

PUBLIC TRANSPORT AUTHORITY  
ANNUAL REPORT 2005



**Public Transport  
Authority**

## **Fulfilling the Government's Vision for Western Australia**

The Public Transport Authority (PTA) is required to demonstrate in its annual report that it contributes to the State Government achieving its vision for Western Australia. The vision is set out in the 2003 document *Better Planning: Better Services* which establishes strategic outcome goals under the five headings:

1. People and Communities
2. The Economy
3. The Environment
4. The Regions
5. Governance

In this report, the PTA has fulfilled this reporting obligation by identifying the strategic outcomes applicable to itself and the contribution it has made to them in 2004/05 through:

- Operational reports which show the effectiveness and efficiency of the PTA's transport services - see pages 5-30
- A Better Planning: Better Services report - see pages 31-38
- Audited and unaudited performance indicator reports - see pages 46-62
- Audited financial report - see pages 64-89

### **Measuring effectiveness and efficiency**

To make its contribution to the Government's vision for Western Australia, the PTA has adopted two outcomes:

1. Accessible, reliable and safe public transport system
2. Protection of the long-term functionality of the rail corridor and railway infrastructure

It aims to achieve the first of these outcomes through the:

- Perth metropolitan train, bus and ferry services of Transperth;
- regional town bus services;
- regional train and road coach services of Transwa; and
- regional school bus services

The indicators of success in running these services are based on patronage, accessibility, reliability, customer satisfaction and safety.

PTA aims to achieve the second outcome - protection of the long-term functionality of the freight rail corridor and railway infrastructure - through its quality management of the rail corridor and residual issues for the rail freight operations which were disposed of in 2000.

## **The Organisation**

The Public Transport Authority is responsible for the following transport services in Western Australia:

- rail, bus and ferry services in the metropolitan area under the brand Transperth;
- public transport services in regional centres;
- road coach and rail passenger services to regional areas under the brand Transwa; and
- school buses.

In addition to these transport services, it is responsible for designing and building transport infrastructure, principally through its entity New MetroRail which is extending the Perth metropolitan rail network, and for protecting the long-term functionality of Western Australia's freight rail corridor and infrastructure.

The PTA was formed by the Public Transport Authority Act 2003 and began operating on 1 July 2003.

### **Purpose**

To increase the use of public transport through the provision of customer-focused, safe and cost-effective passenger transport services.

### **Aim**

To make public transport an attractive and sustainable choice for connecting people and places.

### **Values**

We:

- value and respect our customers, suppliers and each other;
- are committed to safety;
- encourage each other to reach our full potential;
- are honest and exhibit high levels of integrity, openness and ethical behaviour;
- recognise and reward achievement, initiative and innovation;
- strive for continuous improvement in everything we do; and
- are environmentally responsible.

# Public Transport Authority Annual Report 2005



*Hon. Alannah MacTiernan MLA  
Minister for Planning and Infrastructure*

To the Hon. Alannah MacTiernan MLA  
Minister for Planning and Infrastructure

In accordance with Section 66 of the Financial Administration and Audit Act 1985, I submit for your information and presentation to Parliament the Annual Report of the Public Transport Authority of Western Australia for the year ended 30 June 2005. The report has been prepared in accordance with the provisions of the Financial Administration and Audit Act 1985.

A handwritten signature in blue ink, reading 'Reece Waldock'.

**Reece Waldock**  
Chief Executive Officer

## Contents

Chief Executive Officer's Overview.....	2
Organisational Structure .....	4
Transperth .....	5
Regional Town Bus Services.....	17
School Bus Services .....	20
Transwa.....	23
People and Organisational Development .....	28
Better Planning: Better Services .....	31
PTA Executive.....	39
Compliance .....	41
Compliance Statements.....	43
Explanation of Major Capital Expenditure Variations .....	44
Electoral Act 1907 - Section 175ZE .....	45
Audited Key Performance Indicators .....	46
Performance Indicators (Unaudited).....	59
Financial Statements.....	63
Notes to the Financial Statements.....	69
Contact Details .....	91





*A new station at Bassendean was opened in July 2004*



Reece Waldock

2

## Chief Executive Officer's Overview

The Public Transport Authority (PTA) achieved 4.9% growth in patronage, on the Transperth system, taking customer numbers to a record level across the public transport network. We carried 94.99 million passengers.

The main contributor to this significant growth was the expansion of the metropolitan rail system to Clarkson and the introduction of three railcar train sets on the railway network. We completed new train stations at Clarkson, Gosnells, Greenwood, Armadale and Bassendean, encouraging public usage of the system.

Work related trips increased and continued international pressure on oil supplies is expected to increase the demand for public transport. The unprecedented \$1563 million investment in New MetroRail is particularly timely. Once the major investment has been made, PTA will have approximately 180km of railway extending north, east, west and south, including the new line to Mandurah. Together with the fully integrated bus services, this will be a key contributor to the sustainable growth of our city.

PTA is proud of its continued high level of customer satisfaction. The customer satisfaction survey results for 2004/05 increased one per cent to a very pleasing 85.6 per cent. This rating is primarily due to our reliability of services, with on-time running in the mid 90 per cent range across all modes of transport. This strong performance is to a large extent attributable to PTA's staff, who are committed to customer service. Recruitment of additional train drivers and transit guards lifted staff numbers to 1000.

PTA is considered by its peers in other Australian capital cities (eg. Sydney and Adelaide) as a model to be studied in their strategic planning because of PTA's integrated transport modes, ticketing, fares and station interchanges.

Construction of the Southern Suburbs Railway (SSR) by the New MetroRail team continues to be a major focus for the PTA. There has been a \$45.2 million increase in the cost of the total project, including the Northern Suburbs Extension and Thornlie Spur, to \$1563 million and completion is now scheduled for April 2007. The growth of Mandurah (currently Australia's fastest growing city) and the high level of development in the southern corridor clearly ratifies the State Government's foresight in committing funds to this project.

With the northern rail extension to Clarkson opened on the 4th October, 2004 and the Thornlie project, which commenced operations in August 2005, New MetroRail is now able to concentrate fully on the SSR project. It will be more than 70km long, have 11 stations and projected to carry 45,000 passengers each work day. It will alleviate pressure on the stressed freeway and road system in Perth, where three quarters of all trips are made by car.



PTA implemented a major security upgrade across the network and progressed the SmartRider electronic ticketing system, to be fully rolled out in January 2006. The recent completion of a central monitoring room, that provides a closed circuit television system delivering real time images from stations across the rail network, has placed PTA at the leading edge of security and counter terrorism technology in Australia. In concert with this, a centrally operated public address system, improved lighting and the near completion of our transit guard deployment programme at stations and on all trains after 7:00pm provides passengers with an improved sense of security.

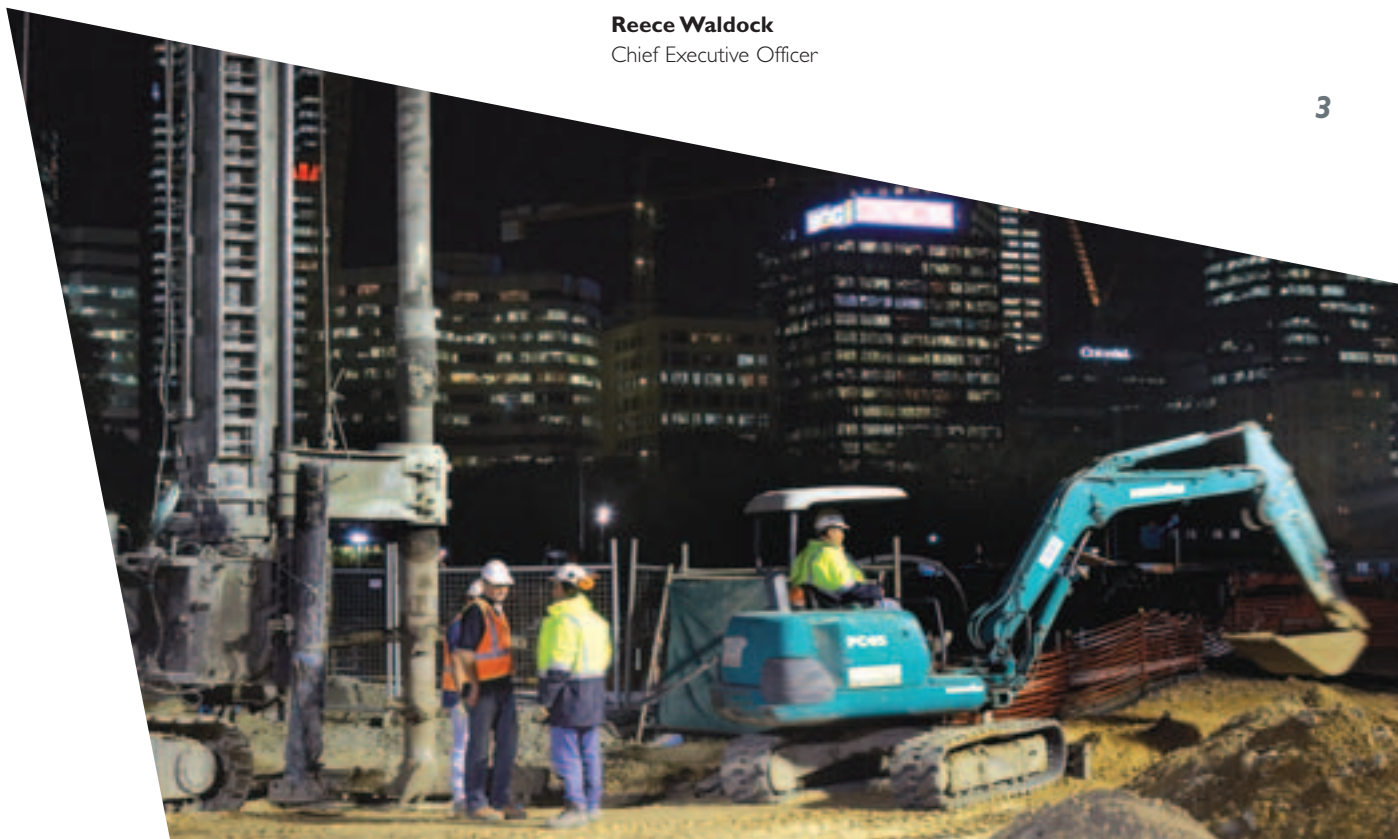
The SmartRider system, used with great success in Europe and Asia, will allow people to pass through gates at the start and finish of a journey. The electronic card will automatically calculate the trip fare at the end of the journey. Passengers will be able to pass between ferry, bus and train using the same card, improving customer convenience and transport efficiency.

Other significant developments during the year included:

- The introduction of six railcar trains carrying up to 1100 passengers. This has improved capacity in peak periods and has been beneficial for big events such as Skyworks and major sporting fixtures.
- The introduction of gas powered buses to Transperth's bus fleet has added to passenger comfort, a reduced environmental impact and is moving the Transperth bus system to the security of a local energy source.
- A new train control centre has been commissioned at East Perth.
- A new training centre has been built at Claisebrook, incorporating a railcar cab simulator for driver training to meet the needs of the expanding rail system.
- The Prospector train service has overcome teething problems and is now providing excellent high speed services to the Goldfields and places en route.

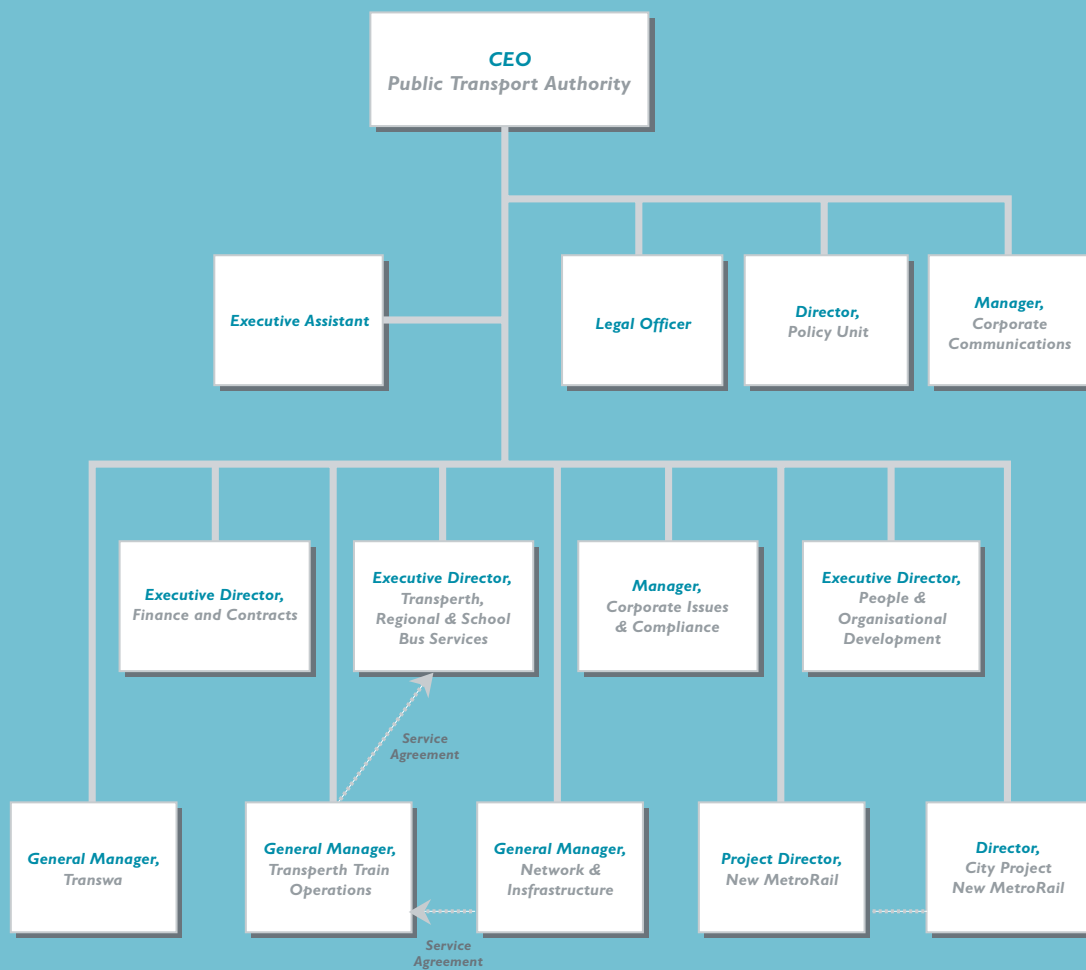
The achievements of the year are the result of a dedicated and enthusiastic team. I thank all the staff of PTA for their continued high level of performance and commitment to PTA's purpose of customer focused, safe and cost effective passenger transport services.

**Reece Waldock**  
Chief Executive Officer



*Night work took place on Perth's foreshore for the Southern Suburbs Railway*

## Organisational Structure At 30 June 2005



Transperth is the brand and operating name of the public transport system in metropolitan Perth.

The Transperth system is operated by the Public Transport Authority and consists of a bus network, an electrified suburban train system and a ferry service. The system is managed by the Transperth Branch which resides within the *Transperth, Regional and School Bus Services Division* of the PTA.

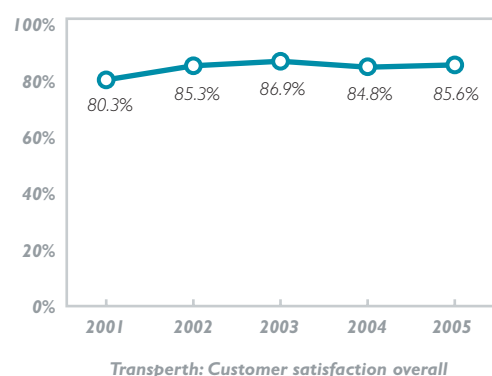
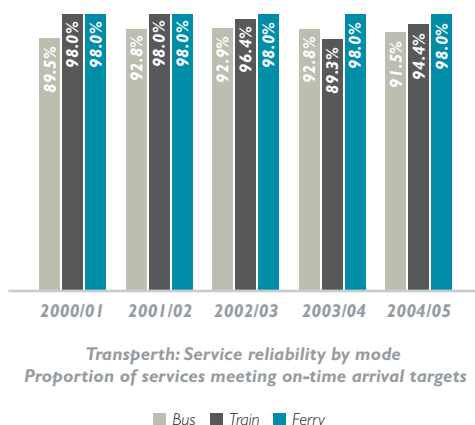
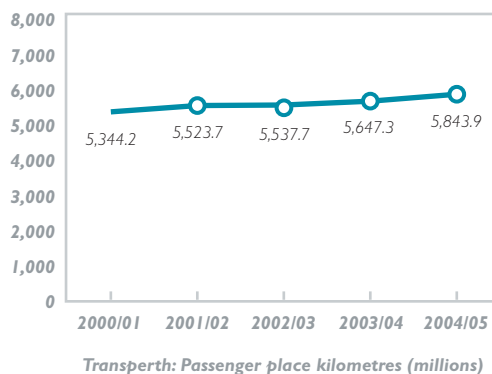
Transperth bus and ferry services are provided by private sector operators under commercial contract arrangements, while Transperth train services are provided by an "in-house" operator, Transperth Train Operations Division, within the PTA. Passenger information is provided through information offices and a call centre. The call centre services are competitively tendered and currently provided by the firm Serco.

## Statement of Objectives

**The objectives of Transperth for 2004/05 were to:**

- continue to pursue patronage growth, high customer satisfaction ratings and a high level of on-time running;
- expand the Transperth train network to include the northern extension to a new station at Clarkson, and servicing a new station on the Joondalup Line at Greenwood;
- introduce new three-car trains to service the expanded rail network and provide additional capacity;
- develop and introduce new bus services to feed the train network expansion to Clarkson;
- plan and prepare for services on the new rail line to Thornlie;
- move towards the introduction of the SmartRider ticketing system to replace the MultiRider on Transperth bus, train and ferry services;
- continue to review bus services across the metropolitan area, reallocating resources from areas where services are poorly utilised to areas of greater demand;
- promote a network of high-frequency bus and train routes along major transport corridors; and
- conduct reviews of the town and school bus services in Busselton, Esperance, and Port Hedland.

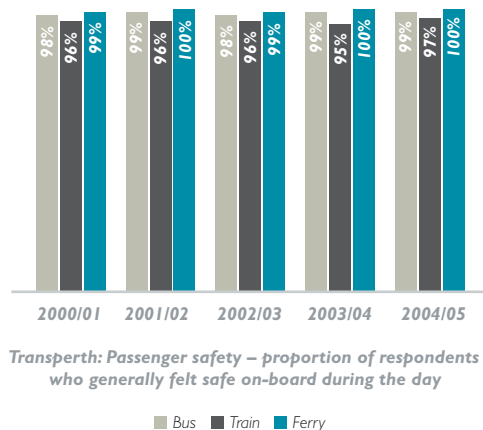
## Service



Source: Transperth Passenger Satisfaction Monitor. (Note: The results shown are users' responses to the following prompt in respect of each mode: "How satisfied are you with the Transperth bus/train/ferry system overall?" The system average has been calculated by weighting according to initial boardings on each mode.)

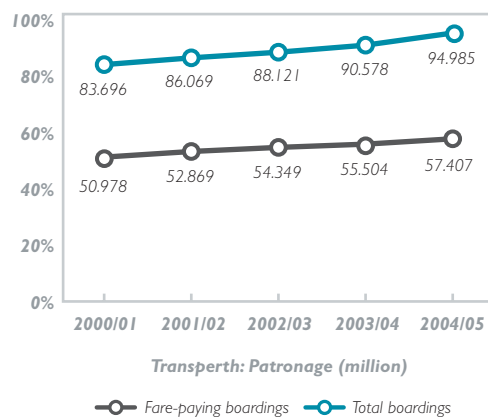
## Transperth

### Passenger safety

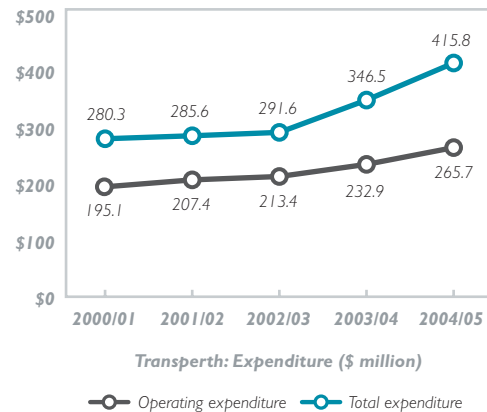


Note: Measures relating to customer perception of safety at other times and at stations/interchanges are shown later in sections dealing with train, bus and ferry services.

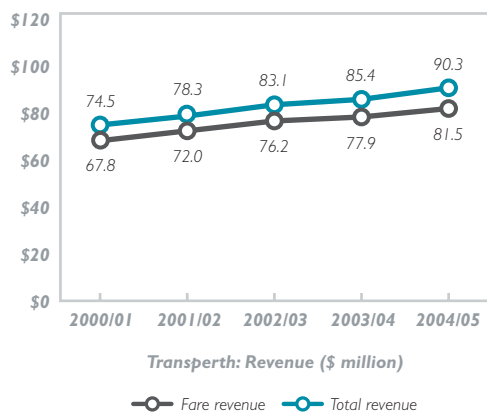
### Patronage



### Revenue/Expenditure



Significant expenditure variations are explained by individual mode in the Performance Indicators section of this Annual Report (see cost per passenger kilometre).





### Service Information

Total patronage on the Transperth system increased for the sixth year in succession. Total boardings, comprising fare-paying boardings, free travel on passes, free travel on Central Area Transit (CAT) buses in Perth and Fremantle and free travel on services within the Free Transit Zone in central Perth, plus transfers, increased by 4.9 per cent from 90.578 million in 2003/04 to 94.985 million in 2004/05. Fare-paying boardings increased by 3.4 per cent from 55.504 million to 57.407 million.

Total capacity provided on the Transperth system expressed in terms of passenger place kilometres rose by 3.5 per cent from 5647.3 million to 5843.9 million. This was due to a significant increase in train passenger place kilometres which offset a small decline in bus passenger place kilometres.

This patronage increase compares favourably with the estimated increase of 1.7 per cent in the population of the metropolitan area.

### Accessibility for People with Disabilities

Transperth continued its program to make its services more accessible to all sections of the community.

**Trains:** All Transperth trains are accessible. The key issue for train accessibility is whether gaps between trains and platforms meet accessibility standards. Of the 58 stations on the suburban rail network at 30 June 2005, 15 provided independent access to people in wheelchairs, complying with the Disability Standards for Accessible Public Transport and Guidelines under the Disability Discrimination Act, 1992 (which came into effect on 23 October 2002). This compares with 11 stations in 2003/04 and eight in 2002/03. Of the remaining 43 stations, 31 provided partial access and 12 provided only limited access. At these 43 stations, people in wheelchairs had to be assisted by customer service staff.

**Buses:** Transperth continued its long-term program of procuring accessible buses for its fleet. As at 30 June 2005, the number of accessible buses in the fleet was 481 out of a total of 1030 buses, compared with 422 accessible buses in a fleet of 1015 at 30 June 2004. Preference is given to accessible buses whenever possible, so that in off-peak periods the predominant number of buses on the road are accessible. During peak periods when service demand is high, both accessible and non-accessible buses are fully committed. Accessible buses accounted for 53.7 per cent of service kilometres in 2004/05, compared with 51.1 per cent in 2003/04.

In 2004/05, the PTA prepared designs to upgrade accessibility at ten metropolitan bus stations. Accessibility improvements at the Morley, Kwinana and Curtin Bus Stations were completed during the year and work commenced at Booragoon Bus Station and the City Busport. Accessibility improvements at the remaining bus stations are planned for 2005/06.

At year's end, design work was under way for ten metropolitan bus stations for which construction is planned during 2006.

**Ferries:** The bulk of Transperth's ferry services are provided by the *Shelley Taylor-Smith* ferry, an accessible vessel. The two primary jetties in operation during the year, at Barrack Street in Perth and Mends Street in South Perth, are both fully accessible. Services to a non-accessible jetty at Coode Street ceased in April 2005.

### Passenger Satisfaction

The Passenger Satisfaction Monitor 2005 showed that, on a system-wide basis, 85.6 per cent of survey respondents expressed satisfaction with the overall level of service, compared with 84.8 per cent in 2004. (See passenger satisfaction details by mode below.)

Public awareness and interest in TravelEasy, which provides passengers with relevant and timely service information by e-mail, continued to grow, resulting in an increase in registrations from 15,000 to 24,000. The Passenger Satisfaction Monitor 2005 showed that more than 90 per cent of current users of TravelEasy were "highly satisfied" with the service.



New information, emergency and ticket cubicles were installed on suburban train stations

### Gas fuel

A significant change is occurring in the composition by fuel type of the Transperth bus fleet. This follows the Government's 2001 decision to require all new buses to be powered by compressed natural gas (CNG) engines. At 30 June 2005, Transperth operated 159 CNG buses and two liquefied petroleum gas (LPG) buses in its total fleet of 1030. Contracts are in place for a further 387 new gas-powered buses to be delivered by 2011.

To service the gas buses, the PTA entered into a contract with Origin Energy in 2003/04 for the supply, installation and maintenance of gas bus refuelling equipment with a 10-year supply of natural gas. Construction of new gas fuelling facilities at Morley and Bayswater depots was completed during the year. The facility at Morley allows 25 buses per hour to be fast-filled, while the refuelling capacity at Bayswater is 15 buses per hour.

A natural gas connection was installed at Fremantle depot and a temporary refuelling facility is operating until construction of the permanent depot is completed in early 2006. This facility is designed to refuel 100 buses at a rate of 25 buses per hour. Natural gas connection was also installed at the new East Perth Central Area Transit (CAT) depot and the facility will come into operation when the new natural gas powered CAT buses are delivered in late 2005. Installation of natural gas refuelling stations at a number of other depots was proceeding at year's end and these are scheduled to start coming online from early 2006.

### SmartRider Project

Transperth will progressively introduce a smartcard ticketing system called SmartRider during 2005/06.

The SmartRider system will include staffed fare gates at 11 high-patronage train stations on the urban network and processors at all other train stations as well as on buses and ferries.

A contract for \$4.1 million was awarded in September 2004 to a Western Australian company, MonitorWA, for the provision of SmartRider cards and associated bureau services.

The installation of new ticket issuing machines in Transperth buses and ferries commenced in late December 2004. These machines, which have the capacity to calculate fares using the Global Positioning System, are an integral part of the SmartRider system and their early installation is intended to achieve a controlled and manageable transition from the old to the new ticketing system.

The draft final design documentation for the SmartRider project, consisting of some 36 separate specifications, was completed and a factory acceptance test carried out during the year. Following the test, further development and refinement of the system software and documentation is being undertaken.

In anticipation of the full operation of SmartRider in January 2006, some 105,000 secondary school students were issued with student SmartRider cards to replace the existing student travel permits. When the new system is introduced, students will be able to use the SmartRider to pay public transport fares.

### In the Future

In the coming year, Transperth will:

- open Thornlie train station at Spencer Road (due to open on 7 August 2005) and commence revised operating patterns for the Armadale, Thornlie and Joondalup Lines, along with new/revised bus services;
- continue participation in the extensive trial of three Mercedes Benz hydrogen fuel cell buses on various routes in the Transperth network;
- continue a rolling program of bus service reviews across the Perth metropolitan region, reallocating resources from areas where services are poorly utilised to areas of greater demand;
- pursue and promote a network of high-frequency bus and train routes along major transport corridors;
- continue detailed planning for the future southern suburbs bus and train services, to commence when New MetroRail delivers the Southern Suburbs Railway;
- progress the design and construction of infrastructure and buses to enable introduction of the Rockingham City Centre Transit System to coincide with commencement of train services on the Southern Suburbs Railway in 2007;
- complete a review of Esperance town bus services;
- continue involvement in planning for reconstruction and redevelopment of the Wellington Street Bus Station and Mirrabooka Bus Station; and
- introduce a new gas-powered CAT fleet for Perth City.

## REVIEW OF PERFORMANCE

### TRAINS

#### Description of Services

Transperth operates an electrified suburban train system with more than 750 services on an average weekday.

As at 30 June 2005, the system covered 98.7km of track with 58 stations on four lines, and a fleet of 150 railcars which can be coupled in configurations of two, three, four or six railcar trains.

The network consisted of the Joondalup Line (33.2km), Fremantle Line (19.0km), Midland Line (16.0km) and Armadale Line (30.5km).

#### The Year's Developments

The New MetroRail Project (see page 11) ended the year well on track to supply a high-quality, rapid public transport system to the south-west metropolitan area and Peel Region as well as construct infrastructure improvements between Victoria Park and Beckenham Junction, and a spur line from Beckenham Junction to Thornlie.

The 4.2km extension of the Joondalup Line from Currambine to Clarkson was completed under the New MetroRail project during the year, and the new Clarkson Station was opened on 4 October 2004.

The New MetroRail project also completed construction of a new station at Greenwood which was opened on 29 January 2005.

In co-operation with a private sector banking institution, ING Direct, Transperth provided free public transport on all services from 3pm on New Year's Eve 2004 to 3am on New Year's Day. Foregone revenue was covered by ING Direct. More than 400 train services operated during the 12-hour free travel period. This initiative was very well received by the public, and ING Direct indicated that its decision to select Transperth for this promotion was influenced by Transperth's highly successful operating performance in recent years as a truly integrated public transport system.

New three-car trains were introduced into service with the opening of Clarkson Station, within a revised timetable for the Joondalup Line. These trains were used in coupled pairs (six-car trains) on the Joondalup Line for the first time on New Year's Eve to accommodate large crowds of revellers.

The extension of the Joondalup Line to Clarkson and the introduction of three-car trains resulted in a significant increase in service kilometres and passenger place kilometres. Service kilometres recorded a 6.9 per cent increase from 6.700 million to 7.167 million, while passenger place kilometres rose nearly 10 per cent from 2090.4 million to 2293.6 million.



Public art is a feature of the new Armadale Train Station, opened in November 2004

New stations were opened during the year at existing locations:

Bassendean	24 July 2004
Armadale	6 November 2004
Gosnells	17 April 2005

All major construction contracts for the Southern Suburbs Railway (SSR) from Perth to Mandurah had been awarded by 30 June 2005. The value of the construction contracts for the SSR is \$850 million which is about 55 per cent of the budget for the New MetroRail Project (see below).

During the year, works continued on infrastructure improvements on the line from Claisebrook to Armadale and the new Thornlie Line as part of the New MetroRail Project. The following works were completed:

- Howick Street footbridge in Victoria Park;
- Kenwick tunnel and fit-out with track, overhead wiring, signalling and communications;
- Beckenham sub-station and high-voltage power supply;
- Canning River railway bridge;
- Spencer Road bridge in Thornlie; and
- Platform works at Perth Station.

At 30 June 2005, the following works were under construction and due for completion by mid-July 2005:

- railway infrastructure between Beckenham Junction and Thornlie Station;
- Thornlie Station building;
- Spencer Road access road and associated works in Thornlie; and
- construction of a road bridge over the railway at Gerard Street in Cannington by the City of Canning and Main Roads WA, financed by the New MetroRail project.

## Transperth

Commissioning of the new Thornlie Line and driver training were due to begin in mid-July 2005 for the official opening of Thornlie Station on 7 August 2005 and commencement of passenger services the following day.

A contract for the supply and maintenance of 93 new railcars was let to EDI Rail Bombardier Transportation in May 2002. The new railcars are being manufactured in Maryborough, Queensland and fitted out and commissioned at the PTA's Nowagerup Depot in WA.

The first 54 new railcars had been accepted for service by the end of the year. The remaining railcars will be progressively delivered, tested, commissioned and accepted for service by June 2006.

In a significant boost for passenger security, the centralised TV monitoring of Transperth stations began in 2004/05 (see Passenger Safety below).

Replacement of life-expired timber sleepers with concrete sleepers on the Fremantle Line was completed during the year and was about to begin on the Armadale Line, with the Midland Line to follow. Concrete sleepers provide a much more stable track requiring less maintenance.

The recruitment of additional staff in train operations continued to ensure safe and reliable train services.

The service reliability target for Transperth train services requires trains to arrive within three minutes of the scheduled time. In 2003/04, an industrial dispute resulted in the on-time arrival rate falling to 89.3 per cent compared with 96.4 per cent the previous year. This deterioration in service was reversed in 2004/05 when 94.4 per cent of services met the reliability target.

### Cost of the Service

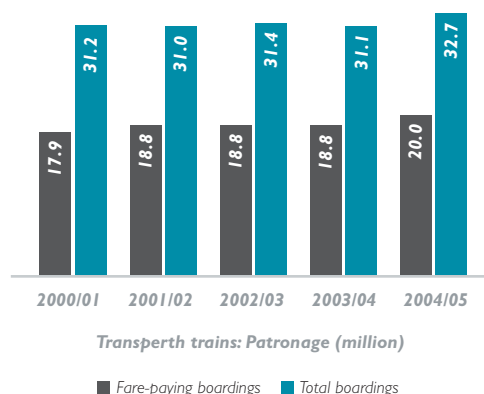
The total cost of providing train services recorded a significant increase due largely to an increase in capital charges related to New MetroRail. Total expenditure, which amounted to \$143.7 million in 2003/04, increased by 32.2 per cent to \$190.2 million in 2004/05. Operating cost (which excludes capital charges) rose by 19.3 per cent from \$78.7 million to \$93.9 million, including the expenditure on the expanded service to Clarkson.

### Patronage

In 2002/03 and 2003/04, patronage on Transperth train services had stabilised at around 18.8 million fare-paying boardings and 31.1 million total boardings. In 2004/05, train patronage recorded a significant improvement following the extension of the train network to Clarkson, the opening of the station at Greenwood and the introduction of additional rollingstock. Fare-paying boardings rose 6.3 per cent from 18.847 million to 20.038 million and total boardings increased by 4.9 per cent from 31.115 million to 32.652 million.

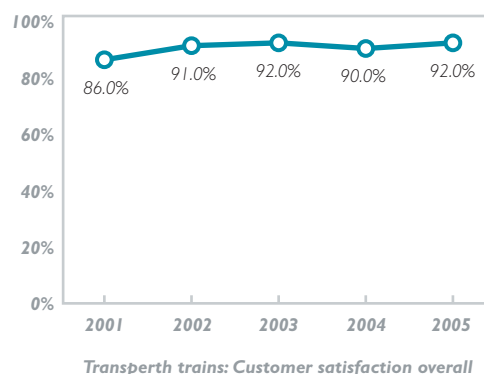
Since 2000/01, train patronage has recorded increases of 18.4 per cent in fare-paying boardings and 12.1 per cent in total boardings.

While train patronage recorded this significant increase, the expansion of services resulted in train service kilometres increasing at a higher rate, 7.0 per cent. Consequently, on a per service kilometre basis, fare-paying boardings on train services fell by 0.6 per cent from 2.813 in 2003/04 to 2.796 in 2004/05 and total boardings by 1.9 per cent from 4.644 to 4.556.



### Customer Satisfaction

The Passenger Satisfaction Monitor 2005 showed that a high proportion of users were satisfied with the train system overall. The small reduction experienced in 2004 when the satisfaction rate fell to 90 per cent was reversed and a rate of 92 per cent was achieved in 2005.



Satisfaction ratings for key service characteristics of Transperth's train services (other than passenger safety) are shown below:

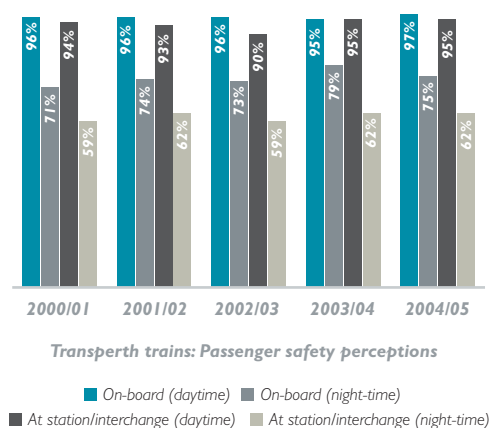
Service characteristic	Service satisfaction	
	2004	2005
Punctuality of trains	86%	<b>92%</b>
Number of trains during peak times	85%	<b>86%</b>
Cleanliness on board	84%	<b>84%</b>
Number of trains during the day	85%	<b>83%</b>
Availability of seats	74%	<b>77%</b>
Cost of the fare	70%	<b>68%</b>

The Passenger Satisfaction Monitor 2005 also indicated that the satisfaction level with the architecture and design of train stations had increased significantly, from 66 per cent in 2004 to 73 per cent in 2005.

### Passenger Safety

The following graph shows the proportion of respondents who "always or usually feel safe" at specified times/locations on the train network. The responses were to the following prompt in the Transperth Passenger Satisfaction Monitor: "How safe do you generally feel from personal interference or threat from other passengers?"

The results for the past five years show that the proportion of train passengers who felt generally safe on board trains and at stations/interchanges during daytime has remained high. However, the proportion of train users who generally felt safe on trains at night fell between 2004 and 2005 while the proportion who generally felt safe at stations/interchanges remained unchanged.



Transperth is committed to ensuring that passengers feel safe on the train network at all times. Measures taken to achieve this objective include the deployment of 194 Transit Guards as at 30 June 2005, with a further 45 in training, and the \$27 million Urban Security Initiatives Project (USIP).

USIP consists of a wide-ranging series of safety and security initiatives at stations and platforms across the system. The project reached substantial completion during 2004/05.

The highest profile of its initiatives has been the design, installation and implementation of a state-of-the-art closed-circuit television surveillance system and associated Central Monitoring Room.

This system, which includes 600 cameras (with the capacity to expand to approximately 1000 when the Southern Suburbs Railway is completed), is arguably the best of its kind in the world. During the year, it demonstrated its significant role in the reduction of anti-social and criminal activity on the rail network.

Other outputs of USIP include improved lighting (to the "white light" Australian Standard) at all train stations and car parks; a centrally controlled public address system on every train station (due for completion in 2005/06); selected secured car parks; a new passenger information system; audio loops for the hearing-impaired; and the redesign of the platform emergency call-button system.

To maintain a high readiness for an emergency involving passengers, a field exercise was conducted at Armadale during the year in coordination with the emergency services.

11

### New MetroRail Progress

The New MetroRail (NMR) Project is the largest ever public transport undertaking in Western Australia. After a thorough review of the scope and cost of the project in April 2005, the Government approved an increase in the overall budget to \$1563 million. Due to delays in the works in the Perth Central Business District, the time for completion to Mandurah was revised to April 2007, still ahead of its original December 2007 target.

Progress on the project is well advanced. More than 60 per cent of the new rollingstock had been accepted into service at the end of the year. Expenditure on the project to 30 June 2005 stood at approximately \$830 million or about 53 per cent of the overall budget. Total expenditure in 2004/05 was \$429.0 million against the budget of \$411.55 million.



### Major Contracts

- Contracts were awarded in June 2005 to the Doric Brierty Joint Venture for stations at Rockingham and Warnbro and to JM Moore for a station at Mandurah. Construction was due to commence in August 2005 and the stations are due for completion in December 2006;
- A contract was awarded in March 2005 to the Doric Brierty Joint Venture for the construction of stations at Cockburn Central, Kwinana and Wellard. Work began in June 2005 and is due for completion in December 2006;
- A contract was awarded in October 2004 to John Holland for stations at Canning Bridge, Bull Creek and Murdoch. Construction was due to commence from July 2005 and the stations are due for completion in December 2006;
- A contract was awarded in May 2004 to the RailLink Joint Venture (John Holland, MacMahon Contractors and Multiplex Constructions) for a package of works including track and rail infrastructure, bridging and tunnel structures, earthworks and civil works, and traction power supply from the Narrows Bridge to Mandurah. Design work was nearly complete and earthworks and bridge structures in the area between the Spectacles and Stakehill were well under way. At year's end, the construction depot at Hillman was being established to accept delivery of sleepers and rail for distribution along the alignment commencing in March 2006. The works are due for completion in February 2007.
- A contract was awarded in February 2004 to the Leighton Kumagai Joint Venture for the City Project. Construction was well under way for the Esplanade Station and William Street platform structures as well as the civil construction works on the Perth foreshore and in Perth railway yards. A tunnel boring machine was delivered from Japan in March 2005 and is due to commence boring the first of the two tunnels in September 2005. This contract experienced delays in late 2004 and early part of 2005 and the works are due for completion in December 2006.
- A contract was awarded in January 2004 to Leighton Contractors for Main Roads WA bridge and freeway works including construction of a railway bridge at the Narrows, strengthening part of the new Narrows Bridge and strengthening and widening of Mount Henry Bridge. At year's end, most of the freeway median works were approaching completion and the Mount Henry Bridge construction was approximately 80% complete. Construction was due to commence in July 2005 of the Narrows railway bridge and in August 2005 of the Canning Bridge ramp. All works are due for completion in December 2005.

- A contract was awarded in July 2003 to Union Switch and Signal to provide a new train control and customer information system for the existing urban rail network as well as the Southern Suburbs Railway. The first stages were completed during the year, with the Armadale and Midland Lines successfully commissioned into the new system, and a new train control centre constructed at the Public Transport Centre (due to be officially opened in July 2005). The final stage will be completed in February 2007 with the completion of the Southern Suburbs Railway.

### BUSES

#### Description of Services

Transperth bus services were operated by four contractors under 11 contracts in 2004/05:

- Path Transit (Marmion-Wanneroo and Morley contracts);
- Swan Transit (Canning, Kalamunda, Midland and Southern River contracts);
- Swan Transit Riverside (Claremont-Belmont contract); and
- Southern Coast Transit (Rockingham-Mandurah, Fremantle-Cockburn, Perth Central Area Transit and Fremantle Central Area Transit contracts).

During 2004/05, the Transperth bus system covered 318 standard routes and 444 school routes, and on an average weekday operated 9269 standard services and 444 school services. A service frequency of 20 minutes or better was provided all day on some major corridors.

#### The Year's Developments

The following were major changes to bus services to minimise the impact on service reliability of construction work for the new Southern Suburbs Railway:

- Kwinana Freeway bus services were revised from 25 July 2004 to facilitate the demolition of the traffic bridge at the foot of William Street, Perth;
- Several southern routes were shortened to terminate at the City Busport and some northern routes shortened to terminate at the Wellington Street Bus Station instead of Barrack Street to accommodate construction works in the city centre.



The following service improvements were introduced during the year:

- Feeder bus services were introduced from 5 October 2004 to support the new train station at Clarkson;
- To cater for increasing weekend patronage, Sunday service frequency on the CircleRoute was improved to 15 minutes on the sector between Fremantle and Willetton (Southlands Shopping Centre) with effect from 7 November 2004;
- A major change to bus services in the Rockingham and Mandurah regions was implemented from 19 December 2004 to provide additional trips on key routes and extension into developing areas;
- A new service, Route 456, was introduced from 30 January 2005 to operate on a 15-minute frequency on weekends and public holidays between the new Greenwood Train Station and Hillarys Boat Harbour; and
- Revised bus services in the Gosnells area were introduced on 17 April 2005 coinciding with the opening of the relocated Gosnells Train Station.

In August 2004, three Mercedes Benz Citaro hydrogen fuel cell buses began trials in passenger-carrying service on the CircleRoute as part of a world-wide trial of this emerging technology. Perth is the only city in the southern hemisphere included in the two-year trial, which involves a further 30 buses operating in ten European cities.

A new depot was opened in Claisebrook in June 2005 for the Perth Central Area Transit service (CAT) bus fleet. The depot is equipped with a gas refuelling facility to service 21 new CNG Mercedes Benz buses which will replace the current CAT fleet in late 2005.

The PTA developed the design and specification for an active, signalised bus priority system to be trialled on the CircleRoute in 2006. The system involves the installation of a GPS-based automatic vehicle location system on the buses which interacts with the Main Roads WA system to enable buses to receive traffic signal priority in situations where they are running late, have high patronage, and where a priority signal will not have adverse effects on general traffic. The key objective of this project is to deliver productivity and patronage benefits to Transperth through reduced travel times, increased reliability and increased frequency of service.

Improved facilities for bus services were introduced at the new bus/train interchange at Clarkson and at the upgraded bus/train interchanges at Bassendean and Gosnells.

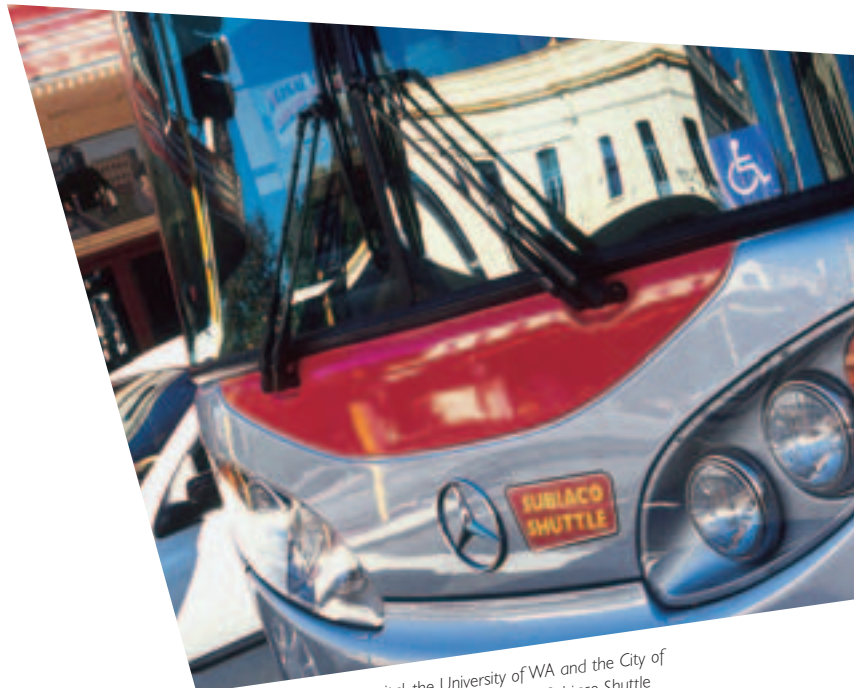
A peak-flow bus lane was introduced on Beaufort Street between Central Avenue and Wood Street.

A new bus depot at Mandurah was opened, and will be integrated with the new Mandurah bus station and future train station and rail depot. The depot provides a workshop with service pits, a wash-down bay, fuelling facilities and parking for 72 buses.

The Bus Shelter Grant Scheme provided \$451,345 for 67 new shelters and 38 replacement shelters in metropolitan and regional centres. The scheme's primary aim is to encourage the use of public transport through the provision of suitable facilities for bus patrons. It does this through funding assistance to local governments to assist in the installation of bus stop shelters throughout Western Australia.

In 2004/05, total service kilometres covered by the Transperth bus network reached 48.582 million, an increase of 1.4 per cent over 2003/04. The previous highest coverage achieved by the network was 48.056 million kilometres in 2001/02, after which service kilometres fell by 0.6 per cent in 2002/03 to 47.760 million kilometres, and rose slightly by 0.7 per cent to 47.895 million in 2003/04.

The Transperth bus network provided a total capacity of 3545.3 million passenger place kilometres. This represented a decline of 0.2 per cent from the capacity provided in 2003/04 of 3551.9 million passenger place kilometres, the highest on record. The reduction in 2004/05, which coincided with the highest level of bus service kilometres recorded, was caused by the increasing proportion of gas buses in the fleet. The new gas buses have less passenger capacity than the diesel buses they are replacing due to road mass limits.



Sir Charles Gairdner Hospital, the University of WA and the City of Subiaco contribute to the running of Transperth's Subiaco Shuttle

The service reliability target for Transperth bus services requires buses to arrive at, or depart from a terminus or timing point no later than four minutes from the scheduled time. Performance is monitored by Transperth's Service Performance Unit through regular audits at key locations. The proportion of bus services meeting the reliability target was 92.9 per cent in 2002/03 and 92.8 per cent in 2003/04. In 2004/05, despite the disruption to traffic flow caused by road works associated with the Southern Suburbs Railway, improved traffic management schemes and timetable adjustments helped to ensure that 91.5 per cent of services met the service reliability target.

## Cost of the Service

The total cost of \$225 million for 2004/05 was 6.1 per cent higher than the previous year - see the Performance Indicators section of this Annual Report (cost per passenger kilometre) for details.

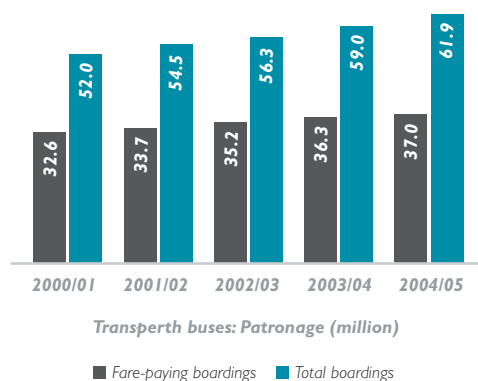
## Patronage

For the sixth year in succession, Transperth's bus services experienced patronage growth. In 2004/05 fare-paying boardings rose 2.0 per cent from 36.284 million to 37.0 million and total boardings by 4.9 per cent from 58.998 million to 61.873 million.

Between 1998/99 (the first full year when all bus services were operated by contractors) and 2004/05, bus patronage increased as follows:

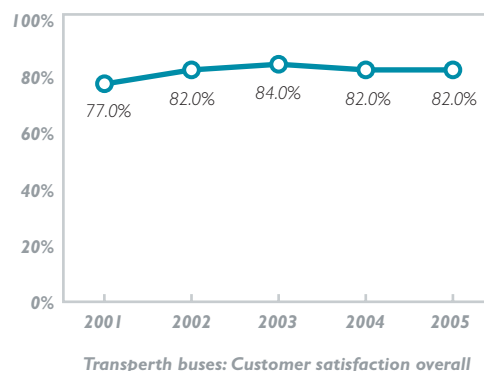
- fare-paying boardings by 27.9 per cent from 28.929 million to 37.0 million; and
- total boardings by 38.6 per cent from 44.647 million to 61.9 million

On a per service kilometre basis, fare-paying boardings on bus services increased by 0.5 per cent from 0.758 in 2003/04 to 0.762 in 2004/05 and total boardings by 3.4 per cent from 1.232 to 1.274.



## Customer Satisfaction

The Passenger Satisfaction Monitor 2005 showed that a relatively high proportion of users were satisfied with the bus system overall. Despite the disruption to some services caused by road works associated with the Southern Suburbs Railway, the satisfaction rate was maintained at 82 per cent, the same rate as in 2004.



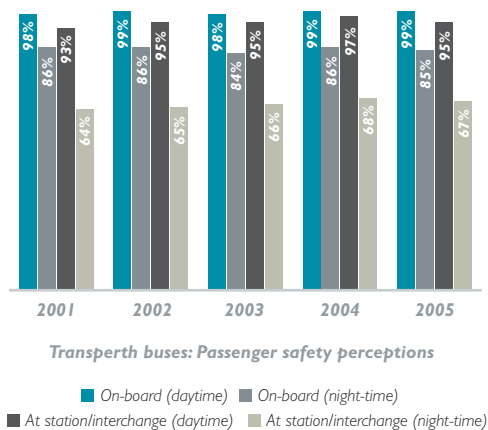
Satisfaction ratings for key service characteristics of Transperth's bus services (other than passenger safety) were:

Service characteristic	Satisfaction rating	
	2004	2005
Cleanliness on board	92%	<b>91%</b>
Driver's manner	89%	<b>89%</b>
Punctuality of buses	84%	<b>84%</b>
Speed of trip	90%	<b>82%</b>
Cost of the fare	72%	<b>75%</b>
Number of buses on weekdays	66%	<b>68%</b>

## Passenger Safety

The graph below shows the proportion of respondents who "always or usually feel safe" at the specified times/locations on the bus system. The responses were to the following prompt in the Transperth Passenger Satisfaction Monitor: "How safe do you generally feel from personal interference or threat from other passengers?"

The results for the past five years show that almost all bus passengers generally felt safe on board buses and at stations/interchanges during daytime. The proportion of users who generally felt safe at night both on buses and at stations/interchanges remained relatively stable.



These results are partly attributable to the following measures now in place to promote passenger safety on the bus network:

- two security officers Thursday to Saturday of each week at each bus station from 2pm to time of last bus;
- mobile patrols on each of the three major sectors - north, south, and east; and
- centrally-monitored CCTV at all bus stations.



The vessel Shelley Taylor-Smith provided most Transperth ferry services

## FERRY SERVICES

### Description of Services

The Transperth ferry services were competitively tendered in 1995. They are currently provided under contract by Captain Cook Cruises.

Two vessels operate between the City (Barrack Street) and South Perth (Mends Street).

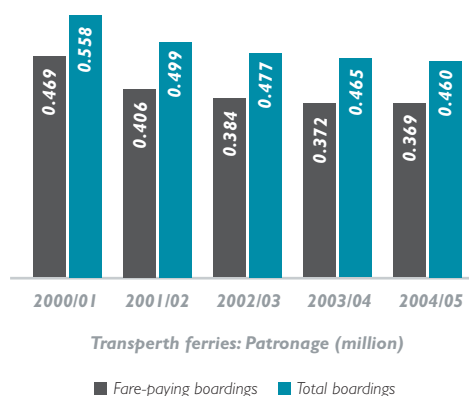
### The Year's Developments

Services to the non-accessible jetty at Coode Street in South Perth ceased on 30 April 2005 due to low patronage, and resources were reallocated to improve services between Barrack Street and Mends Street. The new timetable for the Barrack Street-Mends Street route introduced on 1 May 2005 increased the number of services on an average weekday from 60 to 80.

## Patronage

Ferry patronage has declined steadily since 2000/01 when it reached a peak of 469,000 fare-paying boardings and 558,000 total boardings. By the end of 2004/05, fare-paying boardings had fallen to 369,000 and total boardings to 460,000. This is largely attributable to declining tourism.

On a per kilometre basis, fare-paying boardings fell by 0.5 per cent from 10.520 in 2003/04 to 10.470 in 2004/05, and total boardings fell 0.7 per cent from 13.146 to 13.057. In 2000/01, fare-paying boardings per service kilometre were 13.303 and total boardings per service kilometre were 15.824 boardings.



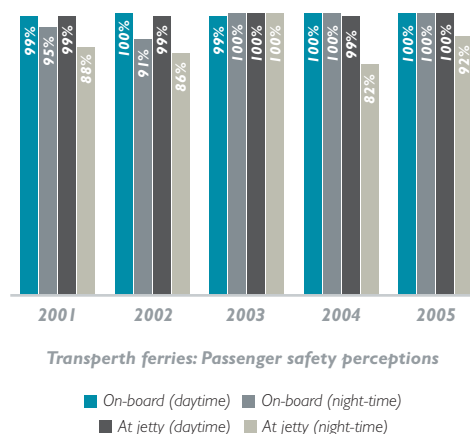
Satisfaction ratings for key service characteristics of Transperth's ferry service (other than passenger safety) are shown below:

Service characteristic	Satisfaction rating	
	2004	2005
Cleanliness on board	100%	<b>98%</b>
Speed of trip	97%	<b>96%</b>
Punctuality of ferries	94%	<b>90%</b>
Number of ferries during the day	81%	<b>90%</b>
Cost of the fare	85%	<b>88%</b>
Shelter at the jetty	61%	<b>70%</b>

## Passenger Safety

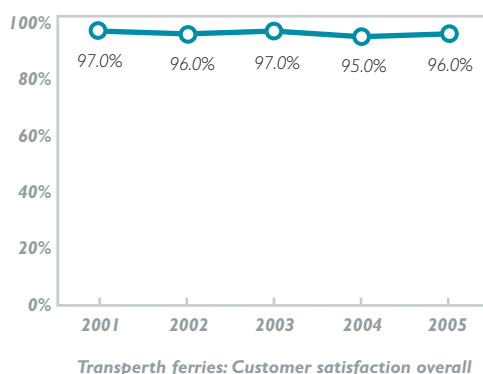
The graph below shows the proportion of respondents who "always or usually feel safe" at the specified times/locations. The responses were to the following prompt in the Transperth Passenger Satisfaction Monitor: "How safe do you generally feel from personal interference or threat from other passengers?"

The results for the past five years show that almost all ferry passengers generally felt safe on the ferry and at jetties during daytime. While the proportion of users who generally felt safe at night both on board and at jetties remained high, there was a marked decline in 2004. This was reversed in 2005.



## Customer Satisfaction

The Passenger Satisfaction Monitor 2005 continued the trend of a very high proportion of passengers consistently expressing satisfaction with Transperth's ferry service overall.





*Mandurah bus services operate from the city's new bus station*

## Regional Town Bus Services

### Introduction

The Regional Town Bus Services Section (RTBS) resides within the Transperth, Regional and School Bus Division of the Public Transport Authority. It is responsible for the management of public transport systems in regional Western Australia, primarily involving regional town bus services and a small number of contracted inter-regional bus services. At 30 June 2005, there were 15 services operating in 14 major regional towns throughout the State. In addition, there were several minor subsidised services that provided passenger transport connections via the inland road network.

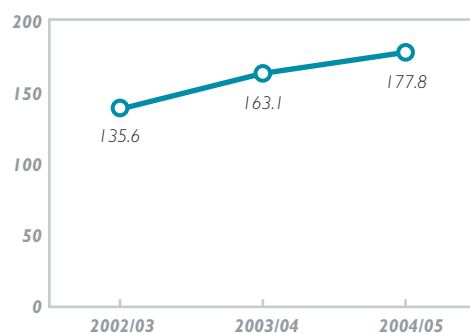
RTBS is also responsible for the administration of a small number of regular passenger transport (RPT) services operating in the Perth metropolitan area in a complementary capacity to Transperth services. The performance of these services has been included in the RTBS figures for 2004/05.

### Statement of Objectives

The objectives of the Regional Town Bus Services section for 2004/05 were to:

- continue with a programmed approach of reviewing regional bus services;
- convert the existing informal contracts with regional bus operators to 12-year formal contracts;
- develop a bus replacement program to address the longer-term bus fleet needs of regional services; and
- find solutions for regional transport problems in consultation with the local communities.

### Service



*Regional Town Bus Services:  
Passenger place kilometres (millions)*



## Regional Town Bus Services

### Efficiency

The cost per 1000 place kilometres (see the Performance Indicators section of this Annual Report) rose in 2004/05 because of a change in reporting gross, not net, expenditure. Excluding this, the cost-efficiency did not change significantly.

### Passenger and occupational safety

At 30 June 2005, passenger and occupational safety records were maintained by individual operators. RTBS is developing a standardised reporting format for all regional town bus services to facilitate RTBS maintaining such records as from 2005/06.

## REVIEW OF PERFORMANCE

### The Year's Developments

The total capacity provided on regional bus passenger services increased by 9.1 per cent from 163.089 million passenger place kilometres in 2003/04 to 177.860 million in 2004/05. The increase mainly resulted from:

- the full-year benefit of service enhancements introduced in Bunbury and Busselton during the previous year;
- the benefit of service enhancements introduced in Port Hedland and Kalgoorlie;
- the expansion of the trial road coach service running from Perth to Port Hedland from one to two return services per week in the middle of April 2005;
- the expansion, on a trial basis, of the four-wheel drive service providing transport between Port Hedland, Marble Bar and Nullagine, and Newman and Nullagine; and
- the introduction of a trial youth bus service between the towns of Wickham, Roebourne, Karratha and Dampier. In June 2005, the service was extended to Point Samson.

During the year, six country bus operators entered into 12-year contracts with the PTA, while three metropolitan based operators entered into contracts of varying terms to provide services in a complementary capacity to Transperth. In addition, a formal contract was signed with the Shire of East Pilbara for the four-wheel drive service operated in the Pilbara.

At year's end, a bus replacement program proposing the transfer of Mercedes Benz NH low-floor buses from the Transperth fleet to regional services in the future was being developed. This proposal, if accepted, will reduce the average age of the regional bus fleet to around 12 years and provide accessible buses on regional bus services and will be the start of RTBS progressively complying with the Disability Standards for Accessible Public Transport and Guidelines under the Disability Discrimination Act, 1992.

The Transperth timetable format was adopted on bus services in major regional towns which brought about timetable uniformity across the State. Also, work began on implementing a standard bus stop system in the regional areas with orange posts designated for general commuter stops and blue posts for school bus stops.

At 30 June 2005, the regional bus fleet totalled 134 vehicles compared with 145 in 2003/04. The decrease primarily resulted from Transperth taking over some of the services that were previously administered by RTBS operators in the Perth metropolitan area.

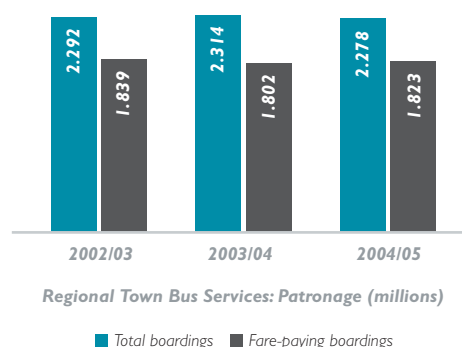
Three late-model low-floor wheelchair accessible Mercedes Benz buses were transferred from Transperth to the TransGoldfields fleet in October 2004 for use on revised services in Kalgoorlie-Boulder. Revised town and school bus services were introduced in Geraldton (from 15 November 2004) and Albany (from 19 December 2004). In Geraldton, the new services include a City Clipper route via the museum and the HMAS Sydney Memorial.

Revised routes and improved service levels were introduced in Port Hedland on 4 January 2005.

### Patronage

Fare-paying initial boardings on regional bus services increased by 1.2 per cent from 1.802 million in 2003/04 to 1.823 million in 2004/05. However, total boardings (which include free travel and transfers) decreased by 1.5 per cent from 2.314 million in 2003/04 to 2.278 million.

As a result of the decrease in total boardings and an 11.6 per cent increase in service kilometres, total boardings per service kilometre fell by 11.5 per cent from 0.96 in 2003/04 to 0.85.



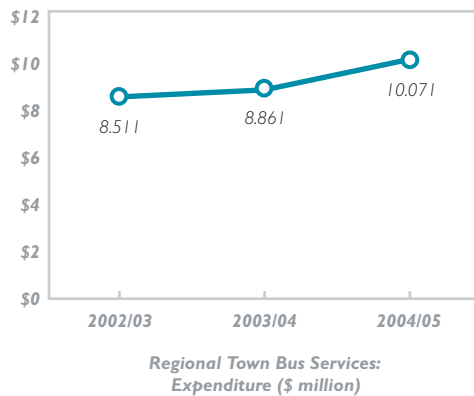


### Customer Satisfaction

Following a poor response to the 2004 survey, a passenger satisfaction survey was not conducted during 2004/05.

### Revenue/Expenditure

The total cost of operating the regional town bus services in 2004/05 was \$10.071 million compared with \$8.861 million in the previous year, an increase of 24.3 per cent. The cost increase was primarily due to a change in reporting gross, not net, expenditure. Fare revenue increased by 2.9 per cent from \$1.395 million to \$1.436 million.



### In the Future

In the coming year(s), RTBS will:

- Complete the signing of the remaining formal regional contracts;
- Conduct or complete operational reviews for the public bus services in Broome, Busselton, Dunsborough, Esperance and Geraldton. In addition, the trial bus services introduced in 2004/05 will be evaluated for their success;
- Develop a regional bus replacement program with a view to reducing the average age of the bus fleets in country areas and introducing accessible buses on regional services;
- Introduce the Wayfarer MultiRider system in all regional towns that currently have an inadequate ticketing system. MultiRider equipment will become available with the introduction of the SmartRider ticketing system on the Transperth network during 2005/06;
- Investigate the capacity of Transperth to take over the remaining few RPT services that are currently operated in the Perth metropolitan area by RTBS-contracted operators; and
- Complete work already commenced to define Public Transport Areas around regional townships and clarify where fares will be paid by service users. Also, RTBS will continue to assess the ability of contracted public school bus services to pick up fare-paying passengers in order to bring about efficiencies on the combined contract and public school bus network.

## School Bus Services

### Introduction

The School Bus Services (SBS) branch is located within the Transperth, Regional and School Bus Division of the Public Transport Authority. It arranges and manages the provision of transport services to and from schools for students at regional centres across the State and in the metropolitan area in accordance with the requirements of Government. This is predominantly provided using contracted "orange" and "green" school buses around the State. In 2004/05, SBS managed 818 school bus contracts with a budget of \$69.619 million. Transport support organised by the SBS branch is used by some 24,000 students per school day.

At 30 June 2005, the "orange" and "green" school bus network included 712 school buses servicing mainstream schools and 106 school buses servicing special education schools, centres and units.

Where a school bus service could not be provided to eligible students by the PTA through SBS, a Conveyance Allowance was paid, in accordance with the Government's student transport assistance policy.

A range of different types of contracts/services was used to provide student transport support, including:

Type of contract	Number of contracts
Composite Rate Model Contracts (20-30 years in duration)	701
Fixed term Contracts (Tendered over 1-15 years since 1995)	108
Regular Passenger Transport (License arrangement with fare subsidy)	9

The Composite Rate Model is an average cost model which was implemented in January 2004 and provides for contractor payments to be reviewed by an independent review panel.

## Statement of Objectives

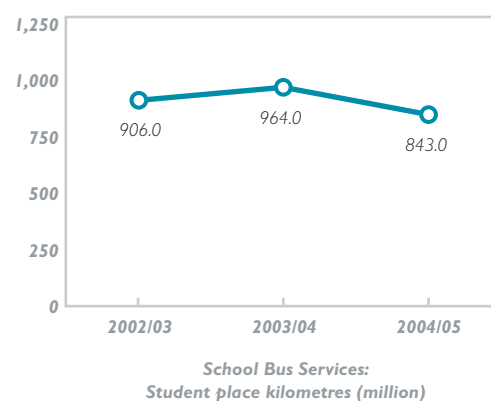
The objectives of the School Bus Services branch in 2004/05 were to:

- provide transport assistance for eligible students to assist them to attend their nearest government or non-government school offering the appropriate year of study;
- ensure that the transport assistance provided to students was appropriate, safe, cost-effective and fair in its application;
- ensure that all service contracts were managed effectively and efficiently in accordance with agreements made between the Minister, the PTA and individual contractors and/or their representatives.

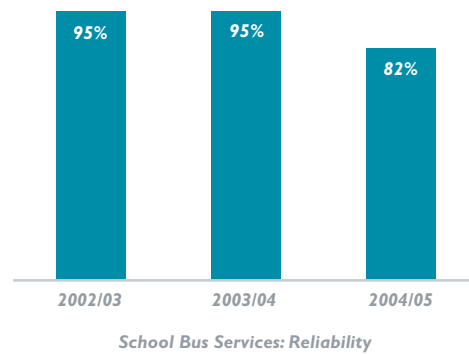
In realising these objectives, the following were the major achievements by SBS in 2004/05:

- computer system enhancements to allow better management of the new school bus contracts signed by contractors in January 2004 (affecting 701 contracts);
- update of School Bus Services policy documentation for School Bus Services staff and internal and external customers;
- new tendering template developed for short-term contracts for school bus services;
- major surveys through Data Analysis Australia to verify the average speed of school bus routes, fuel consumption and bus tyre life - these surveys will continue in 2005/06;
- establishment of Composite Rate Model (payment model) indexation process;
- establishment of the Composite Rate Model Review process;
- development of a new Safety Management Plan for school bus contractors;
- review of school bus routes to maximise service delivery and efficiencies in rural Western Australia;
- review of bus routes to maximise service delivery and efficiencies in metropolitan Perth.

## Service



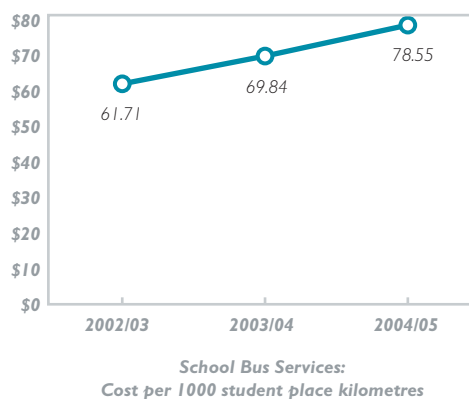
The use of school bus services is measured by the annual number of student bus service place kilometres. This number fell in 2004/05 due to rationalisation of school bus routes as part of the School Bus Services Route Review Project.



Service reliability measures school bus timetable reliability for rural mainstream services and Special Education School Buses operating in the Perth metropolitan area. The reliability measure is arrival less than 10 minutes before school starts and departure less than 10 minutes after school finishes.

It was lower in 2004/05 mainly due to unavoidable delays in transporting students with special needs on special education school buses.

## Efficiency



The increase in 2004/05 is a result of the higher costs of new Composite Rate Model school bus contract. This was the first full year of the contract.

## School Bus Services

### REVIEW OF PERFORMANCE

#### *The Year's Developments*

SBS continued its review of school bus services in order to provide the most efficient use of public funds, balanced against high-quality and safe transport services for eligible students.

During 2004/05, areas reviewed were Jerramungup, Gairdner, Jerdacuttup, Morowa, Perenjori, Frankland, Tambellup, Salmon Gums, Broome and Castlereagh Education Support School. In most areas, routes were adjusted or bus sizes changed to fit the demographics of the area. In some cases, such as Broome, the reorganisation of the bus route resulted in inefficient shuttle services being removed without affecting student numbers.

In other cases, school bus services were closed where student numbers were fewer than four, in accordance with student transport policy. These changes were all in the Wheatbelt, where student numbers generally continue to decline. The affected services were:

- Williams-Tarwonga Service
- Kondinin-South East Service
- Lake Grace-Pingrup Service
- Morawa-Wandagu Service

The review of services also resulted in a number of new temporary services being introduced in areas of rural population growth (Ravensthorpe, Yealering, Tom Price and Merredin), and also some growth of special education in metropolitan Perth.

A reorganisation in the Wanneroo-Two Rocks area saw four metropolitan fringe contracts (guaranteed a minimum 10-year contract) re-allocated to Woodridge, Bullsbrook and Gingin where demand for school buses was greater.

In January 2004, a new school bus contract and payment model was put into place. This applied to contractors with pre-1995 contracts. The new Composite Rate Model School Bus Contract allows contractor payments to be reviewed by an independent review panel. The purpose of the Composite Rate Model, including the review procedure, is to balance the interests of the PTA and the contractors in the absence of a competitive tender process. The contract allows for all fixed and variable costs to be reviewed by the panel over a three-year cyclical period.

This was the inaugural year of the review.

#### *Patronage*

Fares are not charged for school bus services and precise patronage statistics have not been kept up to 30 June 2005. A database was being developed at year's end to capture student details and thereby determine the number of students carried in a year.

#### *Customer Satisfaction*

SBS does not measure customer satisfaction as transport assistance is provided on an entitlement basis.

#### *Expenditure*

School Bus Services' expenditure for 2004/05 was \$68.988 million.

#### *In the Future*

The education landscape is potentially changing due to the Government's policy direction and new initiatives being delivered by the Department of Education and Training (DET) such as retention of children at secondary school for longer periods and potential changes to the compulsory school leaving age. These issues will affect School Bus Services in its delivery of student transport assistance over the next four years.

A recent review of educational services for students with disabilities in Government schools has provided the opportunity for DET to evaluate current educational provision for students' needs, identify quality practice and make recommendations for further development of an increasingly inclusive Government school system.

School Bus Services liaised with DET to ensure a whole-of-Government approach to this proposal to clearly identify the financial implications, and the impact on student transport assistance.



*The new Prospector train operates between Perth and Kalgoorlie Station (pictured)*

## Transwa

Transwa operates road coach and train passenger services to regional centres in the southern half of Western Australia:

- Australind train services between Perth and Bunbury;
- Prospector train services between Perth and Kalgoorlie;
- AvonLink train services between Midland and Toodyay/Northam;
- MerredinLink Train services between East Perth and Merredin; and
- a comprehensive road coach network.

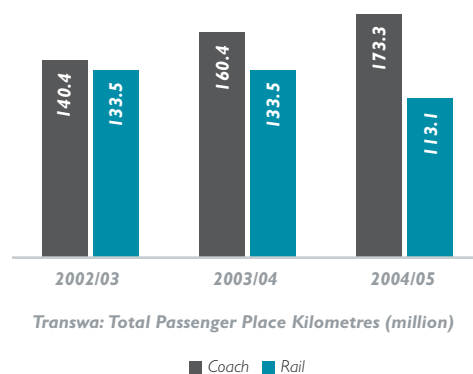
### Statement of Objectives

Transwa's objective is to provide customer-focused, safe and cost-effective passenger transport services for regional Western Australia.

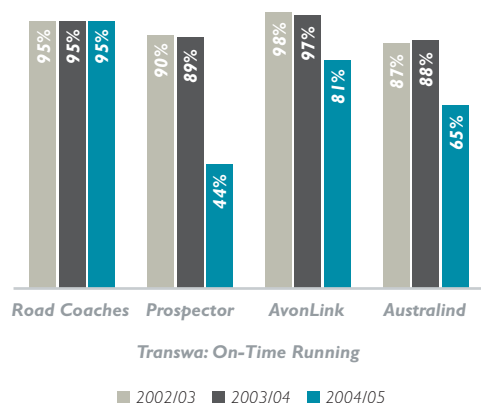
Key indicators of performance for Transwa in 2004/05 were:

- Services to arrive at their destinations within the parameters set for punctuality:
  - Prospector - within 15 minutes for 90 per cent of services
  - Australind - within 10 minutes for 90 per cent of services
  - AvonLink - within 10 minutes for 95 per cent of services
  - Road coaches - within 10 minutes for 95 per cent of services
- To achieve 90 per cent passenger satisfaction across all train and road coach services.

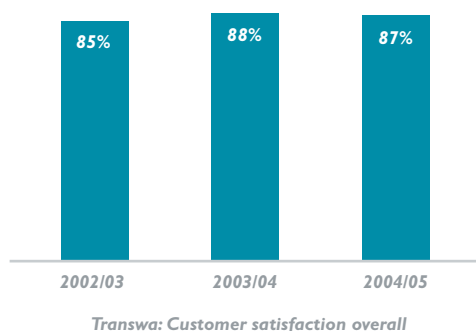
### Service



The passenger place kilometres for Rail in 2004/05 declined by 1.8 per cent as a result of service disruptions to the Australind during a major resleeper project.

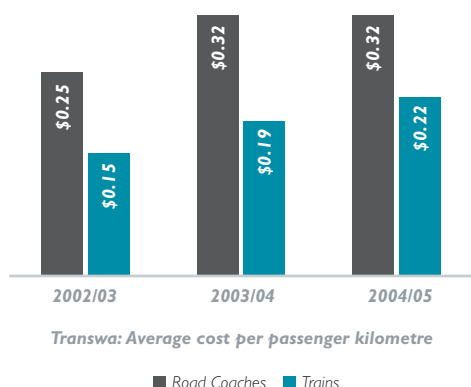


Refer to Key Performance Indicators - Service Reliability for more information.



Refer to Key Performance Indicators for more information.

### Efficiency



### Passenger safety

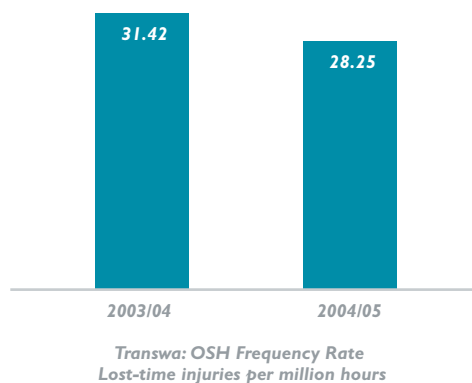
Transwa continued to give close attention to passenger security in a number of ways.

The new Prospector and AvonLink trains are equipped with closed-circuit television monitoring of the passenger cabins. During the year, the organisation experienced very few instances of unruly behaviour which threatened the safety of other passengers. For those that did occur, Transwa received an excellent response from local police.

Staff continued to receive regular refresher training in road and rail safety, and rail and road coach drivers were assessed regularly to ensure the highest safety standards are maintained on all services.

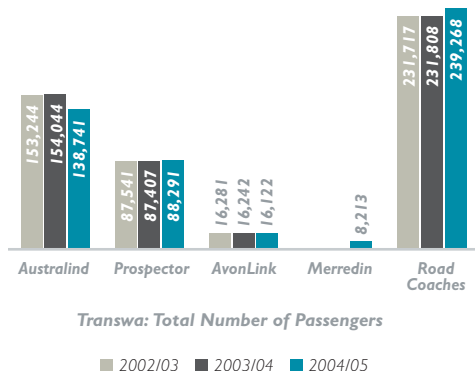
A review of stopping places for Transwa road coach services was under way at year's end to ensure that the embarking and disembarking of passengers were being done safely. Transwa is working closely with local and State Government authorities to implement changes identified as being necessary.

### Occupational safety

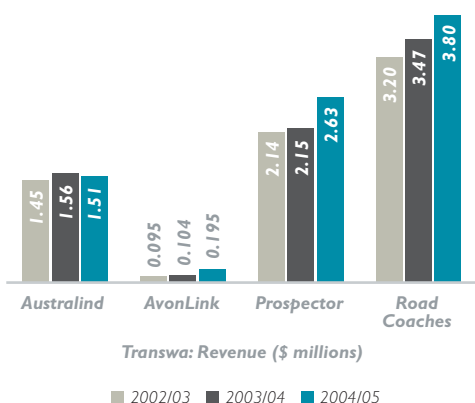




## Patronage



## Revenue



## Expenditure

Transwa total expenditure increased by 5.6 per cent compared with the previous year, to \$41.1 million. Maintenance, fuel costs and labour costs contributed to this increase (see the performance indicators for cost per passenger kilometre for more details).

## Service Information

Transwa rail services had a significant year, with the introduction of a third new Prospector train, the delivery of a new train for the AvonLink service and the opening of a new railcar maintenance depot at Kewdale.

Unfortunately, these successes were tempered by teething problems with the new Prospector and new AvonLink railcars as well as the lengthy disruption to the Australind service caused by track upgrading work on the railway line between Mundijong and Bunbury by the track lessee WestNet Rail. However, as the result of a concerted effort, many of the problems with the Prospector were overcome by the end of the year. The on-time running performance of the Australind will benefit from the upgraded track in 2005/06.

Transwa road coach operations continued to provide a high level of service, with excellent on-time running performance and a high level of amenity provided by the new fleet of five-star coaches. The increased revenue from these services was a reflection of the strong patronage figures achieved in 2004/05.

## In the Future

While Transwa will continue to ensure that services are delivered safely and cost-efficiently, it will increasingly focus on delivering a high level of customer service.

To ensure it understands customer requirements Transwa commenced detailed market research during 2004/05, the results of which will be used to guide informed service delivery.

Work will continue on reviewing services around the State to ensure that appropriate changes are made as the requirements of customers change.

## TRAINS

### Description of Services

Transwa operated 62 scheduled rail services every week during 2004/05.

On the South-West rail network, it operated the Australind train four times daily between Perth Station and Bunbury. The Prospector operated 18 times a week (nine services each way) between East Perth and Kalgoorlie. The AvonLink also serviced commuters from Toodyay and Northam through to Midland twice daily on weekdays and the MerredinLink serviced all stops from East Perth through to Merredin and return each Monday, Wednesday and Friday.

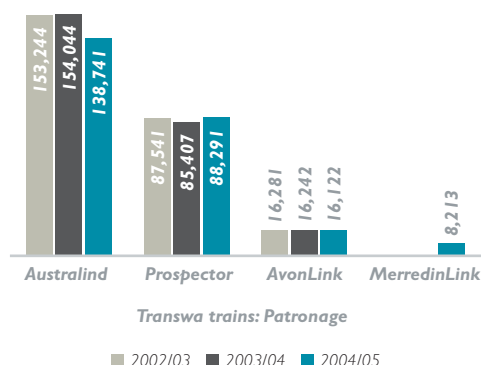
### The Year's Developments

The new Prospector train had its first full year of operation after being launched in June 2004 and was the catalyst for increased passenger numbers. The patronage gains produced by the new Prospector, the introduction of the MerredinLink rail service and the regular usage of the AvonLink all contributed significantly to the overall 10.6 per cent increase in patronage on services between East Perth and destinations to the East.

Transwa used the introduction of the new Prospector to create a new value-added in-seat service, GoldService. More than 4000 people experienced GoldService in 2004/05, a number which is expected to grow in the coming years.

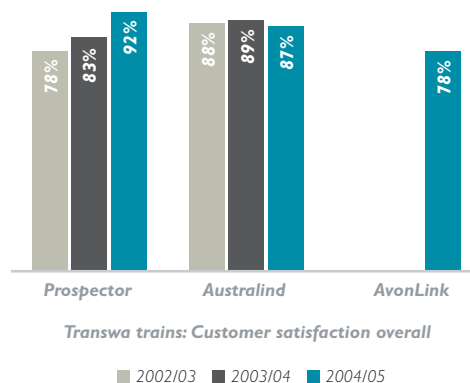
The Australind experienced a difficult year due mainly to delays and disruptions caused by a five-month resleeper program between Mundijong and Bunbury.

### Patronage



The Merredin service was included in the survey for the first time in 2004/05.

### Customer Satisfaction



NB: The AvonLink Service was included in the survey for the first time in 2004/05.

### Infrastructure

There were a number of significant milestones during the year:

- 59 kilometres of the South-West railway line between Mundijong and Bunbury were upgraded through the replacement of wooden sleepers with concrete;
- the program of building new high-level station platforms between Perth and Bunbury and between East Perth and Kalgoorlie progressed towards completion. This was a major step in ensuring disabled access to the trains;
- the full fleet of new Prospector rollingstock was in service at the end of the year. Initial teething problems with the trains were largely rectified and, from April 2005, only one service was disrupted by mechanical problems; and
- the new Transwa rail maintenance depot at Kewdale was opened in April 2005. Servicing of the Prospector and AvonLink railcars is carried out at this depot.

## ROAD COACHES

### Description of Services

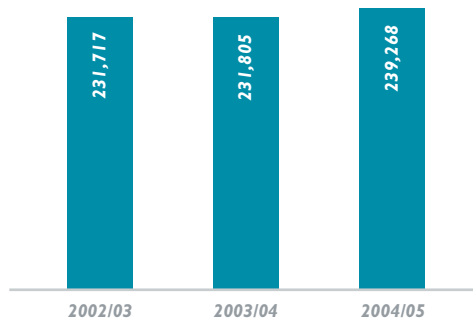
Transwa operates road coach services on a comprehensive network which extends to Kalbarri, Geraldton and Meekatharra in the North, Augusta, Pemberton and Albany in the South West and Esperance in the South East. The Transwa road coach service is a vital transport link to many small communities in the southern half of Western Australia.

At 30 June 2005, Transwa operated 144 separate road coach services a week and employed 30 road coach drivers for its fleet of 22 Scania road coaches.

### The Year's Developments

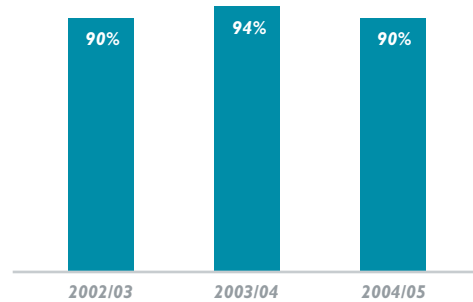
A review of road coach services began in 2004/05, with a view to attaining optimum use of the fleet, increasing capacity and offering alternative arrival and departure times and same-day return services to prime destinations. The initial review focussed on the northern routes through to Geraldton. After community consultation and input, modifications to the services will be implemented in late 2005.

### Patronage



Transwa road coaches: Patronage

### Customer Satisfaction

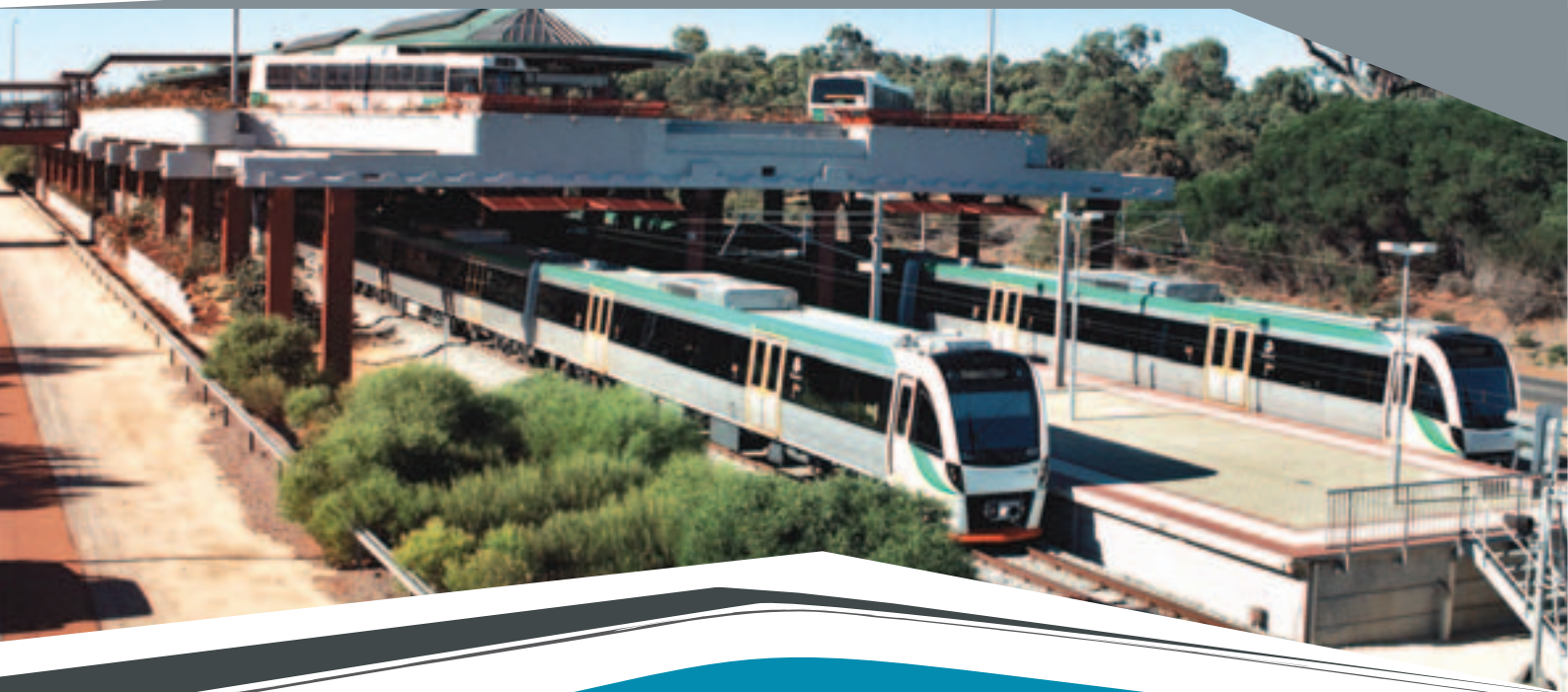


Transwa road coaches: Customer satisfaction overall

### Infrastructure

Transwa reviewed a number of the stopping places for its road coach services and, in conjunction with local and State Government authorities, instituted some changes to enhance passenger access, comfort and safety. Yallingup is one location where a new pull-off area was constructed to ensure the safety of passengers while embarking and disembarking.

Transwa took delivery of the 22nd and final Scania road coach in 2004/05. Delivery of the coach completed a contract with Scania under which the first coach was delivered in May 2003.



*Platforms along the Joondalup Line were extended to accommodate six-car trains*

## People and Organisational Development

The PTA aims to be an employer of choice. During the year, its workforce passed the 1000-people mark.

### Strategic People Management

The People Reference Group, which was formed in June 2004, continued to provide advice directly to the Executive on a number of key people strategies. This included a review of the organisation's Aim to ensure its relevance to employees, and recommendations on leadership throughout the organisation, and internal communication. The new recommended Aim, which appears at the front of this report, is: "To make public transport an attractive and sustainable choice for connecting people and places."

The Building Capability Workforce Plan was developed and key strategies implemented on an ongoing basis. These include completion of a retirement intentions survey, the identification of roles critical to the business, and the establishment of succession management guidelines to ensure ongoing expertise and skills are available to meet the business objectives of the organisation.

The PTA is an equal opportunity employer committed to achieving greater workforce diversity. The strategies in the Equity and Diversity Management Plan 2004-2006 will help PTA people achieve this outcome. The plan identifies and sets priorities to improve equity and service delivery through increasing diversity. It details specific initiatives and responsibilities to ensure the PTA meets objectives for targeted priority groups, creates a sense of well-being for all employees and is a

tool for cultural change. The Director of Equal Opportunity in Public Employment commended the plan as a best practice example of planning in this critical area.

Innovation is a key driver of sustainable business performance. The PTA developed an internal program harnessing employee suggestions for improvement in processes, systems and customer service. The *Lightglobe* program links innovative interactive software with systematic assessment, evaluation, implementation and recognition of employee ideas on better ways of doing business.

Recruitment and retention of specialist skills needed to complement Perth's expanding urban passenger rail system was particularly challenging in a year when WA's resource industry boom quickened and the labour market became increasingly tight. Rapid growth in required operational roles in the Transperth Train Operations Division saw five pooled recruitment exercises conducted during the year, which added 94 new Transit Guards and 37 new Railcar Drivers to the Division.

### Workforce Planning

To address the global concerns of skills shortage, an ageing workforce and a growing trend for early retirement, the PTA developed a workforce plan that enables it to proactively prepare for future needs by ensuring that the organisation has the right number of people, with the right capabilities, in place at the right time. Implementation of strategies in the workforce plan commenced and will assist the PTA to achieve its objectives by ensuring that its workforce can deliver the business needs and required outcomes.

The long-term future capability of the organisation was addressed through the adoption of a succession management strategy which will be progressively implemented in the forthcoming year.

### **Performance and Development Plans**

The Performance and Development Plan (PDP) process ensures a link between the strategic and operational plans, and the key tasks and projects being carried out by individuals. The process is now well established for Salaried staff and a new targeted format was developed for Wages employees.

Training in the PDP process and performance management was delivered on-line, utilising flexible, self-paced e-learning courses.

### **Training**

The PTA Training and Development Plan, reviewed and updated in 2004/05, aims to integrate training with the Key Result Areas and Values of the PTA, particularly:

- Developing PTA people and recognising their performance;
- Promoting and supporting the safety of PTA people and facilitating their health and well-being;
- Creating a culture that supports the achievement of the organisation's goals; and
- Establishing a team-oriented environment where people are empowered to participate.

The PTA is a Registered Training Organisation (RTO) whose purpose is to provide quality training and assessment services for the PTA and Safeworking compliance for the Transperth train operations, in compliance with established best practice guidelines and the Australian Quality Training Framework. The RTO team has a key role to play in the integration of training into business planning.

It offers transit guards, train drivers (country and urban) and train controllers (urban passenger) the opportunity to achieve Certificates II and III in Transport & Distribution (Rail Operations) from the TDT02 Transport & Distribution Training Package.

A skills recognition process that has been rated as outstanding by external quality auditors is also offered to experienced urban railcar drivers, train controllers and Transit Guards, allowing them to demonstrate current competence against the units in the TDT02 Transport and Distribution Training Package.

Key initiatives implemented in the competency-based training area in 2004/05 included:

- management of re-qualification training delivery and administration;
- each Division determined training priorities as part of their operational planning process. Training requirements are now incorporated into Division business plans;

- a bank of competency-based assessment tools was developed for Transit Guards, suburban railcar drivers, train controllers and Transwa drivers;
- competency profiles were developed for signal technicians and maintainers; and reviewed for overhead catenary maintainers and Central Monitoring Room staff;
- internal workplace assessors from the operational groups were identified and/or trained;
- the Learnscope Project (jointly funded by Learnscope and the PTA) was initiated to implement online learning technology;
- establishment of a training benchmarking group with Western Power (Generation Division) and WA Police Academy.

Over the year, the RTO coordinated training for 332 PTA employees and delivered a total of 836 dedicated training days for the PTA.

The PTA's RTO and the Organisational Development teams work together to ensure that a wide range of training and education opportunities is offered to all employees. Progress against identified training priorities is monitored by the Cross-Divisional Training Committee and reported to the Executive quarterly.

The PTA was a finalist in the State Training Excellence Awards (Large Employer Category) and received a Special Commendation.

The Workplace English Language and Literacy Program was conducted for the third year at the PTA. The program continued to focus on improving employees' computer skills and focuses on literacy and effectiveness in the workplace.

### **Leadership Training**

The third intake of supervisors and managers commenced Front Line Management training in 2004/05, including the completion of work-based projects relating to operational issues. On completion, participants will receive a Certificate IV in Business (Frontline Management), ensuring that PTA managers hold nationally-recognised qualifications.

The inaugural PTA Leadership Program also commenced, with a group of middle and senior managers participating. The program is tailored to meet the specific needs of PTA managers and will consolidate existing management skills and develop the more strategic skills associated with planning, leadership and workforce planning. On completion participants will receive an Advanced Diploma of Business Management.



## **People and Organisational Development**

### **Developing a Learning Organisation**

Apart from the co-ordination of access to a wide range of professional development courses for PTA employees, the Organisational Development team was instrumental in the formulation of a new Study Assistance Policy in 2004/05 which provides significant support with fees and paid time off for employees to pursue both undergraduate and postgraduate qualifications. The policy includes provision for a Chief Executive Scholarship fund of \$20,000 per annum.

### **Healthy Living and Corporate Identity**

Following a corporate wellness program first delivered in 2003, the organisation continued to provide access to professionally-delivered fitness assessment and training for PTA employees. This program was complemented with provision of "fun" activities such as choral singing and Theatresport.

PTA people were encouraged to participate in charity-related activities. One tenth of all staff participated on a single day in the Asthma Foundation Bike Hike and the Fremantle Triathlon.

The development of a sense of corporate identity was enhanced by the introduction in 2004/05 of a new range of corporate apparel provided free of charge to salaried officers. (All wages employees already enjoyed the supply of uniforms as an industrial entitlement).

### **Labour Relations**

The organisation negotiated with unions for improvements in terms and conditions of employment for its workforce. Following an extended and difficult period of bargaining with the Australian Rail Tram and Bus Industry Union, the PTA initiated formal bargaining in good faith under Section 42 of the Industrial Relations Act. Two arbitrated Enterprise Orders providing employment conditions for Railcar Drivers in Transperth Train Operations Division and Transwa were issued by the Western Australian Industrial Relations Commission (WAIRC) on 9 July 2004. The Public Transport Authority Railway Employees Enterprise Agreement was ratified on 9 July 2004.

The PTA ensured during the year that appropriate dispute resolution procedures are in place. Joint Consultative Committees were established providing a process by which its management and employees jointly examine and discuss issues of mutual concern and formulate and implement solutions to problems.

Two instances of alleged unfair dismissal and one instance of alleged unfair disciplinary process resulting in demotion were dismissed by the WAIRC during 2004/05.

Forty-one employees formerly covered by Workplace Agreements were transferred to Enterprise Agreement conditions in the course of the year.



The PTA's new Central Monitoring Room was unveiled





*A new electricity feeder station was built at Beckenham*

**31**

### **Better Planning: Better Services**

The PTA's Strategic Plan is aligned with the State Government's *Better Planning: Better Services* strategic planning framework for the WA public sector:

The PTA has identified those strategic outcomes specified in *Better Planning: Better Services* that relate most closely to its own business. These are reported in the section which follows, along with the obligatory

reporting requirements specified in the Western Australian Public Sector Annual Report Framework for 2004/05. This section reports the significant developments and should be read in conjunction with other information presented throughout the annual report.

## Better Planning: Better Services

### People and Communities

**Goal 1:** To enhance the quality of life and wellbeing of all people throughout Western Australia.

#### Strategic Outcomes relevant to the PTA

Government Strategic Outcome	Applicable PTA Outcome* (see page 38)	Significant Developments in 2004/05
6. Safe and secure Western Australian communities	1	<p>In the metropolitan area, the PTA intensified its efforts to provide safe and secure transport services by rail, bus and ferry (see detail in the next item below). In these efforts, it worked closely with Government and the WA Police.</p> <p>In regional WA, the organisation resolved to put in place protocols detailing the increased levels of security which are to apply as the Federal Government changes the level of security alert. This is anticipated to include pre-departure checking of trains and road coaches.</p>
8. Enhanced safety, security and wellbeing of the vulnerable within our community	1 and 2	<p>A functional review of safety was conducted early in 2005 by PTA management. The recommendations, which were being implemented at year's end, will benefit the safety of the travelling public and the PTA's occupational safety.</p> <p>The Transperth train network now includes 194 Transit Guards, a CCTV monitoring facility and information cubicles on stations which combine emergency help telephones, public address and passenger information systems.</p> <p>A combined Police-PTA program for bus security was developed for roll-out in August 2005.</p>
10. A positive difference to the lives of people with disabilities, their families and carers	4	<p>The Disability Discrimination Act Transport Standards continued to be progressively implemented in the PTA's infrastructure. These are applied during construction and redevelopment work.</p> <p>In the regions, Transwa's new trains and coaches are designed to meet the needs of people with disabilities.</p> <p>PTA's public transport services in the metropolitan area use fully accessible trains and ferries with almost half the bus fleet also accessible to people with disabilities. Fifteen of the 58 stations on the suburban train network provide independent access to people with disabilities. Generally, accessible buses are used on off-peak services. At year's end, more than 50% of total bus service kilometres were provided by accessible buses.</p>
16. Accessible and reliable public transport	4	<p>More than 70% of street addresses within the Perth public transport system are within 500 metres of a Transperth stop, providing an acceptable level of service. An acceptable level of service is an hourly service with at least three trips at 20-minute intervals in the peak-flow direction in the morning and afternoon.</p>
17. Vibrant communities that enhance and promote safety, a sense of openness, walkability, our rich cultural diversity and the Western Australian lifestyle	1 and 3	<p>Public transport continued to contribute to this outcome particularly through train and bus stations which encourage local transit-oriented development.</p> <p>The Government's Building Better Train Stations program and New MetroRail projects included the completion of such stations at Armadale, Gosnells, Bassendean, Clarkson and Greenwood during the year.</p>

**Obligatory reporting requirements relevant to the PTA**

Disability Service Plan Outcomes	The PTA continued to develop relationships with Disability Support Agencies to provide work trial placements.
Cultural Diversity and Language Outcomes	Cross-cultural awareness training was provided for front-line staff, including Transit Guards, to equip them with the skills and knowledge necessary to work and effectively communicate in a socially diverse environment.  Diversity awareness training was provided for managers/supervisors.
Youth Outcomes	The PTA continued its Graduate Program for recently qualified graduates across a range of technical and non-technical disciplines.  Vacation employment for engineering students was provided over the summer break.  Student internship was established to undertake a Transit Guard cultural study.  A number of positions were identified as suitable for implementation of traineeships.  Apprenticeship opportunities were created and work experience for pre-apprentices were trialled.



The new Gosnells Train Station features art to relax on

## Better Planning: Better Services

### The Economy

**Goal 2:** To develop a strong economy that delivers jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth.

#### Strategic Outcomes relevant to the PTA

Government Strategic Outcome	Applicable PTA Outcome* (see page 38)	Significant Developments in 2004/05
5. A workforce which reflects the State's diverse population	2	Strategies were implemented in accordance with the <i>Equity and Diversity Management Plan 2004 - 2006</i> . The organisation maintained its corporate objective to promote diversity and equity. The PTA targeted recruitment at diversity groups, particularly during mass recruitment drives. The <i>Building Capability Workforce Planning Strategy Report 2004 - 2006</i> was rolled out.
8. Greater economic infrastructure that facilitates new development	7	The Fremantle Direct Loop will provide a direct rail connection to the container terminal on North Quay at the Fremantle Port. The loop will improve the connections to the port and improve the transfer of containers by rail. The Kewdale Intermodal Terminal site, leased to Pacific National Ltd, is the major intermodal terminal for interstate rail freight in the metropolitan area. The PTA, in conjunction with its lessee, Pacific National Ltd, intends to develop the Kewdale site over several years.
14. Social infrastructure such as schools, health facilities and recreational areas built and maintained to a high standard	6	Infrastructure produced under the New MetroRail project and the Building Better Train Stations program, as well as other projects, are built and maintained to high levels of safety, service and amenity.

### The Environment

**Goals 3:** To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected.

#### Strategic Outcomes relevant to the PTA

Government Strategic Outcome	Applicable PTA Outcome* (see page 38)	Significant Developments in 2004/05
3. Effective contributions to global efforts to reduce greenhouse emissions	3	The PTA's <i>Sustainability Action Plan</i> was being implemented during the year. The PTA assisted the Department for Planning and Infrastructure in its research project into hydrogen-powered buses. Delivery continued of new (B-series) suburban railcars which are 20% more energy efficient than their predecessors.
12. High level of urban air quality	3	The PTA continued its program to replace diesel-fuelled Transperth buses with compressed natural gas buses.

### Obligatory reporting requirements relevant to the PTA

Waste paper recycling	Waste paper continued to be collected for recycling from the Public Transport Centre under contract.
Energy Smart Government Policy	<p>The PTA is a voluntary participant in the Energy Smart Program. Its Public Transport Centre in East Perth is the principal energy consumer of the PTA's locations.</p> <p>In the last three financial years, the centre has achieved reductions in energy consumption of 13.53%, 14.4% and 14% respectively. This compares with the Government's Energy Smart objective of a 12% reduction by 2006/07.</p> <p>The centre's energy performance in 2004/05 was:</p> <ul style="list-style-type: none"> <li>• Total energy consumption 5,135,800kW (18,488,880MJ)</li> <li>• Total energy costs \$491,762</li> <li>• Total greenhouse gas emissions 4002 tonnes</li> <li>• Rate of energy consumption 23,111 MJ/person/annum (1185 MJ/m<sup>2</sup>/annum).</li> </ul>

### The Regions

**Goal 4:** To ensure that regional Western Australia is strong and vibrant.

### Strategic Outcomes relevant to the PTA

Government Strategic Outcome	Applicable PTA Outcome* (see page 38)	Significant Developments in 2004/05
3. Effective government service delivery to regions that is responsive to the needs of diverse communities	4	The PTA continued to provide reliable, safe and modern transport services to regional WA through Transwa, Regional Town Bus Services and School Bus Services.
5. Improved regional infrastructure	7	The PTA is managing the construction of a railway link from the Port of Geraldton to Narngulu as part of the project to build the Geraldton Southern Transport Corridor. When completed, this link will enhance the road and rail connections to the Port of Geraldton along a new alignment. The project has an additional benefit of removing the rail barrier between the city and the ocean as well as improving safety by removing a number of level crossings on major roads. The cost of the new railway is \$52.1 million.



## Better Planning: Better Services

### Governance

**Goal 5:** To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future

#### Strategic Outcomes relevant to the PTA

Government Strategic Outcome	Applicable PTA Outcome* (see page 38)	Significant Developments in 2004/05
1. Co-ordinated, integrated high quality service delivery to the community	4	The PTA continued to provide an integrated bus, train and ferry service in the metropolitan area and in regional towns as well as school bus services.
3. Whole of Government approaches to planning, decision making and resource allocation	6	The PTA Corporate Plan was developed to incorporate the State Government's <i>Better Planning: Better Services</i> strategic goals, Government priorities and portfolio directions.
7. Increased use of Information Communications and Technology to provide better services to the community	6	<p>The PTA embraced the internet for communication of service and organisational information to the community. Transperth passengers were able to plan their journeys using an interactive journey planning website and be kept up to date on service improvements and changes through TravelEasy email service.</p> <p>The PTA worked to maximise accessibility to information on its web sites by people with visual impairment including through the greater use of html. (This annual report is thus presented in both html and downloadable pdf formats.)</p>
10. An efficient Government sector that provides value for money service delivery	5	The PTA continued to provide the State's metropolitan and regional public transport through competitively tendered, value for money, contracts, and its own professional staff recruited and trained to deliver quality customer services.
13. Appropriate and competitive pricing regimes for public goods and services	5	<p>The Government continued to maintain public transport fares at an affordable level by restricting fare increases to the change in CPI.</p> <p>Transwa fares are established by the State Government to ensure affordability for regional West Australians.</p>

### Obligatory reporting requirements relevant to the PTA

Equal Employment Opportunity Outcomes	<p>PTA maintained or improved on EEO performance objectives. Other outcomes included:</p> <ul style="list-style-type: none"> <li>• Increase in access to parental leave and flexible return to work arrangements.</li> <li>• A diversity survey sent to all employees to update diversity data.</li> <li>• Continued provision of contact officer network and peer support program.</li> <li>• Establishment of PTA women's network.</li> </ul>
Evaluations	<p>The PTA undertakes routine evaluations of all capital expenditure projects. There were no significant strategic evaluations that impacted on the long-term performance of public transport infrastructure and services in the year.</p>
Information Statement	<p>In accordance with Section 94 of the FOI Act, the Information Statement was in the process of being updated and placed on the PTA website.</p>
Reporting of Record Keeping Plans	<p>The PTA's <i>Record Keeping Plan</i> was approved in 2004 by the State Records Office and will be reviewed in 2009.</p> <p>The PTA conducted record keeping awareness for staff, particularly new employees.</p>
Compliance with Public Sector Standards and Ethical Codes	<p>PTA policies were in place for all Human Resource Management (HRM) Standards.</p> <p>An external human resources audit identified no gaps. The PTA maintained its Grievance Resolution Policy. The organisation's <i>Code of Ethics</i> and <i>Code of Conduct</i> overview were provided at Corporate Induction and at all Transit Guard refresher training.</p> <p>PTA did not breach any of the Standards in HRM during 2004/05.</p> <p>Feedback from OPSSC Human Resources Standards, Ethics and EEO Survey was actioned.</p>
Public Interest Disclosures	<p>The Manager Corporate Issues and Compliance is the Public Interest Disclosure officer for the Authority and is responsible for receipt of disclosures of public interest information.</p> <p>The Authority's Public Interest Disclosure Policy and Procedures is accessible by staff on the organisation's intranet. The internal procedures have been prepared in accordance with Section 21 of the Public Interest Disclosure Act.</p> <p>A document <i>Whistleblowers' Protection</i> was distributed to staff across the organisation. The document details:</p> <ul style="list-style-type: none"> <li>• What is public interest disclosure.</li> <li>• Who can make a disclosure and how they are protected.</li> <li>• The Public Interest Disclosure officer's contact details.</li> <li>• How to locate the policy on the intranet.</li> </ul> <p>Also, information about whistleblowers' protection was provided to staff via internal publications and the internet. It was included in new staff inductions.</p>
Advertising and Sponsorship	<p>See Electoral Act 1907 - Section 175ZE on page 45.</p>

## Better Planning: Better Services

### Obligatory reporting requirements relevant to the PTA (cont.)

Sustainability	<p>The PTA <i>Sustainability Action Plan</i> was completed in February 2005. The plan addressed the planning and development of integrated transportation, so that it meets sustainable outcomes. It also encourages PTA staff to actively participate in the activities that make a contribution towards a better future. These activities include energy conservation, recycling, fundraising, travel by public transport, and occupational safety and health.</p> <p>The PTA continued to work with relevant external parties to identify opportunities to maximise sustainability during the development and planning of transport services. This includes:</p> <ul style="list-style-type: none"> <li>• Transit Oriented Development (TOD) planning;</li> <li>• Integration of infrastructure for pedestrians and cyclists;</li> <li>• Protection and restoration of local air, water, soils, flora and fauna; and</li> <li>• Services to assist people with disabilities.</li> </ul>
Corruption Prevention	<p>PTA is committed to risk management (in accordance with Treasurer's Instruction 825) and worked closely with its insurer RiskCover to meet best practice standards across the whole organisation, as defined in AS4360 "Risk Management". The Audit Committee has in place an annual plan to ensure that internal controls identified to minimise risk are effectively applied. The PTA's Procurement Policies and Procedures are accredited to ISO9001:2000 and subject to regular audit. These measures, whilst not specifically designed to prevent corruption, provide a culture of sound governance and effectively minimise the risk of corruption.</p>

\*The PTA's outcomes are:

1. An extremely high safety standard
2. A committed workforce prepared for current and future needs
3. Increased use of public transport
4. Customers are satisfied with the quality of services
5. A cost-effective service
6. Effective organisational management
7. The long-term value of the rail corridor is protected and the railway remains fit for purpose during and after the current lease
8. Residual freight issues managed effectively

## PTA Executive



**Reece Waldock**

**Chief Executive Officer**

Reece has 21 years experience in strategic management with particular expertise in organisational reform.

He held a number of senior executive roles within the Department of Commerce and Trade and Department of Transport from the early 1990s through to the end of 2000. In December 2000, following the sale of the freight business of the Western Australian Government Railways Commission, Reece acted in the position of Commissioner of Railways until the Railways Commission was extinguished on 30 June 2003.

With the creation of the Public Transport Authority on 1 July 2003, Reece acted in the position of Chief Executive Officer Public Transport Authority, to which he was appointed on 17 August 2004.

Prior to his career with the public sector in Western Australia, Reece held a number of senior management roles with BHP.



**Mark Burgess**

**Executive Director Transperth, Regional and School Bus Services**

Mark has gained extensive logistic, transport and people management skills through 21 years in the Army and seven years managing the Transperth system. He joined the PTA at its

formation after six years with the Department of Transport and the Department for Planning and Infrastructure.

Mark is responsible for managing, coordinating and marketing the Transperth system, comprising commercial bus contractors, a commercial ferry contractor and the PTA urban passenger rail services. He is also responsible for Regional Town Bus services and School Bus services throughout Western Australia. His focus is on delivering quality, reliable public transport services through more than 925 transport service contracts across the State.



**Kim Stone**

**General Manager, Transwa**

Kim joined the PTA in August 2005 after two years secondment from the Department for Planning and Infrastructure as Director of School Bus Reform. He had previously been Director of Coastal and Facilities

Management in the Department of Transport for four years. Kim has worked in both the State and Federal Government arenas in addition to a number of roles in the private sector, including running his own management consulting business. His background is in engineering and management.

Kim is responsible for managing Transwa's regional rail and road coach network as well as implementing the strategic elements of PTA's corporate plan which apply to Transwa. He is also responsible for the delivery of key performance indicators in the areas of customer service, maintenance and revenue building within Transwa.



**Pat Italiano**

**General Manager, Transperth Train Operations**

During his 31-year railway career, Pat has gained extensive experience in business management, financial management, procurement, audit and, more recently, operational experience within an urban rail mass transit environment. A qualified accountant, he also has considerable experience in strategic management and is a leader in risk management.

Pat's role in the Executive includes the commitment to ensuring that the high service delivery standards enjoyed on the existing passenger rail network are attained on the passenger rail services being developed to Mandurah through the New MetroRail project.



**Hugh Smith**

**General Manager, Network and Infrastructure**

Hugh launched his engineering career at British Steel in the United Kingdom and joined Western Australian Government Railways (WAGR) in 1972 as an Assistant Engineer at the Midland Workshops, where he subsequently held senior management positions in design and production. He was appointed General Manager of the Urban Passenger Division in 1994.

In this role he was responsible for developing strategies for customer focus, reliability of services and improved on-time running of trains. Following the sale of WAGR's freight business in December 2000, Hugh was appointed General Manager, Network and Infrastructure in an organisation focused exclusively on passenger transport and customer service.

## PTA Executive



**John Leaf**

**Executive Director, Finance and Contracts**

John is a fellow of the Institute of Chartered Accountants and the Institute of Company Directors.

John joined Western Australian Government Railways in 1989 and performed a strategic role in the continuous improvement and restructuring of the organisation, as well as its evolution into a customer-focused public transport service provider.



**Cliff Gillam**

**Executive Director, People and Organisational Development**

Cliff is an industrial relations, human resources and organisational development professional with 15 years experience in the Western Australian Public Sector. He holds post-graduate qualifications in the arts, business, public policy and management, and is a Fellow of the Australian Human Resources Institute.

He joined the Public Transport Authority on secondment in September 2003, and was appointed to the Executive in May 2004.



**Sue McCarrey**

**Director, Policy Unit**

Sue has expertise in government policy and administration including legal frameworks and the mechanics of government. Her expertise also includes making the link between whole-of-government policy and directions within the operational level of the agency. Prior to joining the PTA in 2002, Sue worked in a number of government administration roles within the Department of Education and Training including coordinating policy development and review; and planning at the corporate, division and operational levels. She was also a school principal in both country and metropolitan schools.



**Garry Willox**

**Project Director, New MetroRail**

Garry was appointed Project Director in April 2000 and has overseen the New MetroRail Project from the end of the planning stage to implementation.

He is a Civil Engineer who joined the Western Australian Government Railways Commission (Westrail) in 1969, working in district engineering offices. He then held a number of senior management positions within Westrail.

From 1988 to 1993 he was Project Manager for the Perth Urban Rail Electrification Project and Project Director for the Northern Suburbs Railway Project. He was then General Manager Engineering and Supply, before joining National Rail Corporation in Sydney. He also worked on major railway works in Thailand between 1998 and 2000.



**Richard Mann**

**Director City Project, New MetroRail**

Richard came to New MetroRail with more than 10 years experience in project and contract management at government and semi-government level. He joined the then Main Roads

Department in 1988 after graduating in engineering, and spent the next 14 years predominantly in WA's north-west. He returned to Perth as Manager of Term Contracts (Metro Region) where he was responsible for the maintenance of all of MRD's metropolitan-area assets including the Northbridge tunnel.

He was seconded to the PTA (then WAGR) in April 2002 to help the Perth City Rail Advisory Committee prepare its second report, including recommendations on the alignment of the Perth-Mandurah line through the city. When the report was finished, Richard stayed on to head up the City Project.





*A program to replace wooden sleepers with concrete ones continued throughout the year*

## Compliance

### 1. Rail Safety

#### Accreditation

The organisation demonstrated continuing compliance with the requirements of the *Rail Safety Act 1998* and rail safety accreditation as an owner and operator of a railway.

#### Safety Standards and Measures

The safety management plan addressing the requirements of *Australian Standard AS 4292.1 Railway safety management - Part 1: General* and interstate requirements was revised to take account of ongoing changes made to the organisation, the responsibilities and authorities. The revised document was submitted to the Director Rail Safety in accordance with the *Rail Safety Act* section 10(2).

The rail safety and occupational safety and health plans were combined into one PTA safety plan in 2004. This has facilitated the development of one safety system, enabling processes to be streamlined, avoiding duplication of documentation and assisting the organisation in working towards achieving accreditation to AS/NZ 4801:2000. This work is ongoing.

#### Compliance Inspections and Reporting

The annual rail safety compliance audit was conducted by the Office of Rail Safety in November 2004 and a report was issued on 15 December 2004. The Rail Safety Audit found eleven non-compliances and 23 observations, of which all but two were closed out at 30 June 2005. There were no directions issued to undertake remedial safety work as a result of a safety compliance inspection.

The PTA *Annual Safety Report* to the Director Rail Safety dealing with the general conduct of the railway operations for the year ended June 2004 showed there were 435 notifiable occurrences reported (Category A and Category B). Notifiable occurrences are defined in the Rail Safety Regulations 1999 as Category A (serious injury, death, or significant damage) or Category B (potential to cause a serious accident) and National Definitions under instructions issued on 15 December 2004.

There was a sharp rise in the number of notifiable occurrences as a result of the change to reporting in accordance with the National Definitions which include a much broader reporting requirement.

### ***Inquiries and Inspections***

There were no independent investigations involving a person's death, serious injury or major damage to property conducted under the direction of the Director Rail Safety for the year under review.

The Director Rail Safety issued a number of instructions in accordance with Section 39(3) of the *Rail Safety Act* for the organisation to conduct an investigation and provide a written report.

Investigations into Category A occurrences included:

- The derailment of a track machine at Daglish.
- The collision of a Prospector railcar engine compartment door and a signal at Merredin.

### ***Notifiable Occurrences***

During the year there were eight Category A and 427 Category B incidents reported, a marked increase on previous years. This reflected the altered requirement to report in accordance with the National Definitions.

Reporting in accordance with the National Definitions commenced on January 1, 2005. The 2005/06 figures will be the first year that all the reporting will be carried out in line with the new requirements.

## ***2. Occupational Safety and Health***

The strong focus on safety and health as a core value of the organisation continued during the past year. Training in occupational safety and health continued to be a priority with many managers and supervisors completing a two-day training course on their occupational safety and health responsibilities.

Safety committees continued to function effectively. Safety representatives attended a transitional training course for the changes to the Act, which included Provisional Improvement Notices.

### ***OSH Reporting System***

The SiteSafe reporting system, which was launched on 1 July 2004, enables the organisation to capture reported hazards, near misses and incidents and will facilitate interrogation of data to analyse trends. Ongoing training in the use of the system is being provided to people at all levels of the organisation.

The system has been expanded to include the recording and management of workers' compensation claims.

### ***Injury Management***

In 2004/5, the PTA implemented improved workers' compensation and injury management practices, focussing in particular on the management of claims within the Transit Guard area.

The Injury Management Coordinator has the responsibility to manage each individual case in accordance with the Workers' Compensation and Injury Management Act. Professional advice, to assist in difficult claims, is sought when necessary.

The new approach undertaken for case management of these claims significantly reduced the turn-around from date of injury to return to normal duties.

Whereas the total number of injuries sustained by PTA employees remained steady from 2003/04, the number of lost-time injuries decreased markedly in 2004/05. The lost-time injury frequency rate for the organisation for the year was 48.63 per million hours worked, compared with 83.03 for the previous year.

This improvement is primarily due to a decrease in the Transit Guard area. These results suggest that the PTA's improved workers' compensation and injury management practices are functioning to get employees back to meaningful work sooner after an injury, which has associated positive effects on the length and cost of claims, as well as employee morale and wellbeing.

### ***Health Assessment Standards***

On July 1 2004 the National Transport Commission introduced the National Standard for Health Assessment of Rail Safety Workers. The standard applies to all rail safety workers as defined in the *Rail Safety Act*. The Standard relates to health assessments and procedures for monitoring the health and fitness of workers to perform rail safety duties. There is a phase-in period for all the rail safety medicals to be undertaken, dependent on the risk category of the worker.

Procedures have been developed and processes have been put in place to ensure that the PTA completes the relevant medicals in the allotted time frame. A Health Management Plan is in place which documents the process for managing employees who are deemed temporarily or permanently unfit for their particular risk category.

Category 1 rail safety critical workers are due to have all medicals completed by December 2005. This group includes all train drivers and the PTA is on target to complete the medicals within the required timeframe. Category 2 rail safety critical workers have a further six months to complete their medicals. Category 3 and 4 medicals are required as they become due.

### ***Testing for Alcohol and Other Drugs***

Random testing of employees and contractors for alcohol and other drugs continued throughout the year as part of the organisation's alcohol and other drugs control program. No adverse trends were identified.

## Compliance Statements

### Statement of Compliance with Public Sector Standards

PTA's human resource management policies and practices are subject to ongoing review and, in accordance with section 31 (1) of the *Public Sector Management Act*, comply fully with the Public Sector standards in Human Resource Management.

### Statement of Compliance with relevant written law

#### Enabling Legislation

PTA is established under the *Public Transport Authority Act 2003*, an Act to establish a State agency responsible for providing public transport services anywhere in the State and performing functions under other Acts, to amend or repeal certain Acts, and to provide for related matters. Currently the Minister responsible for PTA is the Minister for Planning and Infrastructure.

#### Legislation Impacting on the PTA's Activities

In the performance of its functions PTA complies with all written relevant laws of Western Australia and reports on an annual basis in accordance with the following key legislation:

*Financial Administration and Audit Act 1985; Electoral Act 1907; Equal Opportunity Act 1984; Superannuation and Family Benefit Act 1938; Heritage of Western Australian Act 1990; Freedom of Information Act 1992; State Supply Commission Act 1991; Occupational Safety & Health Act 1994; Public Sector Management Act 1994; Disability Services Act WA No 36 of 1993; Rail Safety Act 1998; Railways (Access) Act 1998; State Trading Concerns Act 1916; Occupational Safety & Health Act 1984, Environmental Protection Act 1986, and Public Interest Disclosure Act 2003.*

Other various Agreements/Acts and written laws impact on the PTA's activities from time to time.

In the financial administration of PTA we have complied with the requirements of the *Financial Administration and Audit Act 1985*. We have also complied with every other relevant written law and exercised controls to provide reasonable assurance that the receipt and expenditure of moneys, the acquisition and disposal of public property and the incurring of liabilities have been in accordance with legislative provisions.

As at the date of signing we are not aware of any circumstances which would render the particulars included in this statement misleading or inaccurate.



**Reece Waldock**  
Accountable Authority  
26 August 2005



**John Leaf**  
Principal Accounting Officer

## Explanation of major capital expenditure variations

( a ) Budgeted estimates and actual results for 2004/05

	Budget \$000	Actual \$000	Variation \$000	Comments
<b>Metropolitan and regional passenger services</b>				
EMU railcar modifications	6,744	241	6,503	Project delayed
Wheel Lathe - Nowergup	2,497	99	2,398	Project delayed
Perway track and associated works	5,190	3,420	1,770	Project delayed
Computing hardware and software	2,059	419	1,640	Project delayed
New train control centre	4,264	2,850	1,414	Project delayed
Regional rail station program	1,350	0	1,350	Project scheduling
Rockingham transit system	1,000	0	1,000	Project scheduling
Fremantle Station external restoration	800	0	800	Project delayed
Safer Rail initiative	5,094	6,415	(1,321)	Project scheduling
Concrete resleeper project	2,900	4,542	(1,642)	Project delayed
Perth station barriers and associated works	3,730	4,619	(889)	Project scheduling
Metro bus acquisition	35,812	36,597	(785)	Project scheduling
Other	56,981	60,147	(3,166)	Project scheduling
<b>Corporate</b>				
Geraldton Southern Rail Corridor	29,000	28,430	570	Project scheduling
<b>New MetroRail</b>	411,550	429,000	(17,450)	Project scheduling
<b>Total</b>	<b>568,971</b>	<b>576,779</b>	<b>(7,808)</b>	

( b ) Major uncompleted works

Description of work	Estimated total cost (as per budget) \$000	Estimated cost to complete \$000	Year of completion
New MetroRail	1,563,372	756,645	2006/07
Metro bus acquisition	398,309	208,663	2010/11
Concrete resleeper project	60,060	54,918	2010/11
Geraldton Southern Rail Corridor	52,114	13,491	2005/06
Split and replace radio system	12,215	11,952	2010/11
Smartcard ticketing project	26,255	11,435	2006/07
Rockingham transit system	10,800	10,800	2005/06
North Quay rail loop	14,910	6,958	2005/06
Accessible public transport upgrade program	7,988	7,240	2006/07
East Perth Station upgrade	6,250	6,208	2006/07
Claisebrook Depot upgrade	5,800	4,248	2005/06
Joondalup special event	4,250	4,195	2006/07
Midland Station interchange	3,750	3,697	2007/08
Maddington Station	3,200	3,199	2007/08

( c ) Major completed works

	Total Cost \$000
Rollingstock	148,839
Railway infrastructure	133,085
Plant, equipment and motor vehicles	3,846
Buses	22,624
<b>Total</b>	<b>308,394</b>

## Electoral Act 1907 section 175ZE

In compliance with section 175ZE of the Electoral Act 1907, PTA is required to report on expenditure incurred during the financial year in relation to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

The details of the report are as follows:

	2005 \$
<b>Expenditure with advertising agencies:</b>	
Ascot Sign Co	356,110
Architectural Illustration	3,500
Bowtell Clarke & Yole	8,793
Creative Mat Boards	3,150
Concept Media	2,483
Definition	47,330
Design Graphic Management	6,515
Discus Digital Print	122,854
Exposure Digital	38,776
Gatecrasher Advertising	570,186
Image Source	43,877
Information Radio	9,750
Jason Signmakers	1,792,038
Key 2 Design	90,963
Market United Pty Ltd	62,336
The Sign Shop	7,096
P K Signs	2,434
	<b>3,168,191</b>
<b>Expenditure with market research agencies:</b>	
Centre for Industry Research	27,978
Patterson Market Research	50,901
Taylor Nelson Sofres	291,139
	<b>370,018</b>
<b>Expenditure with polling agencies:</b>	<b>Nil</b>
<b>Expenditure with direct mail agencies:</b>	<b>Nil</b>
<b>Expenditure with media advertising agencies:</b>	
Advance Press Pty Ltd	770,664
Australia's Golden Outback	591
Albany and Greater Southern Weekender	500
ART Publishing	1,818
Countrywide Publications	6,673
CVA Film and Television	980
Dowd Publications	2,790
JMG Marketing	1,545
Marketforce Limited	169,543
Media Decisions	743,771
Picton Press	5,921
Radiowest Broadcasters	3,000
State Law Publisher	3,366
WBMC	26,950
	<b>1,738,112</b>
<b>TOTAL EXPENDITURE</b>	<b>5,276,321</b>



## ***Certification of Key Performance Indicators for the year ended 30 June 2005***

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Public Transport Authority's performance, and fairly represent the performance of the Public Transport Authority of Western Australia for the financial year ended 30 June 2005.

A handwritten signature in blue ink, reading "R Waldock". The signature is fluid and cursive, with the first name "R" being a simple capital letter and "Waldock" written in a more elaborate, flowing script.

**R Waldock**

Accountable Authority

26 August 2005



## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

### PUBLIC TRANSPORT AUTHORITY OF WESTERN AUSTRALIA PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2005

#### **Audit Opinion**

In my opinion, the key effectiveness and efficiency performance indicators of the Public Transport Authority of Western Australia are relevant and appropriate to help users assess the Authority's performance and fairly represent the indicated performance for the year ended 30 June 2005.

#### **Scope**

##### ***The Chief Executive Officer's Role***

The Chief Executive Officer is responsible for developing and maintaining proper records and systems for preparing performance indicators.

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

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

As required by the Financial Administration and Audit Act 1985, I have independently audited the 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  
31 August 2005



## Audited Key Performance Indicators For the year ended 30 June 2005

### EFFECTIVENESS INDICATORS

48

#### Outcomes

Public Transport Authority of Western Australia (PTA) has the following desired outcomes:

1. Accessible, reliable and safe public transport system.
2. Protection of the long term functionality of the rail corridor and railway infrastructure.

PTA strives to achieve its outcome for the provision of accessible, reliable and safe public transport system through the provision of the following services:

- Metropolitan and regional passenger services.
- Country passenger rail and road coach services.
- Regional school bus services.

The outcome for the protection of the long term functionality of the rail corridor and railway infrastructure is provided through rail corridor and residual freight issues management.

Objective measures of effectiveness and efficiency have been developed and applied to ensure that management is able to identify and respond to variations in the performance measures. Measures have been developed to report on the key effectiveness and efficiency for each of PTA's services. These are regularly reported and reviewed by PTA's executives.

The table below provides the relationship between Government goals, PTA's outcomes and services.

Government Strategic Goal(s)	Desired Outcome(s)	Service(s)
To enhance the quality of life and wellbeing of all people throughout Western Australia.	Accessible, reliable and safe public transport system	1. Metropolitan and regional passenger services 2. Country passenger rail and road coach services 3. Regional school bus services
	Protection of the long term functionality of the rail corridor and railway infrastructure	4. Rail corridor and residual freight issues management

## Outcome 1: Accessible, reliable and safe public transport system

PTA's outcome of an accessible, reliable and safe public transport system is seen as a key requirement for increasing the use of public transport. Achieving a sustainable increase in the use of public transport depends on accessibility, reliability and safety.

PTA's effectiveness in meeting its outcome on the provision of accessible, reliable and safe public transport system is measured by the following criteria:

1. Use of public transport
2. Accessible public transport
3. Service reliability
4. Level of overall customer satisfaction
5. Customer perception of safety
6. Level of notifiable safety incidents

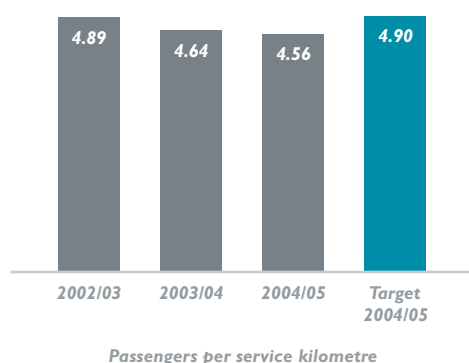
### 1 Use of public transport

The use of public transport is measured by comparing the annual number of passengers carried against the number of productive service kilometres. Productive service kilometres exclude those kilometres travelled outside of scheduled passenger services (e.g. moving of trains and buses to stations).

This effectiveness indicator is applied to each mode of public transport.

#### Metropolitan and regional passenger services

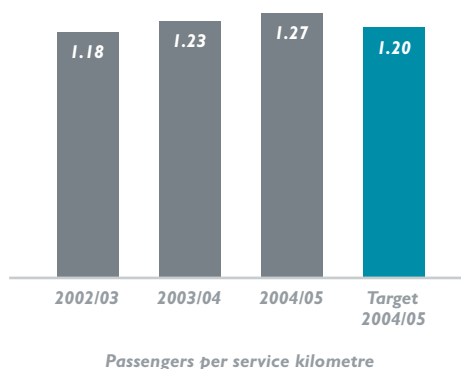
##### Transperth Train Operations



The extension of the rail network to Clarkson and opening of Greenwood station resulted in increasing service kilometres by 6.9%. Despite a 6.3% increase in fare-paying boardings, train total boardings, which includes transfers and free travel, only rose by 4.9% due partly to a reduction in the number of boardings within the Free Transit Zone as shown by the March

2004 passenger count. The target was based on the assumption that free travel would remain unchanged and that Clarkson, Greenwood and Thornlie stations would commence operations earlier.

##### Transperth Bus Operations



This indicator is based on total boardings which includes fare-paying boardings plus free travel and transfers. Fare-paying boardings increased by 2% in 2004/05 while the new passenger count on Central Area Transit and Free Transit Zone services carried out in March 2004, calculated that free travel had increased by 35%. The significant variance in 2004/05 as compared to the target is as a result of the inclusion of the higher level of free travel in the total boardings.

##### Regional Bus Services



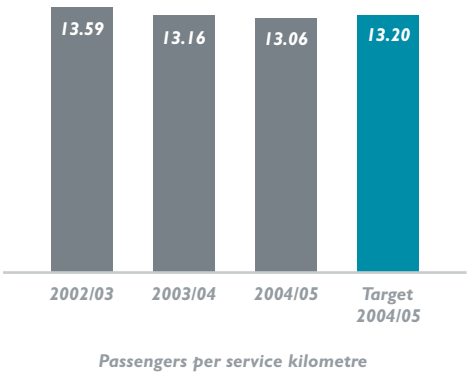
The patronage for the regional bus services declined despite an 11.6% increase in the service kilometres. This was as a result of the expansion of some regional services which involves high service kilometres for a relatively small number of passengers.



**Audited Key Performance Indicators  
For the year ended 30 June 2005**

50

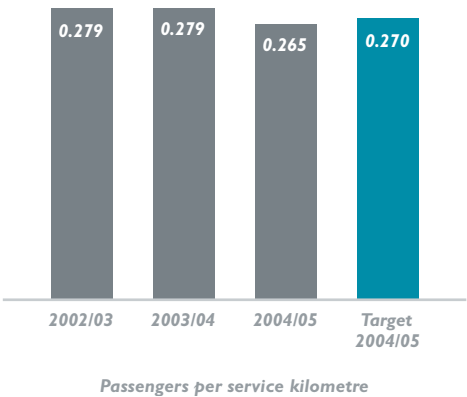
**Transperth Ferry Operations**



Ferry patronage has continued to decline and as a result PTA failed to meet the 2004/05 target. Ferry operations continue to be dependent on tourist traffic, which accounts for almost half of total boardings. The ferry service is therefore very susceptible to tourism fluctuations, such as downturns associated with international economic issues and tourism security concerns. These issues have impacted ferry numbers for the last few years.

**Country passenger rail and road coach services**

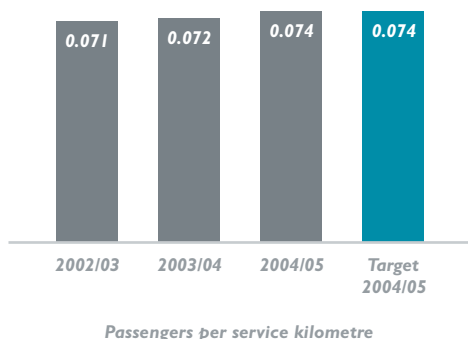
**Transwa Rail**



Patronage on rail services was adversely affected by service disruptions relating to the resleeper program along the Bunbury to Perth line and reliability problems during the commissioning of the new Prospector railcars.



## Transwa Road Coaches



Road coach passenger numbers have increased due to greater seating capacity in the fleet of the new Scania coaches and effective marketing.

## 2 Accessible public transport

This is a new measure and comparative data for actuals 2002/03 and 2003/04 is not available.

Accessibility to public transport is measured as the proportion of street addresses within the Perth Public Transport Area (PPTA) which are within 500 metres of a Transperth stop providing an acceptable level of service.

"Acceptable level of service" is defined as an hourly service during the day with at least three trips (i.e. at 20-minute intervals) in the peak flow direction in the morning and/or afternoon peak hour.

The indicator uses point street addresses from Department of Land Information (DLI) and service information and stop location data from the Transperth Route Information System (TRIS).

In 2004/05, 70.6% of street addresses met the criteria compared to a target level of 70%, demonstrating PTA meets its accessibility standards in the Perth metropolitan area.

## 3 Service reliability

According to an independent survey to measure customer satisfaction, service reliability is ranked as one of the most significant characteristics of a quality service. Service reliability is essentially a combination of two main factors, punctuality and consistency.

Services are considered to be punctual if they arrive within a limited period of time after the scheduled arrival time. These parameters referred to as "on-time arrival" are shown below for each operation.

### Operation

### On time arrival parameter

#### Metropolitan and regional passenger services

Transperth Train	3 minutes
Transperth Bus	4 minutes
Transperth Ferry	3 minutes

#### Country passenger rail and road coach services

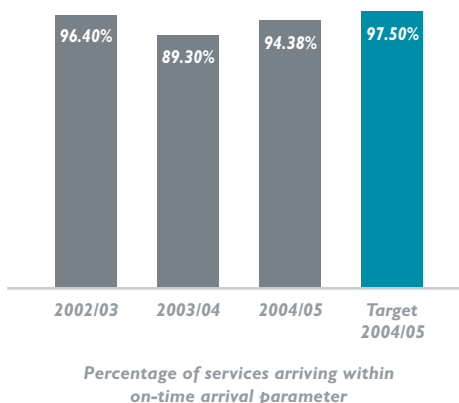
Prospector	15 minutes
Australind	10 minutes
AvonLink	10 minutes
Road coaches	10 minutes

#### Regional school bus services

Regional school bus services	Drop off no less than 10 minutes before school starts and pick up within 10 minutes of school ending
------------------------------	--

### Metropolitan and regional passenger services

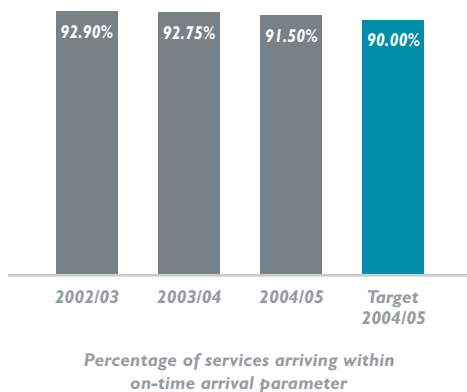
#### Transperth Train Operations



On-time running delays for the metropolitan train services were experienced as a result of speed restrictions and line closures for the new works associated with the New MetroRail project.

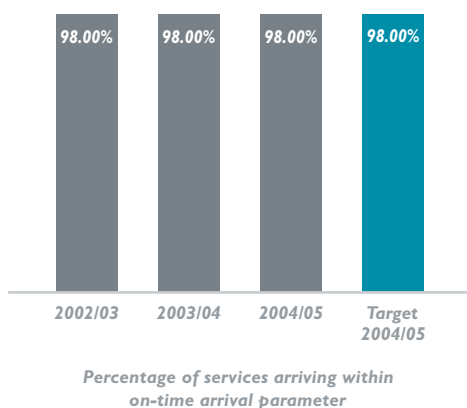
## Audited Key Performance Indicators For the year ended 30 June 2005

### Transperth Bus Operations



Transperth bus operations succeeded in minimising the impact of construction works associated with the Southern Suburbs Railway on bus punctuality through improved traffic management schemes and timetable adjustments. As a result of these measures the actual result for 2004/05 was better than the target.

### Transperth Ferry Operations

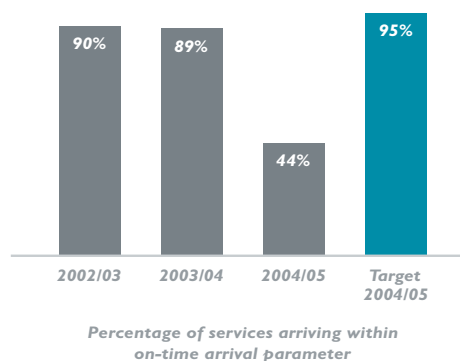


Transperth ferry operations has maintained its consistent high level of performance.

### Country passenger rail and road coach services

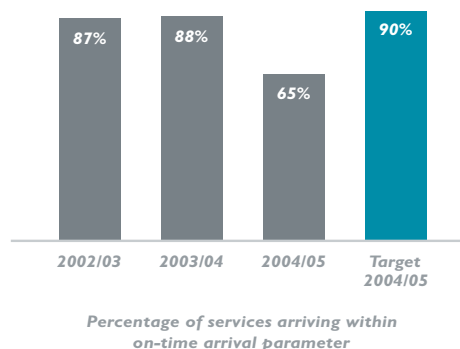
#### Transwa Rail

##### Prospector services



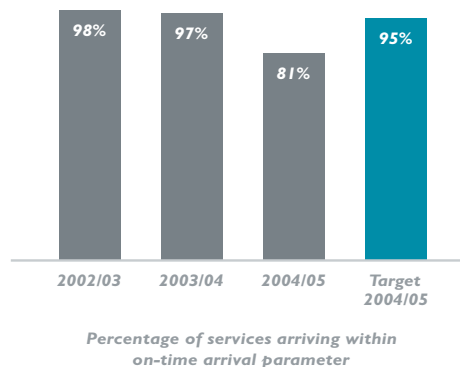
During commissioning of the new Prospector railcars, reliability problems were experienced. There was also a significant increase in freight traffic which requires more train crossings, thus increasing travel time.

#### Australind



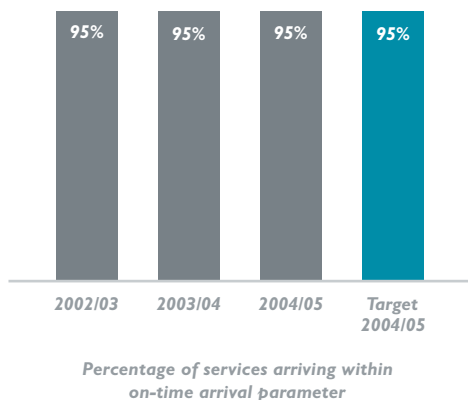
The target for 2004/05 could not be achieved due to severe speed restriction following the track upgrade work from Pinjarra to Mundijong.

#### AvonLink



The data for 2004/05 includes the newly introduced Merredin service where on-time running has been affected by freight train traffic.

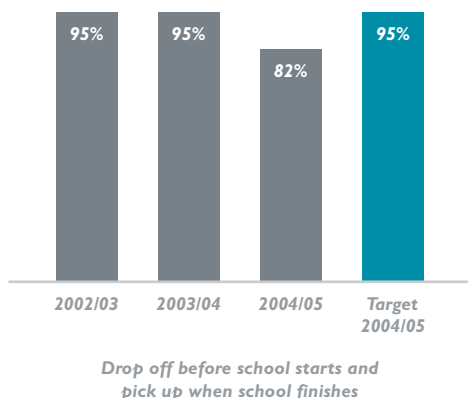
### Transwa Road Coaches



Transwa road coach services on-time running has been consistent and in line with targets.

### Regional school bus operations

This KPI measures school bus timetable reliability for rural mainstream services and special education school buses operating in the metropolitan area.



The on-time running for the regional school bus services was below the target for 2004/05 mainly due to unavoidable delays in transporting students with special needs on special education school buses. Routes are continually being reviewed to improve service reliability.

## 4 Level of overall customer satisfaction

The percentage of patrons that, overall, were satisfied with the services measures the public perception of the organisation's performance in providing a high quality and attractive passenger service. The measure is derived from an extensive annual survey conducted by independent consultants who interview a large sample of passengers. Interviewers are assigned to various services and transit station locations over a four week period covering the working week and weekend. A questionnaire is used by the interviewer and respondents are asked to provide a wide range of responses regarding their views on public transport performance.

The Passenger Satisfaction Monitor (PSM) survey results provide an objective, unbiased view over time of patrons' overall satisfaction with the system, e.g. safety, on-time running, courtesy of staff, service frequency and train and station amenities. The information is used by management to develop strategies for improving service performance and infrastructure.

### Metropolitan and regional passenger services

#### Transperth Train Operations

For the Transperth Train PSM survey 2005, a total of 800 rail patrons were surveyed. The overall sample comprised of:

- Adults aged 18 years or over resident within the Perth metropolitan area;
- Current users of Transperth train services (excluding school students); and
- Patrons who travel on the train at least once per fortnight.

The sample error estimates are within + or – 6% at 95% confidence level for Transperth Train Operations.



The 2005 PSM survey shows that high customer satisfaction targets have been achieved.

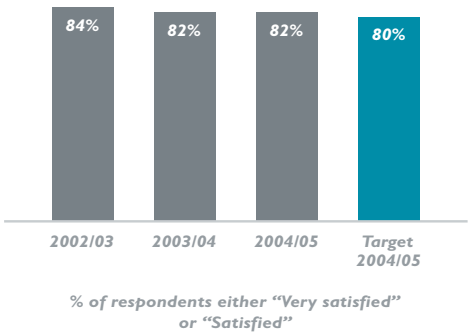
# Audited Key Performance Indicators For the year ended 30 June 2005

## Transperth Bus Operations

For the Transperth Bus PSM survey 2005, a total of 2,206 bus patrons were surveyed. The overall sample comprised of:

- Adults aged 18 years or over resident within the Perth bus contract region;
- Current users of Transperth bus services (excluding school students); and
- Bus patrons who travel on the bus at least once per fortnight.

The sample error estimates was within + or – 2% to 3% at 95% confidence level for Transperth Bus Operations.



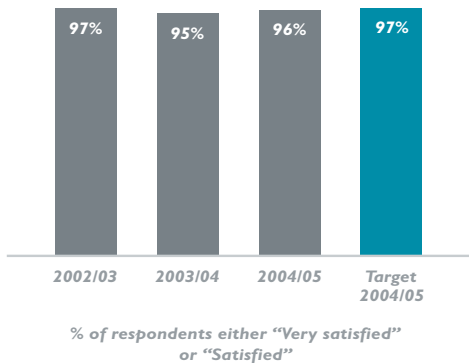
The 2005 PSM survey shows that high customer satisfaction targets have been achieved.

## Transperth Ferry Operations

For the Transperth Ferry PSM survey 2005, a total of 200 ferry patrons were surveyed. The overall sample comprised of:

- Adults aged 18 years or over;
- Patrons who were users of the Transperth Ferry services and used it more than once a fortnight for Perth residents and whilst visiting for non-resident visitors to Perth. School children were excluded from this sample.

The sample error estimates are within + or – 10% at 95% confidence level for Transperth Ferry services.



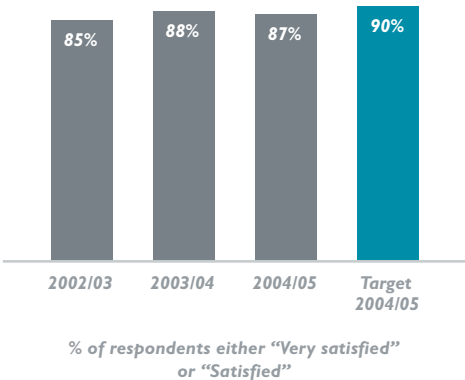
The 2005 PSM survey shows that high customer satisfaction targets have been achieved.

## Country passenger and road coach services

An independent passenger satisfaction survey is undertaken for each service - Australind, Prospector, AvonLink and road coaches.

For the country passenger and road coach PSM survey for 2005, a total of 1,170 country services patrons were surveyed via a self-completion survey.

The sample error estimates are within + or – 3% to 5% at a 95% confidence level.



Overall passenger satisfaction remains very high at 87%, with 41% of passengers indicating they were "very satisfied" and a further 46% "satisfied".

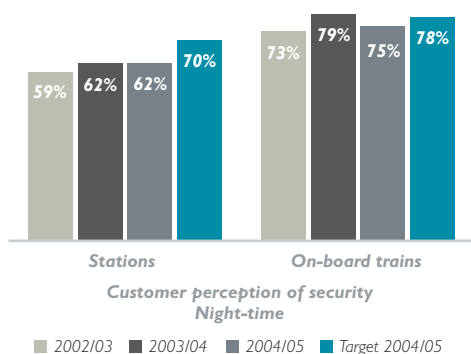
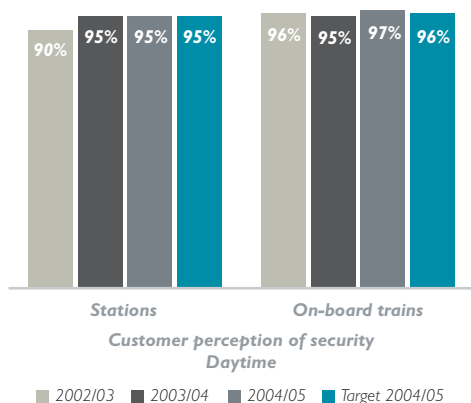
The 2005 PSM survey however shows that customer satisfaction has deteriorated compared to target attributable perhaps to delays in on-time running and difficulties in the commissioning of the new Prospector railcars.

## 5 Customer perception of safety

How safe customers feel on trains and buses and at stations is an important factor in deciding to use public transport. PTA is continuing to invest capital funds in security related infrastructure and has increased its security staff to ensure that customers can see the tangible measures being taken to increase their safety.

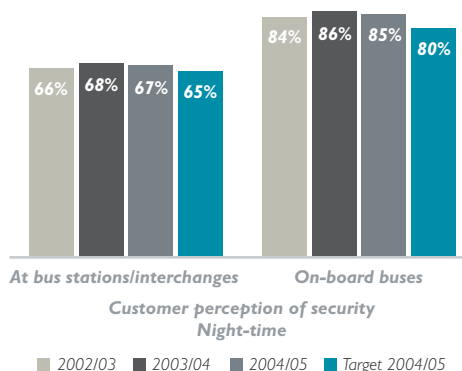
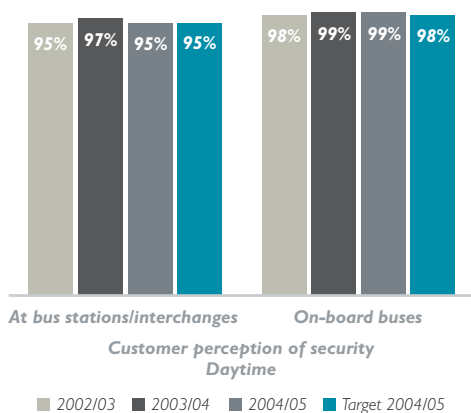
Customer perception of security is measured through data gathered in the Passenger Satisfaction Monitor (PSM) survey. The passenger satisfaction survey results provide an objective, unbiased view over time of patrons' perception of security and distinguishes between on-train and on-bus and at stations, at night and during the day for the Transperth Train and Bus Operations.

## Transperth Train Operations



The results of 2005 survey reported in the Transperth PSM report show that while the daytime targets have been met, the night-time results fell short of targets. The report further stated that a high proportion of patrons perceived Transperth to be addressing security concerns.

## Transperth Bus Operations



The 2005 PSM survey shows that customer perception of safety on-board buses and at stations and interchanges remained high, and all targets have been met or exceeded.

## 6 Level of notifiable occurrences

### Metropolitan and regional passenger services

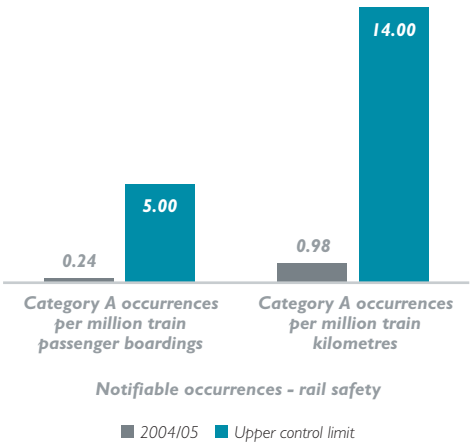
Safety incidents are recorded and notified to the Office of the Rail Safety. These incidents are termed notifiable occurrences and are defined in the Rail Safety Regulations 1999 as Category A (serious injury, death or significant damage) or Category B (potential to cause a serious accident) and National Definitions under instructions issued on 15 December 2004.

The performance measure for Category A and B occurrences is expressed as the number of occurrences per million passenger boardings and per million train kilometres. A low level of incidents indicates that sound safety procedures and controls exist and are operating effectively throughout the rail system.

Under direction of the General Manager Rail Safety Department for Planning and Infrastructure, PTA adopted national reporting definitions for notifiable occurrences effective 1 January 2005 backdated to 1 January 2002. This now requires PTA to report all incidents on the PTA network.

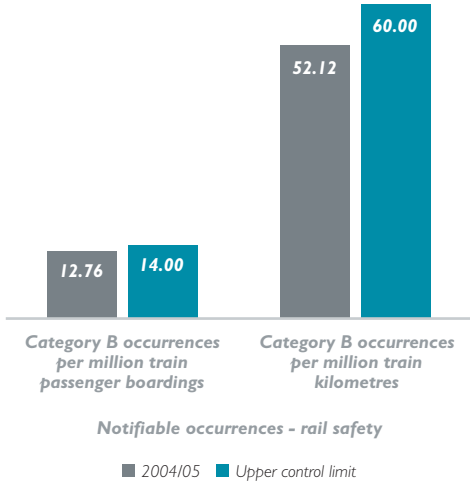
The results below do not include the comparatives for prior years as the data would not be comparable due to the change in the reporting definitions.

# Audited Key Performance Indicators For the year ended 30 June 2005



The upper control limit represents the limit beyond which management intervention would be appropriate.

There is an emerging trend of zero serious occurrences (Category A) which is encouraging given the high level of disturbance to the operating railway. The estimates were based on historical data and these will be reviewed further in the next financial year.



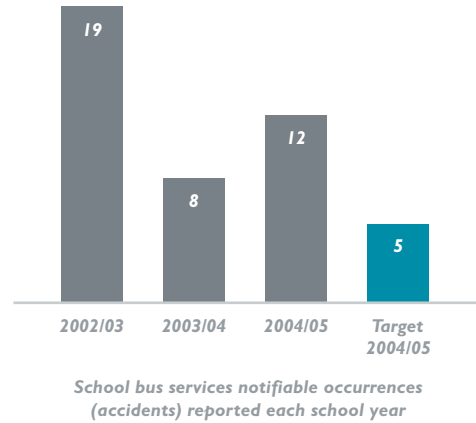
The upper control limit represents the limit beyond which management intervention would be appropriate.

The actuals for 2004/05 are below the upper control limit and PTA will continue to monitor and control the rate of occurrences.

## Regional school bus services

Accidents attributable to all causes are notified to and recorded by the School Bus Team Leader Vehicle Inspector.

The performance measure for the notifiable occurrences is expressed as the number of notifiable occurrences (accidents) reported during the school year. A low level of incidents indicates that sound safety procedures and controls exist and are being adhered to throughout the regional school bus fleet.



A total of one major and eleven minor accidents occurred in 2004/05. Although this is disappointing compared to the target level there were no physical injuries or fatalities involving school students.

## Outcome 2: Protection of the long term functionality of the rail corridor and railway infrastructure

The most significant issue for this outcome is the management of the long term lease of the rail freight infrastructure to Westnet Rail Pty Ltd.

Under the terms and conditions of the railway infrastructure lease, an independent inspection of the railway infrastructure is carried out every five years. The first independent inspection was completed in June 2005.

The results of this inspection did not indicate any cause for concern and that the rail corridor and infrastructure is being satisfactorily maintained.



## EFFICIENCY INDICATORS

### Services

Performance measures have been developed for each mode of transport to measure the cost efficiency of the services delivered.

#### Metropolitan and regional passenger services

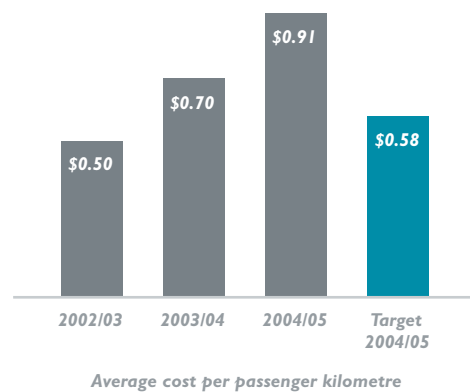
Provision of customer focussed, safe and cost effective passenger transport to the metropolitan area and regional towns.

##### Average cost per passenger kilometre

The cost per passenger kilometre measures the cost efficiency of providing passenger services, expressed as the cost of carrying one passenger one kilometre.

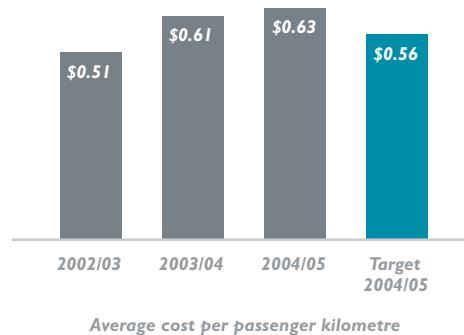
Passenger kilometres are currently based on the zonal distribution of passenger trips and an assumed average trip length for each zone. Ideally, the average passenger trip length on each mode should be determined more accurately, through a survey, and multiplied by the number of trips on that mode to calculate passenger kilometres.

#### Transperth Train Operations



Following the expansion of train services, passenger kilometres increased by 6.0% in 2004/05. However, the total cost of providing train services increased by 34.5% largely due to a significant increase in capital charges associated with the long term investment in the extension of the railway line both in the Northern and Southern suburbs. Furthermore, as a result of the service expansion, operating costs rose by 19.4%.

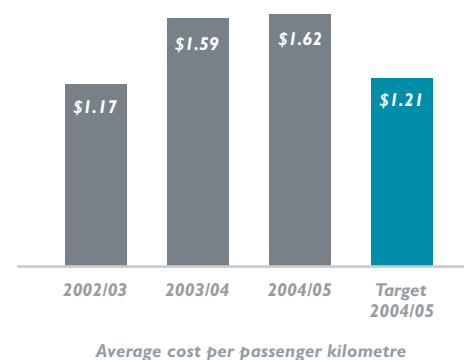
#### Transperth Bus Operations



The variance is due to an increase in total costs of 6.1% while passenger kilometres increased by only 2.4%.

The increase in total costs was the result of both higher capital charges (increase of 11%) following the acquisition of new buses, and higher operating costs (increase of 4.7%). The increase in the operating costs was as a result of expenditure on security issues, ticketing system maintenance, higher insurance and vehicle licensing costs as well as bus stop and infrastructure maintenance.

#### Transperth Ferry Operations



The actual 2004/05 cost per passenger kilometre is significantly higher than the target for 2004/05 as a result of the target being based on an underestimated budget which did not reflect the total cost of operating the ferry service.

## Audited Key Performance Indicators For the year ended 30 June 2005

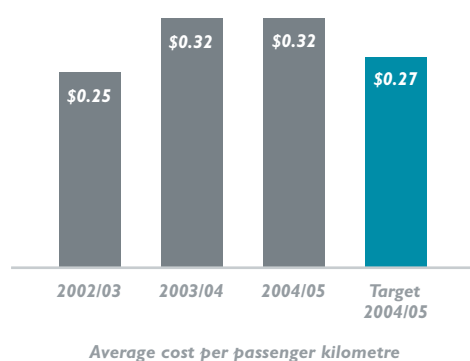
### Country passenger rail and road coach services

Provision of customer focussed, safe and cost effective passenger transport to regional communities.

#### Average cost per passenger kilometre

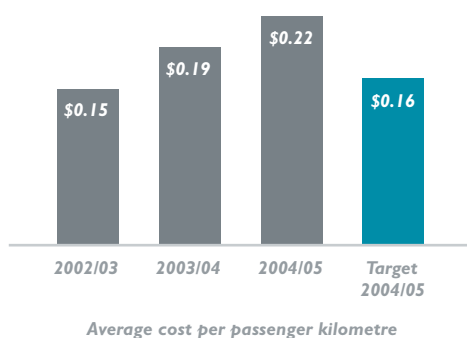
The cost per passenger kilometre measures the cost efficiency of providing passenger services, expressed as the cost of carrying one passenger one kilometre.

#### Transwa Rail



The increased cost in 2004/05 over the targets for the year is largely due to increased maintenance costs for the existing Prospector railcars during the delay in commissioning the new railcars and higher than anticipated maintenance costs associated with the new Prospector, particularly the high cost of brake pads.

#### Transwa Road Coaches

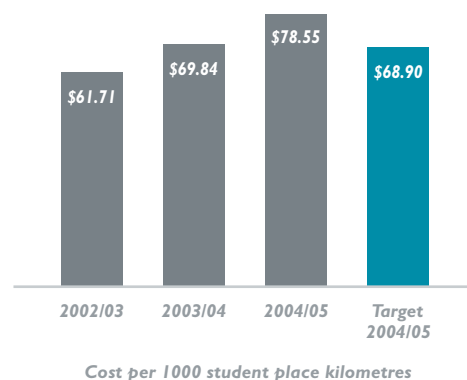


The target of \$0.16 did not include the full impact of the capital user charge, which was applied to PTA for the first time in 2004. The 2005/06 budget estimates were adjusted to reflect an estimated indicator of \$0.21. The actual result was 5% over this target because of higher fuel costs and an increase in labour costs as staff transferred from workplace agreements to award conditions.

### Regional school bus services

Provision of regional school bus transport to Western Australian school students by the School Bus Services Branch.

#### Cost per 1000 student place kilometres

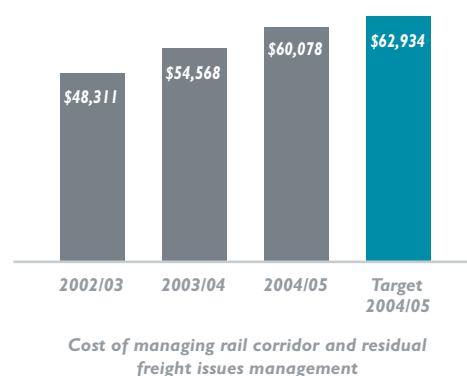


The increase in the actuals for 2004/05 compared to the target for 2004/05 is as a result of higher costs of new Composite Rate Model (CRM) contract.

### Rail corridor and residual freight issues management

Managing the rail freight corridor and infrastructure leased to the private sector and associated freight transport issues.

#### Total annual cost of managing the rail corridor and residual freight issues



The cost of managing the rail corridor is lower than budget due to lower than budgeted land rationalisation expenditures incurred due to timing issues on several projects.

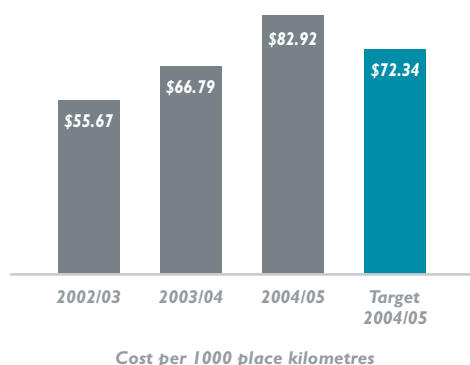
## Performance Indicators (Unaudited) For the year ended 30 June 2005

### Metropolitan and regional passenger services

#### Cost per 1000 place kilometres

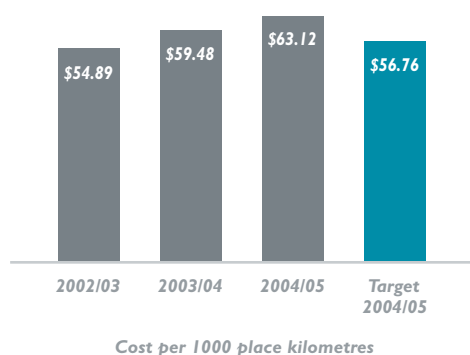
The cost efficiency of providing the service per place kilometres is measured using the cost per 1000 place kilometres.

#### Transperth Train Operations



Following the expansion of train services, passenger kilometres increased by 6.0% in 2004/05. However, the total cost of providing train services increased by 34.5% due largely to a significant increase in capital charges associated with the long term investment in the extension of the railway line both in the Northern and Southern suburbs. Furthermore, as a result of the service expansion, operating costs rose by 19.4%.

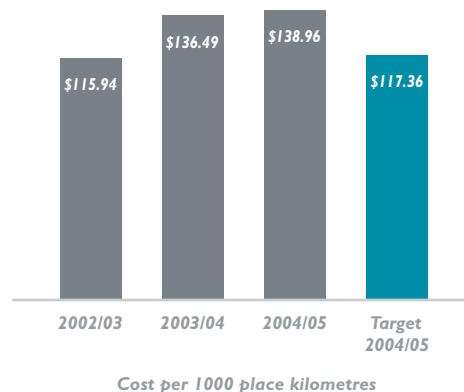
#### Transperth Bus Operations



The variance is due to the 6.1% increase in bus total costs combined with marginally lower passenger place kilometres.

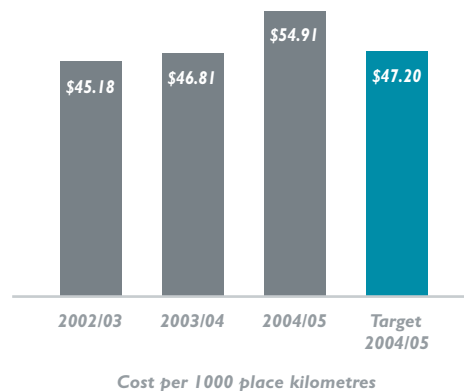
The increase in total costs was the result of both higher capital charges (increase of 11%) following the acquisition of new buses, and higher operating costs (increase of 4.7%). The increase in the operating costs was as a result of expenditure on security issues, ticketing system maintenance, higher insurance and vehicle licensing costs as well as bus stop and infrastructure maintenance.

#### Transperth Ferry Operations



The actual 2004/05 cost per passenger kilometre is significantly higher than the target for 2004/05 as a result of the target being based on an underestimated budget which did not reflect the total cost of operating the ferry service.

#### Regional Bus Services



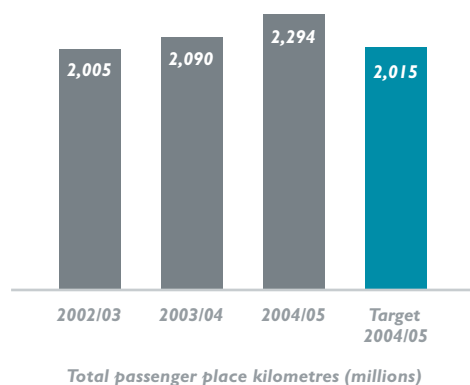
The actual for 2004/05 compared to the target is higher as a result of a change in the basis of recording the revenue and cost of the regional services. The target has been calculated on costs net of revenue while the actuals are on a gross basis for most services. Excluding this anomaly there has been no significant change in performance.

## Performance Indicators (Unaudited) For the year ended 30 June 2005

### Total passenger place kilometres

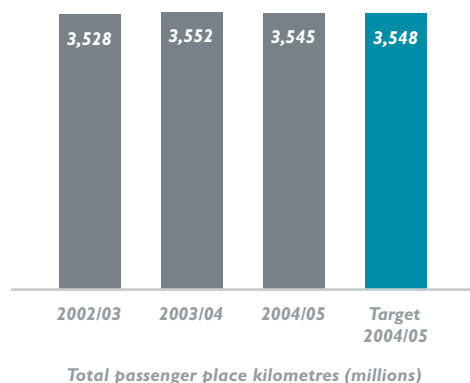
Total passenger place kilometres measure the total number of passengers that can be carried for the service kilometres.

#### Transperth Train Operations



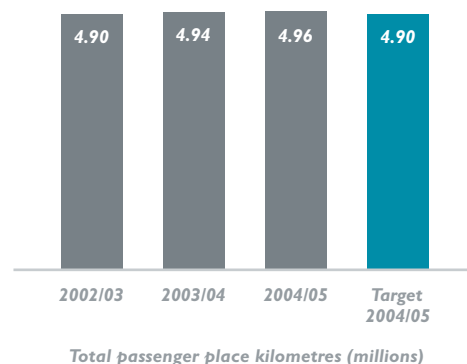
The significant increase in the total passenger place kilometres is largely because of the extension of the Joondalup Line to Clarkson coupled with the introduction of three-car trains in 2004/05.

#### Transperth Bus Operations



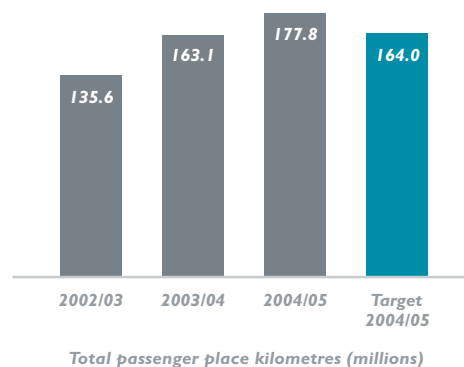
There was minimal change in both the service kilometres and bus fleet size, resulting in a consistent level of passenger place kilometres.

#### Transperth Ferry Operations



The total passenger place kilometres for ferry operations in 2004/05 are higher than the target due to an increase in the number of services per day between Barrack Street and Mends Street which came into effect in April 2005 following the termination of services to Coode Street.

#### Regional Bus Services



The passenger place kilometres for regional services increased due to service enhancements, some of which included Bunbury, Busselton, Port Hedland and Kalgoorlie.

### Lost time injury

The lost time injury ratio indicates the time lost as a result of work injuries for every million hours worked.



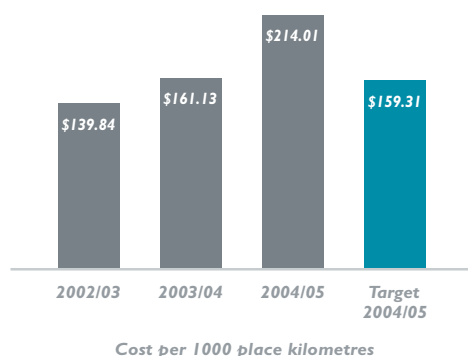
The results for 2004/05 show improvement over 2003/04 primarily due to a decrease in the lost time injuries in the transit guard area, attributed to improved safety awareness and work environment as well as improved injury management practices.

### Country passenger rail and road coach services

#### Cost per 1000 place kilometres

The cost efficiency of providing the service per place kilometres is measured using the cost per 1000 place kilometres.

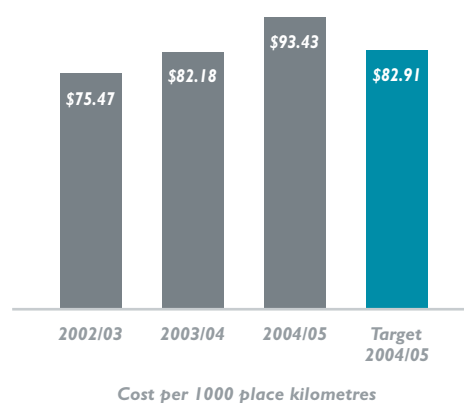
#### Transwa Rail



The increase in the cost per 1000 place kilometres for Transwa rail operations is due to:

- Additional maintenance costs due to having to keep the old Prospectors in service as a back-up to the new Prospectors, which were initially unreliable.
- Decrease in place kilometres because of less service runs due to the problems with the new Prospector railcars and the resleeper program along the Bunbury to Perth line.

#### Transwa Road Coaches



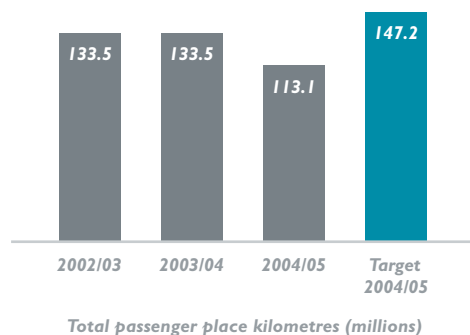
The increase in the average cost per passenger in 2004/05 compared to the target for 2004/05 is as a result of unforeseen labour cost incurred during the year as a result of transferring staff to different awards. This involved a shift from the Work Place Agreements (WPA) to the Enterprise Bargaining Agreement (EBA).

## Performance Indicators (Unaudited) For the year ended 30 June 2005

### Total passenger place kilometre

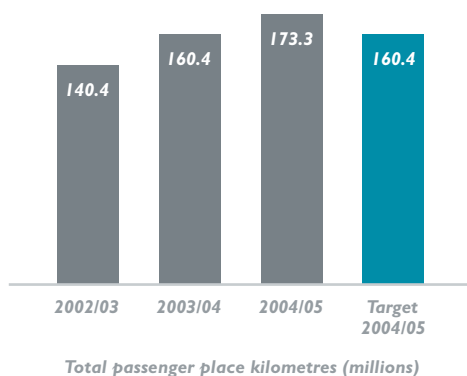
Total passenger place kilometres measure the total number of passengers that can be carried for the service kilometres.

#### Transwa Rail



The Transwa rail targets have not been met due to a reduction in the services run following the resleeper program along the Bunbury to Perth line and problems with new Prospector railcars. In addition the full capacity of the new Prospector fleet was not available until January 2005.

#### Transwa Road Coaches

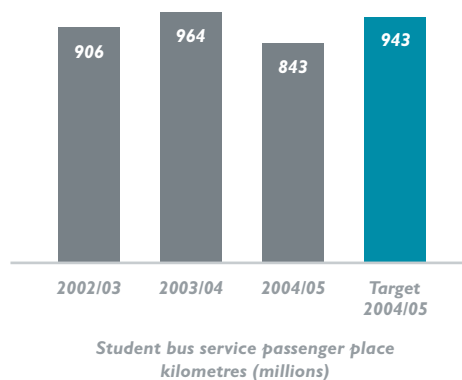


The total passengers place kilometres were above target in 2004/05 as a result of the full complement of the new larger Scania road coaches being available, which resulted in higher seating capacity.

### Regional School Bus Services

#### Student bus service passenger place kilometres

The increase in the use of school bus services is measured by comparing the annual number of student bus service place kilometres.



Passenger place kilometres have reduced compared to the targets for 2004/05 due to rationalisation of school bus routes as part of school bus services route review project.



## 2005 FINANCIAL STATEMENTS INDEX

Certification of Financial Statements.....	64
Independent Audit Opinion .....	65
Statement of Financial Performance .....	66
Statement of Financial Position.....	67
Statement of Cash Flows .....	68

## NOTES TO THE FINANCIAL STATEMENTS

1	Significant accounting policies.....	69
2	Employee expenses.....	73
3	Supplies and Services.....	73
4	Depreciation and amortisation expense.....	73
5	Borrowing costs expense.....	73
6	Grants and subsidies.....	74
7	Capital user charge.....	74
8	Other expenses from ordinary activities.....	74
9	User charges and fees.....	74
10	Land rationalisation lease revenue .....	74
11	Operating lease revenue.....	74
12	Grants and subsidies revenue.....	75
13	Net gain/(loss) on disposal of non-current assets.....	75
14	Other revenues from ordinary activities .....	75
15	Revenues from State Government.....	75
16	Restricted cash assets .....	76
17	Inventories .....	76
18	Receivables .....	76
19	Amounts receivable for services .....	76
20	Other assets.....	77
21	Infrastructure, property, plant, equipment and vehicles.....	77
22	Payables .....	78
23	Interest-bearing liabilities.....	78
24	Provisions.....	79
25	Other liabilities .....	80
26	Deferred income - operating leases .....	80
27	Equity .....	81
28	Notes to the Statement of Cash Flows.....	81
29	Commitments for expenditure .....	82
30	Contingent Liabilities and Contingent Assets .....	83
31	Remuneration of Members of the Accountable Authority and Senior Officers .....	84
32	Financial instruments.....	85
33	Supplementary financial information.....	87
34	Explanatory Statement.....	87
35	Schedule of Services Delivered.....	89
36	Remuneration of Auditor .....	90
37	Impact of Adopting Australian Equivalents to IFRS.....	90

## **Certification of Financial Statements** **For the year ended 30 June 2005**

The accompanying financial statements of the Public Transport Authority of Western Australia 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 2005 and the financial position as at 30 June 2005.

At the date of signing we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



**R Waldock**  
Accountable Authority

26 August 2005



**JW Leaf**  
Principal Accounting Officer

26 August 2005



## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

#### **PUBLIC TRANSPORT AUTHORITY OF WESTERN AUSTRALIA FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005**

##### **Audit Opinion**

In my opinion,

- (i) the controls exercised by the Public Transport Authority of Western Australia provide reasonable assurance that the receipt, expenditure and investment 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 Authority at 30 June 2005 and its financial performance and cash flows for the year ended on that date.

##### **Scope**

###### ***The Chief Executive Officer's Role***

The Chief Executive Officer is 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 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 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  
31 August 2005

## Statement of Financial Performance

### For the year ended 30 June 2005

	NOTE	2005 \$000	2004 \$000
<b>COST OF SERVICES</b>			
<b>Expenses from ordinary activities</b>			
Employee expenses	2	70,631	62,088
Supplies and Services	3	92,841	75,447
Depreciation and amortisation expense	4	69,484	63,807
Borrowing costs expense	5	85,492	69,697
Grants and subsidies	6	220,274	208,723
Capital user charge	7	44,010	23,976
Energy and fuel		7,959	6,953
Land rationalisation expense		2,903	2,713
Carrying amount of non-current assets disposed of	13	3,111	1,405
Other expenses from ordinary activities	8	1,618	2,108
<b>Total cost of services</b>		<b>598,323</b>	<b>516,917</b>
<b>Revenue from ordinary activities</b>			
<b>Revenue from operating activities</b>			
User charges and fees	9	85,175	79,723
Land rationalisation lease revenue	10	83	83
Operating lease revenue	11	18,947	18,540
Grants and subsidies	12	10,639	19,787
<b>Revenue from non-operating activities</b>			
Interest revenue		1,342	1,326
Proceeds from disposal of non-current assets	13	25,888	2,805
Other revenue from ordinary activities	14	16,400	20,295
<b>Total revenue from ordinary activities</b>		<b>158,474</b>	<b>142,559</b>
<b>NET COST OF SERVICES</b>		<b>439,849</b>	<b>374,358</b>
<b>REVENUES FROM STATE GOVERNMENT</b>			
Service appropriation	15	475,370	399,714
Resources received free of charge	15	1,618	1,013
<b>Total revenues from State Government</b>		<b>476,988</b>	<b>400,727</b>
<b>CHANGE IN NET ASSETS</b>		<b>37,139</b>	<b>26,369</b>
<b>Total changes in equity other than those resulting from transactions with WA State Government as owners</b>		<b>37,139</b>	<b>26,369</b>

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

## Statement of Financial Position

### As at 30 June 2005

	NOTE	2005 \$000	2004 \$000
<b>Current Assets</b>			
Cash assets	28	3,761	9,815
Restricted cash assets	16	932	1,002
Inventories	17	7,468	7,439
Receivables	18	11,893	11,711
Other assets	20	37,464	56,904
<b>Total Current Assets</b>		<b>61,518</b>	<b>86,871</b>
<b>Non-Current Assets</b>			
Amounts receivable for services	19	144,557	75,575
Infrastructure, property, plant, equipment and vehicles	21	2,359,931	1,856,418
<b>Total Non-Current Assets</b>		<b>2,504,488</b>	<b>1,931,993</b>
<b>TOTAL ASSETS</b>		<b>2,566,006</b>	<b>2,018,864</b>
<b>Current Liabilities</b>			
Payables	22	107,059	66,316
Interest bearing liabilities	23	382,723	42,985
Provisions	24	16,748	13,098
Other liabilities	25	29,944	53,241
Deferred Income-Operating Lease	26	13,591	14,402
<b>Total Current Liabilities</b>		<b>550,065</b>	<b>190,042</b>
<b>Non-Current Liabilities</b>			
Interest bearing liabilities	23	1,203,692	1,087,604
Provisions	24	3,124	2,307
Deferred Income-Operating Lease	26	215,193	228,784
<b>Total Non-Current Liabilities</b>		<b>1,422,009</b>	<b>1,318,695</b>
<b>TOTAL LIABILITIES</b>		<b>1,972,074</b>	<b>1,508,737</b>
<b>NET ASSETS</b>		<b>593,932</b>	<b>510,127</b>
<b>Equity</b>			
Contributed equity	27	530,424	483,758
Accumulated surplus	27	63,508	26,369
<b>TOTAL EQUITY</b>		<b>593,932</b>	<b>510,127</b>

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

## Statement of Cash Flows

### For the year ended 30 June 2005

	NOTE	2005 \$000	2004 \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		406,388	340,006
Capital contribution		71,515	108,629
<b>Net cash provided by State Government</b>		<b>477,903</b>	<b>448,635</b>
<b>Utilised as follows:</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee costs		(67,844)	(57,395)
Supplies and Services		(108,197)	(97,236)
Borrowing costs		(76,781)	(63,596)
Grants and subsidies		(219,009)	(208,126)
Capital user charge		(44,010)	(23,976)
GST payments on purchases		(84,905)	(55,426)
<b>Receipts</b>			
Contribution-other Government Agencies		11,276	15,139
User charges and fees:Transwa		9,662	7,930
User charges and fees:Transperth train operations		25,538	24,575
User charges and fees:Transperth buses		56,280	59,301
Interest received		1,367	1,335
GST receipts on sales		10,512	11,160
GST receipts from taxation authority		72,074	41,826
Receipts from customers		9,847	17,994
<b>Net cash provided by/(used in) operating activities</b>	28	<b>(404,190)</b>	<b>(326,495)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of non-current physical assets		1,015	2,430
Purchase of non-current physical assets (other than New MetroRail)		(147,602)	(52,152)
Purchase of non-current physical assets New MetroRail		(389,077)	(205,054)
<b>Net cash provided by/(used in) investing activities</b>		<b>(535,664)</b>	<b>(254,776)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		553,524	288,765
Repayment of borrowings		(88,449)	(153,843)
Other repayments		(9,248)	(9,571)
<b>Net cash provided by/(used in) financing activities</b>		<b>455,827</b>	<b>125,351</b>
<b>Net increase/(decrease) in cash held</b>		<b>(6,124)</b>	<b>(7,285)</b>
Cash assets at the beginning of the financial year		10,817	18,102
<b>CASH ASSETS AT THE END OF THE FINANCIAL YEAR</b>	28	<b>4,693</b>	<b>10,817</b>

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



# Notes to the Financial Statements

## For the year ended 30 June 2005

### I SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies 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 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 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 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, except for certain assets and liabilities which, as noted, are measured at fair value.

##### a) Service appropriation

Service appropriations are recognised as revenues in the period in which the Public Transport Authority of Western Australia (PTA) gains control of the appropriated funds. PTA gains control of appropriated funds at the time those funds are deposited into PTA's bank account or credited to the holding account held at the Department of Treasury and Finance.

##### b) Contributed equity

Under UIG 38 "Contributions by Owners Made to Wholly-Owned Public Sector Entities" transfers in the nature of equity contributions must be designated by the Government (owners) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions in the financial statements. Capital contributions (appropriations) and the non-discretionary transfer of net assets from other government agents have been designated as contributions by owners and have been credited directly to Contributed Equity in the Statement of Financial Position.

##### c) Grants and other contributions revenue

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

##### d) Revenue recognition

Revenue from the provision of services, goods and disposal of other assets, is recognised when PTA has provided the services, goods or other assets to the customer, except for the following:

- i) Cash fares collected by contractors delivering bus services to PTA are accounted for at the time the contract for services invoice is approved for payment.
- ii) Fares for Multi Riders sales are accounted on a regular basis (at least weekly) when cash is received from sales agents. Unused Multi Rider travel entitlements are not recognized in the financial statements.

##### e) Acquisitions of assets

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Assets acquired at no cost or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Assets costing less than \$5,000 are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

#### **f) Depreciation of non-current assets**

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner which reflects the consumption of their future economic benefits.

Depreciation is calculated on the straight line basis, using rates which are reviewed annually. Expected useful lives for each class of depreciable asset are:

<b>Class of asset</b>	<b>Useful Life</b>
Buildings	30 to 50 years
Rollingstock	30 years
Infrastructure	15 to 75 years
Plant and equipment	10 to 15 years
Buses	7 to 18 years
Motor vehicles	5 to 10 years
Vessels	10 years
Office equipment	3 to 5 years
Software	3 years

Assets under construction are not depreciated until commissioned.

#### **g) Revaluation of non-current assets**

Infrastructure, property, plant, equipment and vehicles are valued at fair value, being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction.

Fair value was determined for all assets as at 1 July 2003, based on valuation methods to suit specific asset types. Additions since 1 July 2003 have been added to the fair value based on actual cost.

Land controlled by PTA including metropolitan and regional corridor land, not subject to commercial lease was valued by the Valuer General's Office.

Land and buildings which are commercially leased were independently valued based on the capitalised value of current leases.

Rollingstock, permanent way, plant, equipment and vehicles were valued by PTA's engineering and management professionals based on the written down value of the current cost to replace the asset with a modern equivalent asset capable of delivering the same service potential. The written down value was determined by calculating the unexpired component of each asset's total useful life.

The Freight Network Infrastructure, subject to a 49 year prepaid lease was valued by an independent expert based on the net present value of the unearned lease income.

Significant changes in the fair value of public transport assets do not occur over a short time frame. Fair value will be reviewed every three years, the next review being for the year ending 30 June 2006, or annually if there are circumstances that indicate that there has been a material increase or decrease in fair value that should be brought to account.

There have been no circumstances to indicate material increases or decreases in the fair value in the current financial year.

#### **h) Leases**

PTA's rights and obligations under finance leases, which are leases that effectively transfer to PTA substantially the entire risks and benefits incident to ownership of the leased items, are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed as plant, equipment and vehicles under lease, and are depreciated to the Statement of Financial Performance over the period during which PTA is expected to benefit from use of the leased assets. Minimum lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

Finance lease liabilities are allocated between current and non-current components. The principal component of lease payments due on or before the end of the succeeding year is disclosed as a current liability, and the remainder of the lease liability is disclosed as a non-current liability.

PTA has entered into a number of operating lease arrangements where the lessor effectively retains the entire risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Statement of Financial Performance over the lease term as this is representative of the pattern of benefits to be derived from the leased assets.

**i) Prepaid lease revenue**

The sale of the Westrail Freight Business on 17 December 2000 included an operating lease of the freight network infrastructure for 49 years between The Western Australian Government Railways Commission (WAGR) – now Public Transport Authority (PTA) and Westnet Rail Pty Ltd. The lease rentals were fully prepaid on 17 December 2000, and credited to deferred operating lease revenue. The annual rental from this lease is recognised as revenue, together with an associated interest expense, in accordance with net present value principles.

**j) Cash**

For the purpose of the Statement of Cash Flows, cash includes cash assets and restricted cash assets net of outstanding bank overdrafts.

**k) Inventories**

Inventories are valued at the lower of cost and net realisable value. Costs are assigned by the method most appropriate to each particular class of inventory, with the majority being valued on a weighted average cost basis.

**l) Receivables**

Receivables are recognised at the amounts receivable as they are due for settlement generally no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where some doubts as to collection exists.

**m) Interest revenue**

Interest revenues are recognised as they are accrued.

**n) Intangible assets and expenditure carried forward**

**i) Computer software**

Significant costs associated with the acquisition or development of computer software are capitalised and amortised on a straight line basis over the periods of the expected benefit, which varies from 3 to 5 years.

**ii) Web site costs**

Costs in relation to web sites controlled by PTA are charged as expenses in the period in which they are incurred.

**o) Payables**

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

**p) Interest bearing liabilities**

Loans are recorded at an amount equal to the net proceeds received.

Borrowing costs are recognised as expenses in the period in which they are incurred, except where they are material and apply to qualifying assets. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use. A substantial period of time is longer than twelve months. No borrowing costs have been capitalised during the period.

**q) Employee benefits**

**Annual leave**

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

**Long service leave**

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provisions for employee benefits, and is measured at the nominal amounts expected to be paid when the liability is settled. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provisions for employee benefits and is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Consideration is given, when assessing expected future payments, to expected future wage and salary levels including relevant on-costs, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

### **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. PTA contributes to this accumulated fund in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. All of these schemes are administered by the Government Employees Superannuation Board (GESB).

The liability for superannuation charges incurred under the Pension Scheme, together with the pre-transfer service liability for employees who transferred to the Gold State Superannuation Scheme has been assumed by the Treasurer.

The PTA is funded for employer contributions in respect of the Gold State Superannuation Scheme and the West State Superannuation Scheme. These contributions were paid to the GESB during the year. The GESB subsequently paid the employer contributions in respect of the Gold State Superannuation Scheme to the Consolidated Fund.

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.

### **Employee benefit on-costs**

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities and expenses (see notes 2 and 24).

#### **r) Restoration costs**

Restoration provisions arise where PTA has a present legal, equitable, or constructive obligation to undertake restoration works in respect of any property controlled by the Authority.

A provision is recognised where a future sacrifice of economic benefits is probable and can be estimated reliably. The amount recognised is the present value of the estimated future cash outflows required to complete the work.

#### **s) Accrued salaries**

Accrued salaries (refer to note 22) 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. PTA considers the carrying amount approximates net fair value.

#### **t) Resources received free of charge or for nominal value**

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

#### **u) Foreign currency translation and hedges**

Transactions denominated in a foreign currency are translated at the rates in existence at the dates of the transactions. Foreign currency receivables and payables at reporting date are translated at exchange rates current at reporting date. Exchange gains and losses are brought to account in determining the result for the year.

Forward foreign exchange contracts are entered into as hedges to avoid or minimise possible adverse financial effects of movements in exchange rates. Exchange gains and losses and costs arising from these contracts are deferred and included in the determination of the amounts at which the transactions are brought to account.

#### **v) Comparative figures**

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

#### **w) Rounding of amounts**

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

	2005 \$000	2004 \$000
<b>2 EMPLOYEE EXPENSES</b>		
Wages and salaries	49,475	42,899
Superannuation	5,132	4,579
Payroll tax	3,742	3,396
Workers' compensation	4,813	2,826
Long service leave	1,027	1,848
Annual leave	4,071	4,492
Other related expenses (i)	2,371	2,048
	<b>70,631</b>	<b>62,088</b>

(i) These employee expenses include superannuation, payroll tax, 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 (see note 24).

<b>3 SUPPLIES AND SERVICES</b>		
Consultants and contractors	55,213	45,723
Materials	10,271	6,204
Vehicle costs, computer supplies, commissions and other	27,357	23,520
	<b>92,841</b>	<b>75,447</b>

#### 4 DEPRECIATION AND AMORTISATION EXPENSE

<b>Depreciation</b>		
Buildings	1,670	1,635
Freight network infrastructure	5,431	5,431
Rollingstock	9,561	6,095
Railway infrastructure	25,059	21,255
Plant, equipment and motor vehicles	2,178	1,484
Bus infrastructure	4,113	4,139
Vessels	176	176
Buses	17,702	19,998
<b>Total depreciation</b>	<b>65,890</b>	<b>60,213</b>
<b>Amortisation</b>		
Leased railcars	3,594	3,594
<b>Total amortisation</b>	<b>3,594</b>	<b>3,594</b>
<b>Total depreciation and amortisation</b>	<b>69,484</b>	<b>63,807</b>

#### 5 BORROWING COSTS EXPENSE

Western Australian Treasury Corporation loans	80,421	65,818
Commonwealth loans	291	313
Financial lease finance charges	75	127
Interest expense on prepaid freight network infrastructure operating lease	4,628	3,362
Other interest	77	77
	<b>85,492</b>	<b>69,697</b>

	<b>2005</b>	<b>2004</b>
	<b>\$000</b>	<b>\$000</b>

## **6 GRANTS AND SUBSIDIES**

### **Recurrent**

Bus operators	143,241	132,676
Ferry services	514	503
Regional bus services	10,762	6,651
Student fare concessions	2,837	3,765
School bus services	62,920	65,128
	<b>220,274</b>	<b>208,723</b>

<b>7 CAPITAL USER CHARGE</b>	<b>44,010</b>	<b>23,976</b>
------------------------------	---------------	---------------

A capital user charge rate of 8% (2003/04: 8%) has been set by the Government for 2004/05 and represents the opportunity cost of capital invested in the net assets of PTA used in the provision of services. The charge is calculated on the net assets adjusted to take account of exempt assets. Payment was made to the Department of Treasury and Finance on a quarterly basis.

## **8 OTHER EXPENSES FROM ORDINARY ACTIVITIES**

Grant to Main Roads Western Australia for the construction of Mandurah bus station	0	799
Grant to City of Mandurah for construction of Mandurah bus station	0	296
Notional charge for land valuation provided by Department of Land Information	1,618	1,013
	<b>1,618</b>	<b>2,108</b>

## **9 USER CHARGES AND FEES**

Transperth system revenue	76,760	72,115
Transwa operations revenue	8,415	7,608
	<b>85,175</b>	<b>79,723</b>

## **10 LAND RATIONALISATION LEASE REVENUE**

Rental income from land rationalisation	<b>83</b>	<b>83</b>
---	-----------	-----------

A 99 year operating lease for 118 grain receival sites was entered into with Co-operative Bulk Handling (CBH) in 2003. Rental Income for 99 years of \$7.45 million was received in full at the commencement of the lease, and is accounted for as revenue over the 99 year lease period, with the prepaid portion shown as deferred income (see Note 26).

A further 99 year operating lease for 15 grain receival sites was entered into with CBH in 2004. Rental Income for 99 years of \$775,000 was received in full at the commencement of the lease, and is accounted for as revenue over the 99 year lease period, with the prepaid portion shown as deferred income (see Note 26).

## **11 OPERATING LEASE REVENUE**

Rental income from freight network infrastructure	<b>18,947</b>	<b>18,540</b>
---	---------------	---------------



	<b>2005</b>	<b>2004</b>
	<b>\$000</b>	<b>\$000</b>
<b>12 GRANTS AND SUBSIDIES REVENUE</b>		
Department for Planning and Infrastructure – Perth CAT costs	6,958	6,731
Department of Education grant	682	359
Moorine Rock primary school	0	3
Department for Planning and Infrastructure - Safer Transport grant	2,999	12,694
	<b>10,639</b>	<b>19,787</b>

### 13 NET GAIN/(LOSS) ON DISPOSAL OF NON-CURRENT ASSETS

<u>Gain on Disposal of Non-Current Assets</u>		
Profit on sale of buses	0	95
Profit on sale of other assets	0	920
Profit on sale of land	22,789	385
<u>Loss on Disposal of Non-Current Assets</u>		
Loss on sale of buses	(12)	0
<b>Net gain/(loss)</b>	<b>22,777</b>	<b>1,400</b>

### 14 OTHER REVENUES FROM ORDINARY ACTIVITIES

Rents and leases	6,778	7,024
External works	2,040	1,352
Contribution of assets	0	3,000
Advertising income	2,673	3,249
Liquidated damages	806	2,272
Miscellaneous	4,103	3,398
	<b>16,400</b>	<b>20,295</b>

### 15 REVENUES FROM STATE GOVERNMENT

#### Appropriation revenue received during the year:

Service appropriations (i)	475,370	399,714
----------------------------	---------	---------

#### Resources received free of charge (ii)

Department of Land Information	1,618	1,013
--------------------------------	-------	-------

**476,988                      400,727**

- (i) Service appropriations are accrual amounts reflecting the full cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.
- (ii) Where assets or services have been received free of charge or for nominal consideration, PTA recognises revenues (except where the contribution of assets or services is in the nature of contributions by owners, in which case PTA shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.

	2005 \$000	2004 \$000
<b>16 RESTRICTED CASH ASSETS</b>		
Contractors' deposits	644	719
Railway Servants' Benefit Fund	288	283
	<b>932</b>	<b>1,002</b>

Contractors' deposits are held by PTA as security for contractor performance according to the terms and conditions of the contracts established with each contractor. Generally, the contracts require that these deposits must be maintained intact by PTA for repayment to the contractor on successful performance of contract conditions.

The Railway Servants' Benefit Fund is to be used only for the purpose of providing welfare to staff.

## 17 INVENTORIES

### Current

Inventories not held for resale:		
Maintenance spares - at cost	7,599	7,857
Less provision for obsolescence	(131)	(418)
	<b>7,468</b>	<b>7,439</b>

<b>Non-current</b>	<b>0</b>	<b>0</b>
--------------------	----------	----------

The aggregate carrying amount of inventories recognised and included in the financial statements is as follows:

– Current	7,468	7,439
– Non-current	0	0
	<b>7,468</b>	<b>7,439</b>

## 18 RECEIVABLES

### Current

Trade debtors	3,034	6,105
Provision for doubtful debts	(346)	(379)
GST receivable	9,158	5,954
Other debtors – external works	47	31
	<b>11,893</b>	<b>11,711</b>

## 19 AMOUNTS RECEIVABLE FOR SERVICES

Non-current	144,557	75,575
	<b>144,557</b>	<b>75,575</b>

This asset represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

	2005 \$000	2004 \$000
<b>20 OTHER ASSETS</b>		
<b>Current assets:</b>		
Prepayments	430	952
Cash advance to Main Roads on New MetroRail project	8,100	3,900
Deferred loss on foreign exchange hedging contract	3,854	1,765
Foreign exchange hedging contract receivable	25,080	50,287
	<b>37,464</b>	<b>56,904</b>

## 21 INFRASTRUCTURE, PROPERTY, PLANT, EQUIPMENT AND VEHICLES

	2005 At fair value \$000	2005 Accumulated depreciation \$000	2005 Carrying amount as at 30 June 2005 \$000	2004 At fair value \$000	2004 Accumulated depreciation \$000	2004 Carrying amount as at 30 June 2004 \$000
<b>Owned assets:</b>						
Freehold land	173,121	0	173,121	174,913	0	174,913
Buildings	37,784	3,305	34,479	37,784	1,635	36,149
Freight network infrastructure	250,298	10,862	239,436	250,298	5,431	244,867
Rollingstock	285,717	15,656	270,061	136,878	6,095	130,783
Railway infrastructure	653,848	46,314	607,534	520,763	21,255	499,508
Plant, equipment and motor vehicles	8,342	3,649	4,693	4,509	1,484	3,025
Bus infrastructure	73,739	8,252	65,487	73,739	4,139	69,600
Vessels	576	352	224	576	176	400
Buses	199,716	37,593	162,123	178,220	19,998	158,222
<b>Leased assets:</b>						
Railcars (i)	65,828	7,188	58,640	65,828	3,594	62,234
<b>Construction in progress (ii)</b>	<b>744,133</b>	<b>0</b>	<b>744,133</b>	<b>476,717</b>	<b>0</b>	<b>476,717</b>
	<b>2,493,102</b>	<b>133,171</b>	<b>2,359,931</b>	<b>1,920,225</b>	<b>63,807</b>	<b>1,856,418</b>

Fair value has been determined on the basis of engineering expert valuation, or the Valuer General's Office, or latest prices in the market for equivalent assets as at 1 July 2003. Additions during the year have been included at cost.

- (i) For leased assets the fair value has been deemed to be capitalised cost.
- (ii) Construction in progress is valued at cost.

Reconciliations of the carrying amounts of infrastructure, property, plant, equipment and vehicles at the beginning and end of the current financial year are set out below.

	Carrying amount at the start of the year \$000	Additions at cost \$000	Disposals \$000	Depreciation \$000	Carrying amount at the end of the year \$000
<b>2005</b>					
<b>Owned Assets:</b>					
Freehold land	174,913	304	(2,096)	0	173,121
Buildings	36,149	0	0	(1,670)	34,479
Freight network infrastructure	244,867	0	0	(5,431)	239,436
Rollingstock	130,783	148,839	0	(9,561)	270,061
Railway infrastructure	499,508	133,085	0	(25,059)	607,534
Plant, equipment and motor vehicles	3,025	3,846	0	(2,178)	4,693
Bus infrastructure	69,600	0	0	(4,113)	65,487
Vessels	400	0	0	(176)	224
Buses	158,222	22,624	(1,021)	(17,702)	162,123
<b>Leased assets:</b>					
Leased Railcars	62,234	0	0	(3,594)	58,640
<b>Construction in progress</b>	476,717	267,416	0	0	744,133
	<b>1,856,418</b>	<b>576,114</b>	<b>(3,117)</b>	<b>(69,484)</b>	<b>2,359,931</b>

	<b>2005</b> <b>\$000</b>	<b>2004</b> <b>\$000</b>
--	-----------------------------	-----------------------------

## 22 PAYABLES

### Current

Trade payables	14,501	5,694
Accrued expenses - operational	66,261	37,902
Accrued expenses - salaries	2,689	3,328
Accrued expenses - interest	22,547	18,356
Other payables	1,061	1,036
	<b>107,059</b>	<b>66,316</b>

## 23 INTEREST-BEARING LIABILITIES

### Current

Western Australian Treasury Corporation loans	374,612	33,735
Finance lease liability (i)	7,730	8,868
Commonwealth loans	381	382
	<b>382,723</b>	<b>42,985</b>

### Non-current

Western Australian Treasury Corporation loans	1,196,517	1,072,318
Finance lease liability (i)	2,918	10,648
Commonwealth loans	4,257	4,638
	<b>1,203,692</b>	<b>1,087,604</b>

- (i) Lease liabilities are effectively secured under the terms and conditions of the lease. The carrying amounts of non-current assets under the finance lease are:

<b>Electric Railcars</b>	<b>58,640</b>	<b>62,234</b>
--------------------------	---------------	---------------

	2005 \$000	2004 \$000
<b>24 PROVISIONS</b>		
<b>Current</b>		
Annual leave	6,158	5,155
Long service leave	4,797	3,867
Other employee benefits (i)	1,918	1,693
	<b>12,873</b>	<b>10,715</b>
<b>Non-current</b>		
Long service leave	2,660	1,951
Deferred salary scheme	12	0
Other employee benefits (i)	452	356
	<b>3,124</b>	<b>2,307</b>
<b>Total employee provisions</b>	<b>15,997</b>	<b>13,022</b>
<b>Other provisions</b>		
<b>Current</b>		
Public liability provision	557	792
Workers' compensation	3,318	1,591
<b>Total other provisions</b>	<b>3,875</b>	<b>2,383</b>
<b>Total provisions</b>		
Current	16,748	13,098
Non-current	3,124	2,307
	<b>19,872</b>	<b>15,405</b>

- (i) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including superannuation, payroll tax and workers' compensation premiums. The liability for such on-costs is included here. The associated expense is included under Other related expenses (under Employee expenses) at Note 2.

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

#### Employee benefit liabilities

The aggregate employee benefit liability recognised and included in the financial statements is as follows:

Current	12,873	10,715
Non-current	3,124	2,307
	<b>15,997</b>	<b>13,022</b>

**2005**  
**\$000**                      **2004**  
**\$000**

### Movements in provisions

Movements in each class of provisions during the financial year, other than employee benefits, are set out below.

#### Public liability provisions

Carrying amount at the start of the year	792	700
Additional provisions recognised	563	235
Payments/other sacrifices of economic benefit	(798)	(143)
Carrying amount at the end of the year	<b>557</b>	<b>792</b>

The public liability provision represents PTA's estimate of outstanding claims within the insurance excess of \$1 million.

#### Workers' compensation provisions

Carrying amount at the start of the year	1,591	725
Additional provisions recognised	4,813	2,905
Payments/other sacrifices of economic benefit	(3,086)	(2,039)
Carrying amount at the end of the year	<b>3,318</b>	<b>1,591</b>

PTA pays deposit contributions to RiskCover each year. This contribution is based on claims experience and adjusted by actuarial assessments determined by RiskCover of future claims development costs.

## 25 OTHER LIABILITIES

### Current

Contractors' deposit	644	719
Payments held in suspense	78	187
Railway Servants' Benefit Fund	288	283
Foreign exchange hedging contract payable	28,934	52,052
	<b>29,944</b>	<b>53,241</b>

## 26 DEFERRED INCOME – OPERATING LEASES

### Current

Freight network infrastructure prepaid operating lease	13,508	14,319
Co-operative Bulk Handling 99 year lease	83	83
	<b>13,591</b>	<b>14,402</b>

### Non-current

Freight network infrastructure prepaid operating lease	207,293	220,801
Co-operative Bulk Handling 99 year lease	7,900	7,983
	<b>215,193</b>	<b>228,784</b>
	<b>228,784</b>	<b>243,186</b>



	2005 \$000	2004 \$000
<b>27 EQUITY</b>		
<b>Contributed Equity</b>		
Opening balance	483,758	0
Contributions by owner WAGR (i)	0	391,467
Contributions by owner DPI (i)	0	5,185
Capital contributions (ii)	71,515	108,533
Distribution to owner (iii)	(24,849)	(21,427)
<b>Closing balance</b>	<b>530,424</b>	<b>483,758</b>

- (i) Transfer of net assets from WAGR and DPI following the establishment of PTA on 1 July 2003 has been designated as contributions by owners and are credited directly to equity in the Statement of Financial Position. The net assets were transferred at fair value.
- (ii) Capital contributions received during the year have been designated as contributions by owners and are credited directly to equity in the Statement of Financial Position.
- (iii) Gross proceeds from sale of land controlled by PTA were distributed to owner.

<b>Accumulated surplus/(deficit)</b>		
Opening balance	26,369	0
Change in net assets	37,139	26,369
<b>Closing balance</b>	<b>63,508</b>	<b>26,369</b>

## 28 NOTES TO THE STATEMENT OF CASH FLOWS

### a) Reconciliation of cash

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	3,761	9,815
Restricted cash assets (refer to note 16)	932	1,002
	<b>4,693</b>	<b>10,817</b>

### b) Financing facilities

PTA has a short-term liquidity facility of \$200 million (2003/04: \$200 million) with the Western Australian Treasury Corporation.

Amounts drawn from this facility at June 30	0	0
---	---	---

The Western Australian Treasury Corporation has provided a facility of \$US93 million (2003/04: \$US99 million) to PTA to meet contingent obligations under a lease agreement that may eventuate during the life of the lease. As at 30 June 2005, none of this facility has been drawn (2003/04: Nil).

	2005 \$000	2004 \$000
<b>c) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities</b>		
Net cost of services	(439,849)	(374,358)
Non cash items:		
Depreciation and amortisation	69,484	63,807
Asset contribution	0	(4,309)
Net (gain)/loss on sale of property, plant and equipment	(22,777)	0
Resources received free of charge	1,618	1,013
Main Roads WA contribution	0	427
Other non-cash adjustments	(61)	130
(Increase)/decrease in assets:		
Current receivables	3,022	(3,420)
Current inventories	(29)	(2,076)
Other current assets	19,440	(56,674)
Increase/(decrease) in liabilities:		
Current payables	1,398	8,716
Current provisions	3,650	3,928
Other current liabilities	(23,297)	52,506
Deferred income operating lease	(811)	(851)
Non-current provisions	817	841
Non-current deferred operating lease revenue	(13,591)	(13,635)
Change in GST in receivables/payments	(3,204)	(2,540)
<b>Net cash provided by/(used in) operating activities</b>	<b>(404,190)</b>	<b>(326,495)</b>

## 29 COMMITMENTS FOR EXPENDITURE

### a) Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:

Within 1 year	519,951	437,300
Later than 1 year and not later than 5 years	419,148	687,556
Later than 5 years	0	65,340
	<b>939,099</b>	<b>1,190,196</b>
The capital commitments include amounts for:		
Railway infrastructure	661,902	794,793
Bus infrastructure	0	2,858
Railcars – Transperth Train Operations	45,615	125,434
Railcars – Transwa	0	4,206
Plant, equipment and motor vehicles	20,132	18,158
Buses	211,450	244,747
	<b>939,099</b>	<b>1,190,196</b>

	2005 \$000	2004 \$000
<b>b) (i) Finance lease commitments</b>		
Commitments in relation to finance leases are payable as follows:		
Within 1 year	7,761	8,942
Later than 1 year and not later than 5 years	2,922	10,682
Minimum finance lease payments	10,683	19,624
Less future finance charges	(35)	(108)
	<b>10,648</b>	<b>19,516</b>
Included in the financial statements as:		
Current (note 23)	7,730	8,868
Non-current (note 23)	2,918	10,648
	<b>10,648</b>	<b>19,516</b>
<b>(ii) Non-cancellable operating leases amounts due:</b>		
Commitments for minimum lease payments are payable as follows:		
Within 1 year	718	400
Later than 1 year and not later than 5 years	179	330
	<b>897</b>	<b>730</b>
<b>c) Other expenditure commitments (maintenance contracts) contracted for at the reporting date but not recognised as liabilities, are payable as follows:</b>		
Within 1 year	26,981	11,037
Later than 1 year and not later than 5 years	77,392	43,183
Later than 5 years	136,763	127,103
	<b>241,136</b>	<b>181,323</b>

The commitments are all inclusive of GST.

### 30 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In addition to the liabilities incorporated in the financial statements, PTA has the following contingent liabilities:

- PTA has provided an income tax indemnity to Deutsche Bank concerning the early termination of a rollingstock lease that cannot be reliably quantified.
- PTA has provided an income tax indemnity to LUL Nominees concerning the early termination of a rollingstock lease that cannot be reliably quantified.
- PTA has entered into an agreement with the City of Wanneroo which will require the PTA to pay \$3 million to the City of Wanneroo if the Government of Western Australia approves the allocation of funds to PTA to extend the passenger railway line north of Clarkson.

### 31 REMUNERATION OF MEMBERS OF THE ACCOUNTABLE AUTHORITY AND SENIOR OFFICERS

#### Remuneration of Member of the Accountable Authority

The number of members of the Accountable Authority, whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:

\$	2005	2004
190,001 - 200,000	0	1
260,001 - 270,000	1	0

	2005 \$000	2004 \$000
The total remuneration of the members of the Accountable Authority is:	263	194

The superannuation included here represents the superannuation expense incurred by PTA in respect of the member of the Accountable Authority.

No member of the Accountable Authority is a member of the Pension Scheme.

#### Remuneration Senior Officers

The number of Senior Officers other than senior officers reported as members of the Accountable Authority, whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:

\$	2005	2004
10,001 - 20,000	0	1
20,001 - 30,000	0	1
60,001 - 70,000	0	1
100,001 - 110,000	2	2
110,001 - 120,000	1	0
120,001 - 130,000	2	5
130,001 - 140,000	3	0
150,001 - 160,000	3	0
180,001 - 190,000	0	1
	11	11

	2005 \$000	2004 \$000
The total remuneration of the Senior Officers is:	1,450	1,119

The superannuation included here represents the superannuation expense incurred by PTA in respect of Senior Officers, other than the senior officers reported as a member of the Accountable Authority.

No Senior Officers are members of the Pension Scheme.

## 32 FINANCIAL INSTRUMENTS

### a) Interest rate risk exposure

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

	Weighted average effective interest rate %	Variable interest rate (i)	Fixed interest rate maturity			Non- interest bearing	Total
			1 or less than 1 Year	1 to 5 Years	more than 5 Years		
<b>2005</b>		\$000	\$000	\$000	\$000	\$000	\$000
<b>Financial assets</b>							
Cash assets	5.29	3,761					3,761
Restricted cash assets	5.29	932					932
Receivables						11,893	11,893
		<b>4,693</b>				<b>11,893</b>	<b>16,586</b>
<b>Financial liabilities</b>							
Payables						107,059	107,059
Other liabilities						1,010	1,010
WATC loans (ii)	6.05	350,000	306,149	356,199	558,781		1,571,129
Commonwealth loans	5.93				4,638		4,638
Finance lease liabilities	6.47	10,648					10,648
		<b>360,648</b>	<b>306,149</b>	<b>356,199</b>	<b>563,419</b>	<b>108,069</b>	<b>1,694,484</b>

	Weighted average effective interest rate %	Variable interest rate (i)	Fixed interest rate maturity			Non- interest bearing	Total
			1 or less than 1 Year	1 to 5 Years	more than 5 Years		
<b>2004</b>		\$000	\$000	\$000	\$000	\$000	\$000
<b>Financial assets</b>							
Cash assets	4.96	9,815					9,815
Restricted cash assets	4.96	1,002					1,002
Receivables						11,711	11,711
		<b>10,817</b>				<b>11,711</b>	<b>22,528</b>
<b>Financial liabilities</b>							
Payables						66,316	66,316
Other liabilities						1,189	1,189
WATC loans (ii)	5.98		408,102	306,036	391,915		1,106,053
Commonwealth loans	5.92				5,020		5,020
Finance lease liabilities	6.53	19,516					19,516
		<b>19,516</b>	<b>408,102</b>	<b>306,036</b>	<b>396,935</b>	<b>67,505</b>	<b>1,198,094</b>

- (i) Variable interest rates represent the most recently determined rate applicable to the instrument at balance date.  
(ii) Western Australian Treasury Corporation loans.

## b) Credit risk exposure

PTA's credit risk on financial assets, which have been recognised in the Statement of Financial Position, is generally the carrying amount, net of any provision for doubtful debts.

Concentrations of credit risk on financial assets are primarily related to property rental agreements and other miscellaneous revenue.

Except for securities held to ensure the performance of contractor guarantees or warranties, amounts due from major debtors are not normally secured by collateral. However the creditworthiness of debtors is regularly monitored. Securities held to ensure the performance of contractor guarantees or warranties include Bank Guarantees, Personal (Directors) Guarantees or cash. The value of securities held is dependant on the nature, including the complexity and risk, of the contract.

## c) Financial exchange risk exposure

The purpose of foreign currency hedging activities is to protect against the risk that the eventual Australian dollar outflows in respect of purchases in foreign currency may be adversely affected by changes in exchange rates. PTA does not enter into hedge transactions for speculative purposes.

PTA has an exposure to changes in foreign exchange rates resulting from the following:

### i) Bus replacement program

The bus replacement program requires payment for bus chassis to be made in Euros. PTA uses forward exchange contracts in Euros to hedge this risk. The contracts are timed to mature when major bus chassis components are scheduled to be delivered and to cover anticipated purchases for the ensuing financial year:

### ii) Smartcard ticketing

The Smartcard ticketing program requires payment for equipment purchases to be made in Great Britain Pounds. PTA uses forward exchange contracts in Great Britain Pounds to hedge this risk. The contracts are timed to mature when the equipment is scheduled to be delivered and to cover anticipated purchases for the ensuing financial year:

At reporting date, the details of outstanding forward contracts are:

Contracts	2005 \$000 Buy Euro Sell Aus \$	2005 \$000 Buy GBP Sell Aus \$	2005 \$000 Total	2004 \$000 Total
Maturity:				
0-6 months	8,539	1,511	10,050	18,260
6-12 months	5,794	0	5,794	6,957
12-24 months	13,090	0	13,090	12,570
24-36 months	0	0	0	12,500
<b>Total</b>	<b>27,423</b>	<b>1,511</b>	<b>28,934</b>	<b>50,287</b>

Average exchange rates	2005 Euro Rate	2004 Euro Rate	2005 GBP Rate	2004 GBP Rate
Maturity:				
0-6 months	0.5440	0.5430	0.4109	0.3713
6-12 months	0.5445	0.5445		
12-24 months	0.5445	0.5445		
24-36 months		0.5445		



**2005**                      **2004**  
**\$000**                      **\$000**

As these contracts are hedging anticipated purchases of bus chassis and Smartcard ticketing equipment, any unrealised gains or losses on the contracts together with the cost of the contracts have been deferred and will be recognised in the financial statements at the time the purchase occurs.

Amounts receivable and payable on forward contracts are included in the Statement of Financial Position as at 30 June 2005. The following gains or losses have been deferred at 30 June and included in the Statement of Financial Position:

<b>Deferred losses</b>	<b>3,854</b>	<b>1,765</b>
------------------------	--------------	--------------

**d) 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.

### 33 SUPPLEMENTARY FINANCIAL INFORMATION

**Losses through theft, defaults and other causes**

Losses of public moneys and other property through theft and default	2	12
--	---	----

**Stocks**

Obsolescence, damage, surplus	287	0
-------------------------------	-----	---

**Revenue written off**

	31	10
--	----	----

**Gifts of public property**

Gifts of public property provided by PTA	12	0
--	----	---

	<b>332</b>	<b>22</b>
--	------------	-----------

### 34 EXPLANATORY STATEMENT

**a) 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. Significant variations are considered to be those greater than 10% or \$1,000,000.

	2005 Actual \$000	2005 Estimate \$000	Variance \$000
Revenue from ordinary activities	158,474	121,510	36,964
Cost of services	598,323	595,419	(2,904)
<b>Net cost of/(surplus from) services</b>	<b>439,849</b>	<b>473,909</b>	<b>34,060</b>

**Revenue**

Revenue was \$37 million (30.6%) above the estimate. The variations include the following major items:

- (i) Sale of Crown land \$26 million (mainly Leighton Beach Marshalling Yards and Fremantle-Cockburn Sound);
- (ii) MultiRider and cash fares \$2.5 million as a result of increased patronage;
- (iii) Resources received free of charge of \$1.6 million from the Department of Land Information;
- (iv) External works of \$1.4 million mainly for principal shared paths and electrical isolations;
- (v) Regional Town Bus Services \$1.1 million being brought into account as revenue (previously netted off against expenditure);
- (vi) Advertising revenue of \$1.1 million from changed contractual arrangements; and
- (vii) A claim for liquidated damages of \$0.8 million in accordance with contract conditions.

**Total cost of services**

Cost of services for the year was \$2.9 million (0.5%) above estimate.

There were several significant positive and negative variations that contributed to this minor overall variation.

These variations include:

- (i) Lower interest on borrowings of \$5.7 million due to delays in capital works expenditure;
- (ii) Written down value of non-current assets disposed of \$3.1 million;
- (iii) Increased infrastructure costs of \$2.0 million due to concrete re-sleeper on the Armadale and Fremantle lines; and
- (iv) Land valuation services amounting to \$1.6 million provided free of charge by the Department of Land Information.

**b) Significant variations between actual revenues and expenditures for the financial year and revenues and expenditures for the immediately preceding financial year**

Details and reasons for significant variations between actual results with the corresponding items of the preceding year are detailed below. Significant variations are considered to be those greater than 10% or \$1,000,000.

	<b>2005 \$000</b>	<b>2004 \$000</b>	<b>Variance \$000</b>
Employee expenses	70,631	62,088	8,543
Supplies and Services	92,841	75,447	17,394
Depreciation and amortisation expense	69,484	63,807	5,677
Borrowing costs expense	85,492	69,697	15,795
Grants and subsidies	220,274	208,723	11,551
Capital user charge	44,010	23,976	20,034
Energy and fuel	7,959	6,953	1,006
Land rationalisation expense	2,903	2,713	190
Carrying amount of non-current assets disposed of	3,111	1,405	1,706
Other expenses from ordinary activities	1,618	2,108	(490)
User charges and fees	85,175	79,723	5,452
Other revenue	73,299	62,836	10,463

**Employee expenses**

Increase in number of transit guards and train drivers for the Northern Suburbs line extension to Clarkson and the Thornlie line.

**Supplies and Services**

- (i) Settlement of claim related to a disputed contract \$4.55 million.
- (ii) Maintenance contract for new railcars delivered under the New MetroRail project - \$3.4 million.
- (iii) Increased infrastructure costs of \$2.0 million due to concrete re-sleeper on the Armadale and Fremantle lines.
- (iv) Maintenance of bus stations and stops including signage - \$1.4 million.
- (v) Increased general overhaul charges \$1.0 million.

**Depreciation and amortisation expense**

The commissioning of 17 three-car units electric railcars, new gas buses and Northern Suburbs extension to Clarkson including the Nowergup depot and rail infrastructure during the financial year.

**Borrowing costs expense**

Increase in borrowings to purchase buses, railcars and construction of the Northern Suburbs, Thornlie and Southern Suburbs railway line.

**Grants and subsidies**

Increased contract costs due to fuel and labour; Eastern Goldfields Transport Board cost pressures and Composite Rate model indexation costs and component review costs for the School Bus contracts.

**Capital user charge**

The capital user charge is based on the average net assets multiplied by 8%. The variance is due to the first full year for calculation of average net assets.

**Energy and fuel**

Increase in world oil prices and increase in demand for electricity for the Northern Suburbs extension of the railway line to Clarkson.

**Carrying amount of non-current assets disposed of**

Primarily due to the sale of land at Leighton Beach Marshalling Yards.

**User charges and fees**

Increase in patronage and additional revenue on the Northern Suburb line with the opening of new stations at Greenwood and Clarkson.

**Other revenue**

Proceeds from sale of assets \$26 million offset by revenue decrease due to one-off items in 2003/04, such as the Safer Transport Grant of \$10 million; a grant from the City of Wanneroo \$3 million and liquidated damages in accordance with contract conditions \$2 million.

### 35 SCHEDULE OF SERVICES DELIVERED

	Metropolitan and regional passenger services		Country passenger rail and road coach services		Regional school bus services		Rail corridor and residual freight issues			Total
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>COST OF SERVICES</b>										
<b>Expenses from ordinary activities</b>										
Employee expenses	52,403	44,908	10,546	9,185	2,216	2,012	5,466	5,983	70,631	62,088
Supplies and Services	63,997	53,039	16,235	14,811	988	1,688	11,622	5,910	92,842	75,448
Depreciation and amortisation expense	58,636	51,277	4,845	4,389	16	109	5,987	8,032	69,484	63,807
Borrowing costs expense	54,644	38,970	4,287	4,149	0	0	26,561	26,578	85,492	69,697
Grants and subsidies	154,516	140,934	0	0	65,758	67,789	0	0	220,274	208,723
Capital user charge	36,809	19,413	3,366	1,629	10	0	3,825	2,934	44,010	23,976
Energy and fuel	6,128	5,576	1,830	1,376	0	0	0	0	7,958	6,952
Land rationalisation expense	0	0	0	0	0	0	2,903	2,713	2,903	2,713
Carrying amount of non-current assets disposed of	1,015	0	0	0	0	0	2,096	1,405	3,111	1,405
Other expenses from ordinary activities	0	1,095	0	0	0	0	1,618	1,013	1,618	2,108
<b>Total cost of services</b>	<b>428,148</b>	<b>355,212</b>	<b>41,109</b>	<b>35,539</b>	<b>68,988</b>	<b>71,598</b>	<b>60,078</b>	<b>54,568</b>	<b>598,323</b>	<b>516,917</b>
<b>REVENUES FROM ORDINARY ACTIVITIES</b>										
<b>Revenues from operating activities</b>										
User charges and fees	76,727	72,115	8,415	7,608	33	0	0	0	85,175	79,723
Land rationalisation lease income	0	0	0	0	0	0	83	83	83	83
Operating lease revenue	0	0	0	0	0	0	18,947	18,540	18,947	18,540
Grants and subsidies	6,959	6,731	0	0	681	362	2,999	12,694	10,639	19,787
<b>Revenues from non-operating activities</b>										
Interest revenue	0	0	0	0	0	0	1,342	1,326	1,342	1,326
Proceeds on disposal of non current assets	944	0	0	95	0	0	24,944	2,710	25,888	2,805
Other revenues from ordinary activities	6,801	6,764	6	17	2	27	9,591	13,487	16,400	20,295
<b>Total revenues from ordinary activities</b>	<b>91,431</b>	<b>85,610</b>	<b>8,421</b>	<b>7,720</b>	<b>716</b>	<b>389</b>	<b>57,906</b>	<b>48,840</b>	<b>158,474</b>	<b>142,559</b>
<b>NET COST OF SERVICES</b>	<b>336,717</b>	<b>269,602</b>	<b>32,688</b>	<b>27,819</b>	<b>68,272</b>	<b>71,209</b>	<b>2,172</b>	<b>5,728</b>	<b>439,849</b>	<b>374,358</b>
<b>REVENUES FROM STATE GOVERNMENT</b>										
Service Appropriation	331,029	262,081	31,764	27,601	69,289	69,954	43,288	40,078	475,370	399,714
Resources received free of charge	0	0	0	0	0	0	1,618	1,013	1,618	1,013
<b>Total revenues from State Government</b>	<b>331,029</b>	<b>262,081</b>	<b>31,764</b>	<b>27,601</b>	<b>69,289</b>	<b>69,954</b>	<b>44,906</b>	<b>41,091</b>	<b>476,988</b>	<b>400,727</b>
<b>CHANGE IN NET ASSETS</b>	<b>(5,688)</b>	<b>(7,521)</b>	<b>(924)</b>	<b>(218)</b>	<b>1,017</b>	<b>(1,255)</b>	<b>42,734</b>	<b>35,363</b>	<b>37,139</b>	<b>26,369</b>

<b>2005</b>	<b>2004</b>
<b>\$000</b>	<b>\$000</b>

### 36 REMUNERATION OF AUDITOR

Remuneration to the Auditor General for the financial year is as follows:

Auditing the accounts, financial statements and performance indicators	128	120
--	-----	-----

### 37 IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO IFRS

The Australian Accounting Standards Board (AASB) is adopting the Standards of the International Accounting Standards Board (IASB) for application to reporting periods beginning on or after 1 January 2005. AASB 1047 'Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards' requires financial reports with reporting periods ending on 30 June 2005 to disclose any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRS.

*The impact of adopting AIFRS including the key differences in accounting policies*

#### Reconciliation of total equity as presented under previous AGAAP to that under AIFRS:

Total equity under previous AGAAP	593,934	510,127
Property, plant and equipment – Demolition costs previously expensed, now capitalised as part of cost of asset (i)	147	150
<b>Total equity under AIFRS</b>	<b>594,081</b>	<b>510,277</b>

#### Reconciliation of the surplus/(deficit) for the period as presented under previous AGAAP to that under AIFRS:

	<b>30 June 2005 \$000</b>
Surplus/(deficit) for the period under previous AGAAP	37,139
Recognition of depreciation expense for demolition costs capitalised (i)	(3)
<b>Surplus/(deficit) for the period under AIFRS</b>	<b>37,136</b>

(i) The adjustment reflects depreciation expense on demolition costs capitalised in the initial cost of the building.

## Contact Details

### Principal Office

**Street Address:** Public Transport Authority of Western Australia  
Public Transport Centre  
West Parade  
East Perth WA 6004

**Postal Address** PO Box 8125  
Perth Business Centre  
Perth WA 6849

Australian Business Number: 61850 109 576

### Telephone

General administration enquiries (08) 9326 2000  
(office hours only)

Transperth InfoLine 13 62 13

Transwa Booking Centre 1300 6622 05  
(Prospector, Australind, AvonLink and Country Road coach Services)

### Publications available to the public

For copies of publications available to the general public, please contact:

David Leith, Manager Corporate Communications

Ph: 08 9326 2764

Fax: 08 9326 2755

Freedom of Information Act Information Statement inquiries should be directed to:

Bernard Martinovich, Manager, Corporate Issues and Compliance

Ph: 08 9326 2368

Fax: 08 9326 2936

Internet address: [www.pta.wa.gov.au](http://www.pta.wa.gov.au)



Public Transport  
Authority