



**METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2003**

**LETTER OF TRANSMITTAL**

28 August 2003

**MINISTER FOR PLANNING AND INFRASTRUCTURE**

In accordance with Section 66 of the Financial Administration and Audit Act 1985, I hereby submit for your information and presentation to Parliament the Report of the Metropolitan (Perth) Passenger Transport Trust for the year ended 30 June 2003.

The Report has been prepared in accordance with the provisions of the Financial Administration and Audit Act 1985.



Athol Jamieson  
REPORTING OFFICER

**METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST  
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FOR THE YEAR ENDED 30 JUNE 2003**

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**METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST  
REPORTING OFFICERS REPORT  
FOR THE YEAR ENDED 30 JUNE 2003**

This is the last annual report for the Metropolitan (Perth) Passenger Trust, trading as MetroBus. It heralds the end of an era that saw the establishment of high standards of customer service, stability and security for the travelling public, during a period of rapid growth in Perth's suburban population.

The *Public Transport Authority Act 2003*, which was proclaimed on 1 July 2003, contained provisions repealing the statute establishing the Trust, the Metropolitan (Perth) Passenger Transport Trust Act 1957. From 1 July 2003, MetroBus no longer exists, and it is the responsibility of the Director General for the Department for Planning and Infrastructure to formally wind it up on behalf of the State.


In the years since the introduction of contracted public transport providers in 1998, MetroBus has focussed on obtaining suitable employment or other acceptable outcomes for its former staff and on the proper administration of its operations at minimal levels.

During 2002-03, 1 staff member was provided with permanent employment with another government agency.

At 30 June 2003, MetroBus employed 2 staff who held temporary positions at other government agencies. A Case Manager from the Department for Planning and Infrastructure (DPI) who has actively sought full time employment for all former MetroBus employees since 1998 will continue to seek permanent positions for these workers.

As far as assets and liabilities are concerned, MetroBus has no physical assets. All busses and infrastructure were transferred to the former Department of Transport, now DPI, in 1998. Only some operating funds and some minor debts owed to it remain. These will transfer to the Department of Treasury and Finance and DPI respectively. MetroBus has a liability to the Government Employees Superannuation Board to pay future pensions and lump sum superannuation pay outs totalling \$50.9 million. This will be transferred to the Department for Treasury and Finance to administer on behalf of the State. Liabilities relating to leave entitlements of the remaining employees will be paid by DPI when suitable outcomes are achieved.

I wish to thank all MetroBus employees for their service and commitment over the 41 years that it has provided public transport to the people of Perth. I also extend my thanks to the staff at DPI who have and will continue to ensure an orderly closure of this Perth institution.



Athol Jamieson  
REPORTING OFFICER

28/08/03

**METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST  
CERTIFICATION OF PERFORMANCE INDICATORS  
FOR THE YEAR ENDED 30 JUNE 2003**

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Metropolitan (Perth) Passenger Transport Trust's performance, and fairly represent the performance of the Metropolitan (Perth) Passenger Transport Trust for the financial year ended 30 June 2003.



Athol Jamieson  
REPORTING OFFICER  
28/08/03

**METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST  
PERFORMANCE INDICATORS  
FOR THE YEAR ENDED 30 JUNE 2003**

The outcome of the Trust is to carry out the directives of the Western Australian Government so that MetroBus is in a position to cease trading and commence an orderly disposal of assets, transfer of personnel and closure of all activities.

The Trust has met this objective so that the remaining activity continues to be the transfer of personnel to the public and private sector, the payment of liabilities and the proper handling of claims against the Trust.

**Efficiency Indicators**

These indicators report the direct costs associated with the closure of all activities of the Trust.

	2003 \$'000	2002 \$'000
Labour Costs	251	1,381
Worker's Compensation*	-	8
Insurance Premiums*	6	1
Superannuation	1,963	3,769
Supplies and Services *	30	22
<b>Total</b>	<b>2,250</b>	<b>5,181</b>

\* Comprise Supplies and Services in the Statement of Financial Performance.

**Effectiveness Indicator**

The effectiveness of the Trust is determined by the Minister for Planning and Infrastructure who has expressed her satisfaction regarding the Trust's performance against her objective in the letter on the next page.



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**MINISTER FOR PLANNING AND INFRASTRUCTURE**

HON ALANNAH MacTIERNAN  
BA LLB BJuris JP MLA

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2-35397

29 OCT 2003

**REPORTING OFFICER  
METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST**

***PERFORMANCE INDICATORS FOR METROBUS***

The operations of the Metropolitan (Perth) Passenger Transport Trust, trading as MetroBus, in the 2002-03 financial year were principally concerned with the administration of redeployees, settlement of its liabilities and handling of claims.

As contracted operators now provide the public transport activities formally performed by MetroBus, the performance indicators applicable to transport operations are no longer relevant.

I am satisfied that the Metropolitan (Perth) Passenger Transport Trust is performing its current functions to an acceptable standard.

ALANNAH MacTIERNAN MLA  
**MINISTER FOR PLANNING AND INFRASTRUCTURE**



## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

### METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2003

#### **Audit Opinion**

In my opinion, the key effectiveness and efficiency performance indicators of the Metropolitan (Perth) Passenger Transport Trust are relevant and appropriate to help users assess the Trust's performance and fairly represent the indicated performance for the year ended June 30, 2003.

#### **Scope**

##### *The Trust's Role*

The Trust was responsible for developing and maintaining proper records and systems for preparing performance indicators.

##### *The Reporting Officer's Role*

Following the abolition of the Metropolitan (Perth) Passenger Transport Trust with effect from July 1, 2003 the Treasurer appointed a Reporting Officer under the provisions of section 70A of the Financial Administration and Audit Act 1985 (the Act) who was responsible for preparing the final performance indicators.

The performance indicators consist of key indicators of efficiency and effectiveness.

#### **Summary of my Role**

As required by the Financial Administration and Audit Act 1985, I have independently audited the final performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the performance indicators.

D D R PEARSON  
AUDITOR GENERAL  
October 31, 2003

**MetroBus**  
**Financial Statements**  
**2003**



**METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST  
CERTIFICATION OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2003**

The accompanying financial statements of the Metropolitan (Perth) Passenger Transport Trust have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2003 and the financial position as at 30 June 2003.

At the date of signing I am not aware of any circumstances which could render any particulars included in the financial statements misleading or inaccurate.

A handwritten signature in brown ink, appearing to read 'Athol Jamieson', with a horizontal line drawn underneath it.

Athol Jamieson  
REPORTING OFFICER

28/08/03

**METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2003**

	Note	2003 \$'000	2002 \$'000
<b>COST OF SERVICES</b>			
EXPENSES FROM ORDINARY ACTIVITIES			
Employee Expenses	2	2,214	5,150
Supplies and Services		36	31
<b>TOTAL COSTS OF SERVICES</b>		<u>2,250</u>	<u>5,181</u>
REVENUES FROM ORDINARY ACTIVITIES			
<i>Revenue from Non-operating Activities</i>			
Interest Revenue		28	33
Workers Compensation Premium Recoup		669	663
Other Revenues		3	2
<b>TOTAL REVENUES FROM ORDINARY ACTIVITIES</b>		<u>700</u>	<u>698</u>
<b>NET COST OF SERVICES</b>		(1,550)	(4,483)
REVENUES FROM STATE GOVERNMENT			
Subsidy from Department for Planning and Infrastructure		3,968	4,200
Resources Received Free of Charge		10	9
<b>TOTAL REVENUES FROM STATE GOVERNMENT</b>		<u>3,978</u>	<u>4,209</u>
<b>CHANGE IN NET ASSETS</b>		2,428	(274)
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH WA STATE GOVERNMENT AS OWNERS			
		<u>2,428</u>	<u>(274)</u>

The Statement of Financial Performance should be read in conjunction with the accompanying notes.

**METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2003**

	Note	2003 \$'000	2002 \$'000
<b>CURRENT ASSETS</b>			
Cash Assets	7	106	332
Receivables	3	10	22
<b>TOTAL CURRENT ASSETS</b>		<u>116</u>	<u>354</u>
<b>TOTAL ASSETS</b>		<u><b>116</b></u>	<u><b>354</b></u>
<b>CURRENT LIABILITIES</b>			
Payables		333	215
Other Liabilities	4	119	88
Provisions	5	4,423	3,853
<b>TOTAL CURRENT LIABILITIES</b>		<u>4,875</u>	<u>4,156</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	5	46,569	49,954
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>46,569</u>	<u>49,954</u>
<b>TOTAL LIABILITIES</b>		<u><b>51,444</b></u>	<u><b>54,110</b></u>
<b>NET ASSETS</b>		<u><b>(51,328)</b></u>	<u><b>(53,756)</b></u>
<b>EQUITY</b>			
Accumulated Deficiency		(51,328)	(53,756)
<b>TOTAL EQUITY</b>	6	<u><b>(51,328)</b></u>	<u><b>(53,756)</b></u>

The Statement of Financial Position should be read in conjunction with the accompanying notes.

<b>METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST</b> <b>STATEMENT OF CASH FLOWS</b> <b>FOR THE YEAR ENDED 30 JUNE 2003</b>
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	Note	2003 \$'000	2002 \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Subsidies from the Department for Planning and Infrastructure		3,968	4,200
<b>NET CASH PROVIDED BY STATE GOVERNMENT</b>		<b>3,968</b>	<b>4,200</b>
Utilised as Follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts			
Interest Received		28	33
Other Receipts		675	674
GST Receipts from Taxation Authority		7	12
Payments			
Employee Costs		(4,879)	(5,967)
GST payments on Purchases		(8)	(7)
Supplies and Services		(17)	(20)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	7	<b>(4,194)</b>	<b>(5,275)</b>
Net Decrease in cash held		(226)	(1,075)
Cash assets at the beginning of the financial year		332	1,407
<b>CASH ASSETS AT THE END OF THE FINANCIAL YEAR</b>	7	<b>106</b>	<b>332</b>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

**METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2003**

**1. SIGNIFICANT ACCOUNTING POLICIES**

Notwithstanding the Metropolitan (Perth) Passenger Transport Trust's (MetroBus') deficiency of net assets, the financial statements have been prepared on the going concern basis. The basis has been adopted, as the Trust will receive continued financial support from the Department for Planning and Infrastructure.

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these are consistent with those adopted in the previous year.

**General Statement**

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording. The Financial Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and UIG Consensus Views. The modifications are intended to fulfil the requirements of the general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and, where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

**Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

**a) Grants, Subsidies and Other Contributions Revenue**

Grants, donations, gifts, subsidies and other non-reciprocal contributions are recognised as revenue when the Trust obtains control over the assets comprising contributions. Control is normally obtained upon receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

**b) Receivables**

Receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition. Collectability of receivables is reviewed on an on-going basis. Debts that are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubts as to collection exist.

**c) Payables**

Payables, including accruals not yet billed, are recognised when the Trust becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled within 30 days.

**METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2003**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d) Employee Benefits**

**Annual Leave**

This benefit is recognised at the reporting date in respect to employees' service up to that date and is measured at the nominal amounts expected to be paid when the liabilities are settled.

**Long Service Leave**

Leave benefits are calculated at remuneration rates expected to be paid when the liabilities are settled. A liability for long service leave is recognised after an employee has completed four years of service. This method of measurement of the liability is consistent with the requirements of Australian Accounting Standard AASB 1028 "Employee Benefits".

**Superannuation**

Staff may contribute to the Pension Scheme, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit lump sum scheme now also closed to new members. All staff who do not contribute to either of these schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. All of these schemes are administered by the Government Employees Superannuation Board (GESB).

The Pension Scheme and the pre-transfer benefit for employees who transferred to the Gold State Superannuation Scheme are unfunded and the liability for future payments are provided for at reporting date.

The liabilities for superannuation charges under the Gold State Superannuation Scheme and West State Superannuation Scheme are extinguished by payment of employer contributions to the GESB.

The note disclosure required by paragraph 6.10 of AASB 1028 (being the employer's share of the difference between employees' accrued superannuation benefits and the attributable net market value of plan assets) has not been provided. State scheme deficiencies are recognised by the State in its whole of government reporting. The GESB's records are not structured to provide the information for the Trust. Accordingly, deriving the information for the Trust is impractical under current arrangements, and thus any benefits thereof would be exceeded by the cost of obtaining the information.

**e) Accrued Salaries**

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. The Trust considers the carrying amount approximates net fair value.

**f) Resources Received Free of Charge or for Nominal Value**

Resources received free of charge or for nominal value that can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

**g) Comparative Figures**

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures represented in the current financial year.

<b>METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST</b> <b>NOTES TO THE FINANCIAL STATEMENTS</b> <b>FOR THE YEAR ENDED 30 JUNE 2003</b>
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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**h) Rounding of Amounts**

Amounts in the financial statements have been rounded to the nearest thousand dollars.

**2. EMPLOYEE EXPENSES**

	2003 \$'000	2002 \$'000
Wages and Salaries	275	1,489
Superannuation	1,963	3,769
Long Service Leave (1)	(20)	(57)
Annual Leave (1)	(4)	(51)
	<b>2,214</b>	<b>5,150</b>

(1) These employee expenses include superannuation; workers compensation premiums and other employment on-costs associated with the recognition of annual and long service leave liability. The related on-costs liability is included in employee benefit liabilities at Note 5.

**3. RECEIVABLES**

Current Debtors	3	16
GST Receivable	7	6
	<b>10</b>	<b>22</b>

**4. OTHER LIABILITIES**

Current Accrued Expenses	117	85
Accrued Salaries	2	3
	<b>119</b>	<b>88</b>

**METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2003**

**5. PROVISIONS**

	2003 \$'000	2002 \$'000
Employee Benefits		
Current		
Annual Leave (1)	16	29
Long Service Leave (1)	31	55
Superannuation (2)	<u>4,376</u>	<u>3,769</u>
	4,423	3,853
Non-Current		
Long Service Leave (1)	6	7
Superannuation (2)	<u>46,563</u>	<u>49,947</u>
	46,569	49,954
Total Employee Benefit Liabilities	<u><b>50,992</b></u>	<u><b>53,807</b></u>

- (1) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including superannuation, payroll tax and worker's compensation premiums. The liability for such on-costs is included here. The associated expense is included under Employee Expenses at Note 2.
- (2) The superannuation liability has been established from data supplied by the Government Employees Superannuation Board.

The Trust considers the carrying amount of employee benefits approximates the net fair value.

**6. EQUITY**

Accumulated Deficiency		
Opening Balance	(53,756)	(53,482)
Change in Net Assets	2,428	(274)
Closing Balance	<u><b>(51,328)</b></u>	<u><b>(53,756)</b></u>

**7. NOTES TO THE STATEMENT OF CASH FLOWS**

**Reconciliation of Cash**

For the purpose of Statement of Cash Flows, the Trust considers cash to be cash assets. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash Assets	<u><b>106</b></u>	<u><b>332</b></u>
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**METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2003**

**7. NOTES TO THE STATEMENT OF CASH FLOWS (continued)**

**Reconciliation of Net Cost of Services to Net Cash Flows used in Operating Activities**

	2003 \$'000	2002 \$'000
Net Cost of Services	(1,550)	(4,483)
Non-Cash Items:		
Resources Received Free of Charge	10	9
Increase/(Decrease) in Assets		
Receivables	13	13
Increase/(Decrease) in Liabilities		
Payables	118	137
Accrued Expenses	31	(23)
Provisions	(2,815)	(930)
Net GST receipts/(payments)	(1)	2
Net Cash used in Operating Activities	<u>(4,194)</u>	<u>(5,275)</u>

**8. RESOURCES RECEIVED FREE OF CHARGE**

Office of the Auditor General	<u>10</u>	<u>9</u>
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**9. WRITE OFFS**

The Trust included in the Financial Statements the following write-offs:

Debts written off by the Minister	-	-
Debts written off by the Trust	11	-
	<u>11</u>	<u>-</u>

There were no losses through theft or defaults, or gifts of Public Property received in the current or previous financial year.

**10. RENUMERATION OF MEMBERS OF THE ACCOUNTABLE AUTHORITY AND SENIOR OFFICERS**

All members of the Trust are full-time employees of other government agencies and receive no remuneration from the Trust.

The Chief Executive Officer and the Principle Accounting Officer are permanent full-time employees of the Department for Planning and Infrastructure and as such there was no remuneration or superannuation paid to these officers by the Trust.

**METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2003**

**11. FINANCIAL INSTRUMENTS**

**(a) Interest Rate Risk Exposure**

The following table details the Trust's exposure to interest rate risk as at the reporting date:

	Variable Interest		Non Interest Bearing		Total	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Financial Assets						
Cash Assets	106	332	–	–	106	332
Receivables	–	–	10	22	10	22
Financial Liabilities						
Payables	–	–	333	215	333	215
Other Liabilities	–	–	119	88	119	88

Note: the weighted average effective interest rate for 2003 was 4.895% (2002: 4.71%)

**(b) Credit Risk Exposure**

The carrying amount of financial assets recorded in the financial statements represents the Trust's maximum exposure to credit risk.

**(c) Net Fair Values**

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in Note 1 to the financial statements.

**12. EXPLANATORY STATEMENT**

**(i) Significant Variations Between Estimates and Actual Results for the Financial Year**

Details and reasons for significant variations between estimates and actual results are detailed below. The Trust considers significant variations to be those greater than or equal to \$50,000 and 5%.

	Actual 2003 \$'000	Budget 2003 \$'000	Variation \$'000	Variation %
Employee Expenses (1)	2,214	5,103	2,889	57.0

(1) Variance is due to a reduction in the superannuation expense due to a fall in the liability of \$2.777 million, and the reduction in staff numbers over the course of the year, and a lower than expected claim rate from government agencies employing staff on two year funding terms.

**METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2002**

**14. EXPLANATORY STATEMENT (continued)**

**(ii) Significant Variations Between Actual Revenues and Expenditures for the Financial Year and Revenues and Expenditures for the Immediately Preceding Financial Year**

	Actual 2003 \$'000	Actual 2002 \$'000	Variation \$'000	Variation %
Employee Expenses (1)	2,214	5,150	2,936	57.0

(1) The variance is due to a reduction in the superannuation expense due to a fall in the liability of \$2.777 million, and the scaling down of the Trust's activities, particularly the transfer of employees to other agencies and a reduction in the number of claims for two year funding from agencies accepting staff.

**15. EVENTS OCCURRING AFTER REPORTING DATE**

The Metropolitan (Perth) Passenger Transport Trust Act 1959, which established MetroBus was repealed by provisions of the Public Transport Authority Act 2002. As a consequence, effective 1 July 2003 MetroBus ceased to exist and all current and future assets and liabilities became the responsibility of the State.

The Department of Treasury and Finance has assumed responsibility on behalf of the State for all superannuation related liabilities and payments, and the Government of Western Australia bank account will be credited with the balance of the MetroBus bank account. The Department for Planning and Infrastructure has assumed responsibility for the continuity of employment of the remaining staff and for meeting liabilities related to employee benefits for annual and long service leave.



## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

### METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2003

#### **Audit Opinion**

In my opinion,

- (i) the controls exercised by the Metropolitan (Perth) Passenger Transport Trust provide reasonable assurance that the receipt and expenditure of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Trust at June 30, 2003 and its financial performance and cash flows for the year ended on that date.

#### **Scope**

##### *The Trust's Role*

The Trust was responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

##### *The Reporting Officer's Role*

Following the abolition of the Metropolitan (Perth) Passenger Transport Trust with effect from July 1, 2003 the Treasurer appointed a Reporting Officer under the provisions of section 70A of the Act who was responsible for preparing and presenting the final financial statements.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and the Notes to the Financial Statements.

##### *Summary of my Role*

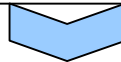
As required by the Act, I have independently audited the final accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the financial statements is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements.

D D R PEARSON  
AUDITOR GENERAL  
October 31, 2003

**METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST  
ORGANISATIONAL STRUCTURE  
FOR THE YEAR ENDED 30 JUNE 2003**

Hon. Alannah MacTiernan, BA LLB B Juris JP, MLA  
Minister for Planning and Infrastructure



**Trust Board**

Mr G Martin – Chairman  
Mr R Waldock – Deputy Chairman  
Ms A Nolan – Member  
Mr D Forte – Member  
Mr A Jamieson – Member  
Mr B Ielati – Member  
Mr M Burgess - Member



**Chief Executive**

Mr G Martin



**Coordination Team**

Mr A Jamieson – Principal Accounting Officer  
Mr M Davey – Management Accountant  
Mr C Floate – Insurance and Risk Manager  
Mr J Dramam – Case Manager/ Human Resource Coordinator

## METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST

### STATEMENT OF CORPORATE GOVERNANCE

The Metropolitan (Perth) Passenger Transport Trust Board is responsible for the corporate governance of MetroBus. It is specifically responsible for setting the organisation's strategic direction, establishing goals for management, monitoring operational and financial performance, and reporting on the achievement of the strategies and goals set by the Board and agreed with the Minister of Planning and Infrastructure.

To assist the Board to carry out its corporate governance responsibility, it has developed guidelines for the operation of the Board, and transferred coordination of MetroBus activities to staff at the Department for Planning and Infrastructure. This was done to ensure that internal control is being effectively maintained, risks are being managed, and that appropriate ethical standards are followed.

This statement outlines the main corporate governance practices to which the Board is committed. Unless otherwise stated, all these practices were in place for the entire financial year.

#### **Board of the Metropolitan (Perth) Passenger Transport Trust**

The composition and meeting of the Board are determined in accordance with the following principles:

- ☆ The Board comprises a Chairman and up to 6 members all appointed by the Minister.
- ☆ Members are appointed for terms not exceeding 5 years. They are eligible for re-appointment for another maximum term of 5 years.
- ☆ The Board comprises Members with an appropriate range of expertise and qualifications.
- ☆ There is no maximum age for Members.
- ☆ Members are appointed by Cabinet on nomination from the Minister for Planning and Infrastructure after consultation with, or on the recommendation of, the Board.

## METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST

### STATEMENT OF CORPORATE GOVERNANCE

The Members in office at the date of this statement are:

***Name and Qualifications***

***Experience***

Mr Greg Martin  
Chairman

Mr Martin was appointed chairman until 30 June 2004.

He holds degrees in Engineering and Commerce and a Master of Science. Mr Martin was appointed Director General of the Department for Planning and Infrastructure on 29 July 2002. Previously he was Commissioner of Main Roads Western Australia and has considerable experience in professional roles in the Commonwealth, Western Australian and South Australian Governments.

Mr Reece Waldock  
Deputy Chairman

Mr Waldock has a Bachelor of Science and a Graduate Diploma in Business Administration from Curtin University.

He was a Metallurgist with BHP and progressed to the Victorian Sales and National Product Manager. In 1984 he joined the Western Australian Public Service and held senior positions at the Department of Commerce and Trade such as Director Research and Development, Director Investment Attraction and Director of Technology.

In 1993 he commenced with the Department of Transport and has held the positions of Executive Director Maritime, Chairman of the Ports of Wyndham and Broome, Executive Director Transperth and Commissioner of StateShips. He is currently the Acting Commissioner for Railways for the Western Australian Government Railways Commission.

Board Member since September 1998.

Mr Denis Forte  
Member

Mr Forte is the Executive Director Service Delivery at the Department for Planning and Infrastructure and has a Bachelor of Surveying and a Post Member Graduate Diploma in Public Administration from Curtin University.

Prior to joining the Department for Planning and Infrastructure (formerly the Department of Transport), Mr Forte held several senior executive positions in the Commonwealth Department of Administrative Services. In these appointments he was responsible for establishment and management within a commercial environment, and the redeployment of staff.

At Transport he was appointment Executive Director Corporate Services in 1996, and Executive Director Maritime in October 1999.

Board Member since September 1998.

## METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST

### STATEMENT OF CORPORATE GOVERNANCE

Ms Anne Nolan  
Member

Ms Nolan has a Bachelor of Economics (Hons) and a Master of Economics and currently holds the position of Executive Director, Economics with the Department of Treasury and Finance.

She joined the Western Australian Treasury Department in 1981 as a Graduate. This was followed by five years with the Department of Transport where she was responsible for urban transport and aviation policy. Since her return to Treasury in 1989, she has held a number of senior posts involved in policy development and an advisory role in economic issues (both at macro and micro levels), corporate government, public sector reform, inter-governmental relations, government enterprises and competition policy. Ms Nolan was appointed Executive Director Economics in November 2000.

Board Member since 1998.

Mr Athol Jamieson  
Member

Mr Jamieson was appointed Board member until 30 June 2004.

He is a CPA and has degrees and post graduate qualifications in economics, education, business administration and engineering. He is the Chief Financial Officer at the Department for Planning and Infrastructure, and has worked in senior management positions in a variety of Western Australian government agencies including Treasury, Justice, Education and Main Roads.

Mr Mark Burgess  
Member

Mr Burgess was appointed Board member until 30 June 2004.

He is the Acting Executive Director Public Transport Services with the Department for Planning and Infrastructure currently responsible for ensuring effective public rail and bus transport in Perth's metropolitan and the State's regional areas. Prior to this, he had a long career as an officer in the Australian Army in areas including transport, logistics and planning.

Mr William Ielati  
Member

Mr Ielati was appointed Board member until 30 June 2004.

He is a CPA and has a degree in Commerce and a Masters in Business Administration. Currently, Director Financial Planning at the Department for Planning and Infrastructure he has considerable senior management experience at the Treasury and Health Departments in Western Australia.

#### Board Responsibilities

The Board seeks to discharge its responsibilities in the following ways:

- ☆ The Board is responsible for identifying areas of significant business risk and ensuring mechanisms are in place to adequately manage those risks.
- ☆ The Board is responsible for ensuring the management's goal and activities are aligned with the expectations and risks identified by the Board. To achieve this objective the Board monitors the implementation of operational plans and performance against budgets by management.



## METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST

### STATEMENT OF CORPORATE GOVERNANCE

- ☆ The Board is responsible for ensuring that the financial position is secure.
- ☆ The Board is responsible for ensuring all internal control and compliance frameworks are in place.
- ☆ The Board is responsible for ensuring that management and staff managing MetroBus operations are highly skilled, experienced, and contributing enthusiastically to the success of the organisation. It is also responsible for ensuring that appropriate succession planning is in place for key positions. The Board has delegated its responsibility for employment and termination of staff to the Chief Executive Officer, as provided for under the Public Sector Management Act 1994.

#### **Independent Professional Advice**

Each Member has the right to seek independent professional advice at MetroBus' expense where the member considers it necessary to carry out his/ her duties, subject to the prior agreement of the chairperson that cannot be unreasonably withheld.

#### **Access to Resources and Information**

Each Member is entitled to obtain such resources and information from MetroBus, including direct access to MetroBus' staff and it's advisors, as they may require after notifying the Chief Executive.

#### **Code of Conduct**

The Board has adopted a Code of Conduct, consistent with the requirements of the Public Sector Standards Commissioner, to guide members, management and employees in carrying out their duties and responsibilities. The code of conduct has been communicated to all employees and covers such matters as:

- ☆ Professional conduct
- ☆ Personal conduct
- ☆ Dealing Stakeholders
  - ☆ Customers
  - ☆ Employees
  - ☆ Suppliers
  - ☆ Advisors and regulators
  - ☆ Public, community
  - ☆ Competitors
- ☆ Gifts, hospitality issues
- ☆ Outside employment
- ☆ Conflicts of interest
- ☆ Confidential information
- ☆ Maintaining of business records
- ☆ Use of MetroBus' assets

**METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST**  
**STATEMENT OF COMPLIANCE WITH WRITTEN RELEVANT LAW**

### **Enabling Legislation**

The Metropolitan (Perth) Passenger Transport Trust is established under the Metropolitan (Perth) Passenger Transport Trust Act 1957.

### **Legislation Administered**

The Metropolitan (Perth) Passenger Transport Trust administers the above enabling legislation.

### **Legislation Impacting on the Trust's Activities**

In the performance of its functions, Metropolitan (Perth) Passenger Transport Trust complies with the following relevant written laws:

- ☆ Acts Amendment (Perth Passenger Transport) Act 1994
- ☆ Electoral Act 1907
- ☆ Equal Opportunity Act 1984
- ☆ Disability Discrimination Act 1994
- ☆ Financial Administration and Audit Act 1985
- ☆ Freedom of Information Act 1992
- ☆ Government Employees Superannuation Act 1987
- ☆ Industrial Relations Act 1979 (Employment Acts)
- ☆ Minimum Conditions of Employment Act 1993
- ☆ Occupational Safety and Health Act 1984
- ☆ Public and Bank Holidays Act 1972
- ☆ Public Sector Management Act 1994
- ☆ Road Traffic Act 1974
- ☆ Salaries and Allowances Act 1975
- ☆ State Enterprises (Commonwealth Tax Equivalents) Act 1996
- ☆ State Supply Commission Act 1991
- ☆ Statutory Corporation (Liabilities of Directors) Act 1996
- ☆ Superannuation and Family Benefits Act 1938 (Amended)
- ☆ Transport Coordination Act 1966
- ☆ Workers' Compensation and Assistance Act 1981
- ☆ Workplace Agreement Act 1993

The following written law also impacts on Metropolitan (Perth) Transport Trust's activities:

- ☆ Interpretation Act 1984
- ☆ Mutual Recognition Act (Western Australian) Act 1995

In the financial administration of the Metropolitan (Perth) Passenger Transport Trust, I have complied with the requirements of the Financial Administration and Audit Act 1985 and every other relevant written law and exercised controls which provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of public property and incurring of liabilities have been in accordance with legislative provisions.

At the date of signing, I am not aware of any circumstances that would render the particulars included in this statement misleading or inaccurate.

  
Athol Jamieson  
REPORTING OFFICER  
28/08/03

## METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST

### HUMAN RESOURCE HIGHLIGHTS

As at 30 June 2003, 2 staff remained on redeployment. During the 2002-03 financial year, 1 officer was provided a permanent placement with another government agency. The table below details the distribution and method of separation from MetroBus.

#### HR Statistics

	Salaried	Engineering	Total
Strength as at 1 July 2002	1	2	3
Separations post 1 July 2002			
Severance Resigned	-	-	-
Permanent Placements	1	-	1
Total Separations	1	-	1
Total redeployees at 30 June 2003	-	2	2

Prior to and since 1 July 2002, the following initiatives have been undertaken to help MetroBus employees with their employment decision.

- ✧ Information packages detailing employees employment options
- ✧ Provision of a Case Manager to assist with the employment decision process
- ✧ Social Security Information and advice
- ✧ Redeployment information and advice
- ✧ Individual training
- ✧ Employee assistance program
- ✧ Financial advisory services
- ✧ Assistance with resume preparation and job applications
- ✧ Training placements
- ✧ Clerical Test Workshops and Tutorials.
- ✧ Outplacement services

Other Initiatives used to find permanent settlements for redeployees included:

- ✧ Job Swap Program where a permanent position is taken up by a MetroBus employee in an agency which has just offered a Voluntary Severance to its staff.
- ✧ Two Year Funded positions where redeployees were made permanent in an agency that received financial assistance with the redeployees salary for a period of two years.
- ✧ Where necessary, funding has been provided to agencies taking staff at rates lower than those at MetroBus to maintain the employees salary level.
- ✧ Enhanced Severance Scheme 2002.

**METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST (NET COST OF SERVICES)****HUMAN RESOURCE HIGHLIGHTS****Workers Compensation**

	<b>1999-00</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>
Lost Time Injury/ Frequency Rate	30.05	48.00	0.00	0.00
Estimated Cost of Claim Incurred (%)	0.93	0.00	0.00	0.00
Premium Rate (%)	3.40	1.42	1.42	1.22
Worker's Compensation Premium (\$M)	0.41	0.008	0.007	0.006
Motor Vehicle Claims Cost (\$)	Nil	Nil	Nil	Nil

**Legislative Requirements**

The Metropolitan (Perth) Passenger Transport Trust was established by the Metropolitan (Perth) Passenger Transport Act, proclaimed in January 1958. It took over the operations of the private companies that provided public transport services at the time, but were in a parlous financial state. The aim was to develop a single integrated system for public transport users in Perth.

The business name MetroBus was adopted on 14 February 1995 by the Metropolitan (Perth) Passenger Transport Trust following assent of the Acts Amendment (Perth Passenger Transport) Bill in December 1994, which made the Metropolitan (Perth) Passenger Transport Trust purely a provider of bus and ferry services on a contract basis to the Department of Transport.

**Responsible Minister**

The Trust Board is responsible to the Western Australian Minister for Planning and Infrastructure. The Minister has the power to direct the Trust either generally or in relation to a specific matter including policy and its implementation.

**Electoral Act**

Section 175ZE of the Electoral Act 1907 requires disclosure of certain expenditures. In the year to 30 June 2003, MetroBus incurred no expenditures that would fall into this category.

**METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST**

**STATEMENT OF COMPLIANCE WITH THE PUBLIC SECTOR MANAGEMENT ACT**

**Compliance with Public Sector Management Act Section 31 (1)**

In the administration of the Metropolitan (Perth) Passenger Transport Trust, I have complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and our Code of Ethics.

I have put in place procedures designed to ensure such compliance and conducted appropriate internal assessments to satisfy myself that the statement made above is correct.

No applications have been made for breach of the standards during 1 July 2002 to 30 June 2003.



Athol Jamieson  
REPORTING OFFICER

28/08/03