








Appendix two – Status of 2019, 2018 and 2017 recommendations

Recommendation	Current status
The cluster lead entity should:	
Ensure consistent accounting policies are applied across its controlled entities.	The Department of Transport is currently conducting a cluster-wide working group to review the consistency of accounting policies applied to key known matters and explore the potential for alignment. 
Implement measures to prevent the loss of revenue from passengers tapping off with negative Opal cards.	Changes were made to the airport stations to prevent customers with high negative balances exiting and to increase the minimum top up values for new cards at these stations.  As a result of the new measures, the total value of negative balance Opal cards during the year decreased by 57 per cent to \$1.3 million (2018–19: \$2.9 million). The introduction of contactless payment options also does not carry the same negative exit risk.
Develop target measures on crowding for bus operators in all contract regions and publish the results.	Transport for NSW has key performance indicators in its contracts with bus operators which requires the operator to notify the agency of overcrowded routes.  The results are published through transport apps which convert open data on loading available from Transport for NSW into publicly accessible information. However, crowding target measures have not been established.
Rail Corporation New South Wales and Sydney Trains:	
The transparency of operations of signalling priorities with operators be improved with the creation of TAHE and the operation of the new Rail Operations Centre (ROC) in 2018.	The enactment of the Transport Administration Act resulted in the creation of TAHE on 1 July 2020.  A revised operations protocol was made effective from 1 January 2018. The protocol continues to be based around ensuring the least number of passengers are impacted by any issues on the network.

Recommendation	Current status		
NSW Trains and Chief Investigator of the Office of Transport Safety Investigations should:			
<p>Continue to focus on strategies to improve financial sustainability and less reliance on the NSW Government funding.</p>	<p>NSW Trains continues to require a letter of financial support along with Sydney Trains and Rail Corporation for the year ended 30 June 2020. The agency advised that management has implemented budget control measures, regional pricing reviews, benchmarking and outsourcing to improve cost recovery.</p> <p>OTSI does not generate revenue and is reliant on NSW Government funding.</p>		
The Transport cluster agencies should:			
<p>Consult agency finance teams on major business decisions and commercial transactions to assess their accounting impacts at the time of their execution, rather than at the end of a financial year and resolve all key accounting issues such as valuations as part of the early close procedures.</p>	<p>While the timeliness of financial reporting improved, the number of monetary misstatements identified during the audit of the financial statements for the Transport cluster increased this year.</p> <p>Similar issues were also raised around prior period errors due to:</p> <ul style="list-style-type: none"> • acquisition of land assets • transfer of loss of control over third-party assets. 		
<p>Implement a process to centrally capture all significant contracts and agreements entered. This will ensure:</p> <ul style="list-style-type: none"> • agencies are fully aware of contractual and other obligations • appropriate assessment of financial reporting implications • assessment of new accounting standards, in particular AASB 16 'Leases', AASB 15 'Revenue from Contract with Customers', AASB 1058 'Income of Not-for-Profit Entities' and AASB 1059 'Service Concession Arrangements: Grantors' are accurate and complete. 	<p>As highlighted in our repeat recommendation above in Appendix one, there remains no centralised processes to record all significant contracts and agreements in a register across the Transport cluster.</p>		
<p>Remove user access for terminated staff on a timely basis and ensure all user reviews are completed so access rights are appropriate.</p>	<p>There were further user access issues across the cluster identified as part of our 2019–20 audits.</p>		
<p>Continue reviewing the effectiveness of approaches to managing excessive annual leave.</p>	<p>Natural disasters and COVID-19 have impacted on the Transport cluster agencies' ability to reduce excessive annual leave to the desired levels. Agencies continue to actively monitor annual leave balances and leave management principles have been developed to manage excessive leave.</p>		
Key	 Fully addressed	 Partially addressed	 Not addressed