s waste reduction policy to reduce landfill waste. The Department’s Waste Reduction and Purchasing Plan has been distributed to all staff throughout the agency. Staff are encouraged to re-use paper, and to adopt more economical photocopying practices to reduce administrative costs and waste paper. Staff also make widespread use of recycling bins distributed throughout its offices to dispose of waste paper and paper products. Green (recycled) photocopying paper is used whenever possible and empty toner cartridges are also being recycled in an effort to reduce environmental hazards and office costs.

Staff of the former OMA continued to re-use old letterhead paper in facsimile machines and to separate paper and other recyclable materials as part of the Maritime Trade Towers’ product recycling program.

In June 1999 the Environment Protection Authority noted the OMA’s waste reduction and purchasing plan which indicates that certain recyclable wastes, particularly paper products will be diverted and that where possible recyclable products will be purchased or utilised.

APPENDIX 23 CORPORATE GOVERNANCE

The NSW Department of Transport’s policies management, performance and strategies are coordinated by the Director General, reporting to the Minister for Transport, the Hon Carl Scully. The Director General and his executive team meet on a regular basis to plan and monitor the Department’s progress. In addition, the Department has a continued commitment to achieve best practice in corporate governance. The best practice approach includes the establishment and communication of objectives, corporate strategies and procedures and actions to ensure compliance with legal, central agency and other requirements, and to ensure that financial and other resources are well controlled. The Department’s Finance Committee meets on a fortnightly basis, and the Director General periodically invites senior management and its internal auditors to executive meetings to provide information on audit or financial matters, operational issues and other corporate governance issues.

APPENDIX 24**1998/99 INTERNAL AUDIT AND STATEMENT OF RESPONSIBILITY**

The Director General, senior management and other employees have put in place an internal control process designed to provide reasonable assurance regarding the achievement of the Department's objectives. The internal audit function conducts a program of review to assess these controls.

To the best of my knowledge, this system of internal control has continued to operate satisfactorily during the financial year 1998/99.

JOCK MURRAY
Director General
26 August 1999

Financial Reporting and Internal Controls

The Department has a three-year internal audit plan, which is reviewed and updated each year. The current plan covers the period to June 2000. The plan has both a financial and operational emphasis and is prepared and implemented by the Department's internal auditors, Deloitte Touche Tohmatsu. Key areas of activity covered by the three-year plan include contract procedures, financial recording, purchasing functions and scheme procedures.

As part of the Internal Audit Plan, Deloitte Touche Tohmatsu conducted follow up of the 1997/98 audits for the purpose of gaining reasonable assurance that the recommendations were responded to in an appropriate manner. The review demonstrated that all major recommendations were implemented by Department management.

**1998/99 Internal Audits
Operational Audits**

- Financial Systems
- Taxi Plate Issue
- Consultants and Contractors
- Tow Truck Authority

Special Assignments

- Probity Auditor - Parramatta Rail Link
- Probity Auditor - Integrated Ticketing
- Review of Hire Car Issues

- Transport Studies Tendering Advice
- Benchmark of Departmental Activities with Interstate Agencies.

APPENDIX 25

ACCOUNT PAYMENT PERFORMANCE

The Department applies the general accounts payable policy of payment on a “creditor terms” basis, using its computerised accounting system. Creditor terms are entered into the system and payments automatically made by the due date. This ensures payment performance, as well as gaining maximum benefits from cash management. Occasional instances where supplier terms may not be met are usually due to problems experienced with confirmation of satisfactory delivery of goods or services.

During the year there were no instances leading to penalty interest payments made on overdue accounts under clause 2AB of the Public Finance and Audit Regulation 1984.

APPENDIX 26

ENERGY MANAGEMENT POLICY

Corporate Commitment

The Department is committed to achieve savings in energy usage, a reduction of greenhouse gas emissions and sustained Energy Management principles. The Department now has four tenanted sites that presently purchase electricity from franchise electricity retailers.

Planning

Accountability and responsibility for energy management has been established by the nomination of an Energy Manager and Energy Co-ordinator.

Where cost effectively feasible, the Department will endeavour to reduce energy consumption in buildings by 15% of the 1995 level by 2001 and 25% of the 1995 level by 2005. An Energy Management Plan will be completed by December 1999 that will identify energy consumption reduction targets and include the strategies to obtain the goals for all facilities.

The 2000/01 budget will include an amount for energy efficiency upgrades, which are economically viable with a simple payback period of less than three years.

Implementation

The Energy Management Plan will establish a plan of implementation to enable energy savings to be enhanced. The plan will address facilities or technologies with the greatest saving potential. The plan will also identify suitable funding options to enable energy saving recommendations to be implemented. Energy savings may be limited due to the Department being a tenant at all sites and

therefore having limited opportunities to achieve savings in building services. The Energy Management Plan will analyse site electricity consumption to identify opportunities for larger tenancies to purchase electricity on the contestable market. This action will achieve a reduction of greenhouse gas emissions by purchasing a percentage of green power.

Performance

The following major energy fuels were purchased by the Department during 1998/99:

Fuel	Total Energy Consumed (GJ)	% of Total Energy	Annual Cost	Carbon Dioxide (CO ₂) Green emissions (tonnes)
Electricity (Black Coal)	2,713	40.2%	\$79,133	720.5
Electricity (Green Power)	0	0.0%	\$0	0.0
Natural Gas	0	0.0%	\$0	0.0
Liquefied Petroleum	0	0.0%	\$0	0.0
Diesel	0	0.0%	\$0	0.0
Petrol	4,033	59.8%	\$162,445	266.2
TOTAL	6,746	100%	\$162,445	986.7

Consumption goals for each type of fuel will be included in the Energy Management Plan.

Future Direction

The Energy Management Plan will include the Department's policy directions, monitoring targeting and reporting mechanisms, and energy management strategies. These directions, mechanisms and strategies will be implemented during 2000.

APPENDIX 27

YEAR 2000 COMPLIANCE

In 1998, the Department undertook a Year 2000 Risk Assessment and Rectification Project in accordance with the Office of Information Technology's Year 2000 Business Risk Analysis Methodology, version 1.6. The project included risk analysis, preparation of a rectification and contingency plan and preparation of a disaster recovery plan.

The Department obtained independent certification of its Risk Assessment & Rectification Plan and its Contingency and Disaster Recovery Plan. These certificates were received in September 1998.

The Department engaged Beaumont Management Consulting (from panel ITS2060) to assess its remediation effort. Certification was received in June 1999. All outstanding remedial work was due for completion in October 1999. Ongoing review of rectification work will continue up to and into early 2000.

Ongoing tasks up to 2000 will include:

- monitoring the rectification activities of transport operators
- continuing compliance management until 2000 of all new IT and non-IT equipment acquisitions and maintenance, contracts and leases
- quality assurance and audit of rectification phase until January 2000.

The Department's budget for rectification is \$205,000.

OMA

Comprehensive Year 2000 rectification and contingency plans were implemented during the year using NSW Government standard methodology, with monthly implementation status reports forwarded to the Office of Information Technology.

The Year 2000 preparations of the CCSU (the computer hardware and software support provider), were closely monitored to ensure that all computers will be fully Year 2000 compliant by October 1999.

All other equipment has either been upgraded for Year 2000 compliance or has been replaced. Much of the replaced equipment had already been programmed for replacement and this has limited the direct cost of Year 2000 compliance to \$27,000. The largest single replacement item is the Maritime Assets Division's telephone exchange, for which a contract was awarded in June 1999.

The Division's contingency plan is periodically tested to ensure its relevance and effective function. All Year 2000 preparations will be complete in October 1999 and will ensure continued delivery of all services.

APPENDIX 28**ANNUAL REPORT COSTS**

The direct cost of production of 1,000 copies of the 1998/99 NSW Department of Transport Annual Report, incorporating the Annual Reports of the Tow Truck Authority and the Marine Ministerial Holding Corporation, is \$27,855 or \$27.86 per report.

The production costs of this year's Annual Report are considerably more than in previous years because of the need to include the Reports of the former Office of Marine Administration, the Marine Ministerial Holding Corporation and the new Tow Truck Authority.

APPENDIX 29**JUDICIAL DECISIONS**

There were four appeals in the Land and Environment Court stemming from the Maritime Assets Division's role as consent authority for waterways development in Sydney Harbour and the Parramatta River. One appeal was upheld, one was dismissed and two applications were modified allowing them to be approved.

APPENDIX 30**SUBORDINATE LEGISLATION**

There were no departures.

APPENDIX 31**CONTRACTING AND MARKET TESTING POLICY**

A two year Service Level Agreement between the former Ministry for Forests and Marine Administration (MFMA) and the NSW Department of Public Works and Services' Central Corporate Services Unit (CCSU) was signed on 18 March 1999. This agreement formalised the provision of finance, human resources (payroll, personnel and recruitment), records management, information technology, and research and information service functions from 1 July 1998.

Other service functions such as insurance, port safety, property management and disposal and project management continued to be outsourced during the year.

The Department's Records Management section was contracted out to NSW Fire Brigades on 3 September 1998.

APPENDIX 32**RISK MANAGEMENT & INSURANCE**

The major risks faced by the Department are the security of its assets, operational and administrative risks and accidents resulting in workers' compensation and motor vehicle claims. The Department's Risk Management activities aim to ensure that occupational health and safety and other business risks are identified and appropriate strategies implemented to mitigate risks and impacts on the Department. A key role in this process is played by management in identifying any risks to staff and assets. In addition, the Department's internal audit program focuses on both operational audits and special assignments.

The Department's Insurance activities are conducted within the framework of the NSW Treasury Managed Fund (TMF), presently managed by GIO Australia. Insurance effected through the TMF includes: workers' compensation, motor vehicles, property, public liability, and miscellaneous (personal accident, professional indemnity).

Workers' Compensation

The Department has an active Occupational Health & Safety Committee which monitors workplace safety and recommends changes to management that will improve health and safety as well as minimising exposure to future risks. The insurance premium is monitored against benchmarks used by the fund. The Department also offers an Employee Assistance Program to assist employees with workplace and personal problems.

Fraud Corruption and Control

The Department has in place processes and practices that are aimed at minimising fraud and corruption. Apart from internal controls and the Department's Code of Conduct, the Department's internal audit plan is aimed at reviewing and improving existing processes and practices to reduce the opportunity for fraud or corruption to occur within the Department.

OMA

Risk management activities successfully carried out during the year included:

- implementation of comprehensive Y2K rectification and contingency plans
- inspections of the work areas of all staff, particularly field staff in Eden and Yamba and the preparation of reports outlining areas of concern and recommended actions to prevent accidents
- commencement of a new industrial award which includes grievance and dispute resolution mechanisms
- review of finance, fraud and corruption prevention measures by the audit committee

- introduction or review of oil and chemical spill emergency response plans such as the first ever *Plan for the Prevention of Pollution of the Sea by Chemicals in NSW Waters*
- participation in response and equipment deployment exercises such as an exercise involving the vessel *Stolt Sapphire* in December 1998 involving the simulated spill of lubrizol, an environmentally hazardous chemical, from Darling Harbour.

The former MFMA's risk management profile compared favourably with other government agencies, scoring 81.4% from the NSW Treasury Managed Fund questionnaire for 1998/99, compared to the agency average of 67.4%.

During the year, the insurance cover for motor vehicle, industrial special risks, professional indemnity and personal accidents, was effected through the NSW Treasury Managed Fund.

APPENDIX 33

MAJOR ASSETS

Major assets are:

- computer equipment
- motor vehicles
- office equipment.

The major acquisition for the year was computer equipment. Asset acquisitions for the year totalled \$0.558 million.

OMA

The major acquisition for the year was a replacement PABX system. Three replacement motor vehicles were also acquired. Asset acquisitions for the year totalled \$0.149 million.

APPENDIX 34

CONSUMER RESPONSE

The ability of NSW port corporations to comply with performance standards in relation to marine safety and environmental protection was commended by consultants in a report to the Australian Maritime Safety Authority in August 1998. The consultants recommended that other Australian states and the Northern Territory consider similar arrangements.

The marine safety section received 163 responses from masters of visiting vessels to a written questionnaire on marine safety in NSW ports, specifically relating to pilot boarding grounds, information exchange with pilots and the level of satisfaction with pilots, tugs and mooring boats in general. This was the first such survey ever devised for ports in Australia. Over 90% of respondents indicated their satisfaction with the existing safety regulations and infrastructure.

APPENDIX 35**RESEARCH AND DEVELOPMENT**

Funds were obtained from the Natural Heritage Trust to continue a monitoring study of the waters of the port of Eden, in an attempt to determine whether the European fan worm, a marine pest discovered during a previous study, has colonised in the port. The Department is partly funding the total cost of the study over a three year period, estimated at \$0.358M. No funds were spent in 1998/99, however NSW Fisheries has appointed a technical officer for the project to prepare the first survey in August 1999.

APPENDIX 36**RESPONSE TO MATTERS RAISED BY THE
AUDITOR-GENERAL**

The Department of Transport Financial Statements have been qualified in one area - administrative restructuring, where the Department has recognised assets and liabilities transferred to its control as an adjustment of the opening balance of Accumulated Funds. These issues have been addressed in notes 1a, 1t and 18 of the financial statements.