Public Transport Authority

Public Transport Authority

ANNUAL REPORT 2009–10

Contents

To the Hon. Simon O'Brien MLC
Minister for Transport

In accordance with Section 61 of the *Financial Management Act 2006*, 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 2010. The report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.

Reece Waldock
Chief Executive Officer

Glossary of terms

ALDP	Accelerated Leadership Development Program
ARA	Australasian Railway Association
ASL	Acceptable Service Level
CAT	Central Area Transit
CIS	Customer Information System
CNG	Compressed Natural Gas
CRM	Composite Rate Model
CUC	Capital User Charge
DAIP	Disability Access and Inclusion Plan
ECU	Edith Cowan University
EGR	Eastern Goldfields Railway
FTZ	Free Transit Zone
GPS	Global Positioning System
HSE	Health, Safety and Environment
LTI	Lost Time Injury
N&I	Network and Infrastructure (PTA division)
NMR	New MetroRail (former PTA division)
OPSSC	Office of the Public Sector Standards Commissioner
ORS	Office of Rail Safety
OSH	Occupational Safety and Health
OTR	On-time running
PDP	Performance and Development Plan
POD	People and Organisational Development (PTA division)
PSA	Property Street Addresses
PSM	Passenger Satisfaction Monitor
PTA	Public Transport Authority of Western Australia
QEII	Queen Elizabeth II Medical Centre
RAPID	Recording and Passenger Dissemination System
RCCTS	Rockingham City Centre Transit System
RTO	Registered Training Organisation
SBS	School Bus Services (PTA branch)
STAR	Stop Think Assess Respond
TOD	Transit Oriented Development
TRIS	Transperth Route Information System
TTO	Transperth Train Operations (PTA division)
TVM	Ticket-Vending Machine
UWA	University of Western Australia
WAGRC	West Australian Government Railways Commission (PTA predecessor)
WAP	Wireless Application Protocol
Acceptable Service Level (ASL)	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 afternoon peaks.
Category A	Incident causing serious injury, death, or significant damage.
Category B	Incident that may have the potential to cause a serious accident.
Circle Route	A high-frequency bus service connecting major shopping centres, universities, schools and colleges.
Fare-paying boardings	Covers only those people, standard fare or concession, who pay (either by tagging on or by the purchase of a cash ticket) as they enter the system.
Initial boardings	Fare-paying boardings, plus free travel on passes, free travel on CAT services in Perth, Fremantle and Joondalup and free travel on services within the Perth FTZ.
Passenger place kilometres	The average seat capacity multiplied by the kilometres travelled while in service.
Service kilometres	The kilometres travelled while in service.
Total boardings	Fare-paying boardings, plus free travel on passes, free travel on CAT services in Perth, Fremantle and Joondalup and free travel on services within the Perth FTZ, plus transfers between services.

An introduction to your Annual Report

The Public Transport Authority of Western Australia (PTA), which was formed on 1 July 2003, is responsible for the operation of all bus, train and ferry public transport services in the greater metropolitan area under the Transperth brand. It also operates public transport services in regional centres, operates road coach and rail passenger services to regional areas under the Transwa brand, and administers and manages school bus services.

In addition to operating these transport services, the PTA is responsible for designing, building and maintaining public transport infrastructure and for protecting the long-term viability of Western Australia's freight rail corridor and infrastructure.

The PTA delivers public transport services seven days a week and in some cases up to 24 hours a day.

As at 30 June 2010, the PTA had 1463 employees spread across the metropolitan area, from Nowergup in the north to Mandurah in the south and Midland in the east, as well as in major regional centres such as Albany, Bunbury, Esperance, Geraldton and Kalgoorlie. The PTA provides a substantial amount of its services and works projects using contractors, and therefore has significant contract management functions.

Our purpose

To provide safe, customer-focussed, efficient and cost-effective transport services.

Our values

- **Respect** – We value and respect our customers, suppliers and each other.
- **Recognition** – We recognise each other for achievement, initiative and innovation.
- **Integrity** – We are honest and ethical.
- **Safety** – We are committed to safety and protecting your future.
- **Sustainability** – We consider the long-term impact of everything we do – economic, social and environmental.

In this report, the PTA fulfils its reporting obligation by identifying the relevant strategic outcomes and its contribution to them in 2009/10 through:

- operational reports which show the effectiveness and efficiency of our transport services (see pages 8-51).
- compliance reports (pages 56-62).
- audited key performance indicators report (pages 77-94).
- audited financial report (pages 96-136).

Our vision

To make public transport the number one choice for connecting people and places.

Measuring effectiveness and efficiency

To honor the Government's vision for Western Australia, the PTA has targeted two outcomes:

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

Indicators of success in achieving the first of these outcomes are based on patronage and service provision, accessibility, reliability, customer satisfaction, safety and cost efficiency.

For the second outcome, they are based on quality management of the railway corridor and residual issues of the rail freight network. Note that the rail freight network was leased to private sector operators in 2000.

Customer Service Charter

The PTA is a customer service-oriented organisation, responsible for the delivery of efficient and sustainable passenger transport services to the public. We operate under the following Customer Service Charter:

- The PTA is committed to providing a quality passenger transport service to the public.
- Our bus, train and ferry staff and contractors are focussed on delivering safe and reliable services.
- Our staff and contractors will treat customers in a respectful and professional manner.
- Our buses, trains, ferries and facilities will be clean and well presented.
- Current information about all PTA services will be available from customer service staff, brochures, timetables, our call centres and our website.
- The PTA will plan and review passenger transport services in consultation with the community to get the best results.
- The PTA will plan and provide transport systems that respect the environment and improve sustainability.
- To help us improve our services we value your feedback on our PTA CommentLine, 13 16 08, or via our websites, www.pta.wa.gov.au, www.transperth.wa.gov.au or www.transwa.wa.gov.au

PTA SNAPSHOT OF 2009/10

Transperth total boardings rose 2.2 per cent to 131.629 million; Transwa down 3.7 per cent to 456,022; 26,200 students carried by School Bus Services each day.

PSM showed 85.8 per cent of Transperth customers and 90 per cent of Transwa customers are happy with the overall quality of services.

1463 people employed as at 30 June.

More than 1300 new car parking bays built at stations on the Mandurah and Joondalup lines.

Tender released for supply of a minimum 650 new buses over 10 years from July 2011.

Total Transperth expenditure rose 3.5 per cent to $691.2 million; fare revenue rose 4.7 per cent to $141.7m.

SmartRider share of fare market reaches 69.9 per cent; customer satisfaction level mid-high 90s; Busselton becomes the second regional town to get SmartRider.

Karara and Butler rail bills tabled in Parliament.

Completed $8m upgrade of Karrinyup bus depot; redeveloped Kalamunda bus station; upgraded Kalgoorlie platform.

Completed re-sleepering of urban branch lines with replacement of last wooden sleepers on the Midland Line with concrete.

Seat belts now on 499 "orange" school buses (59 per cent of contracted fleet).

Seniors and pensioners took 7.276 million journeys under off-peak free travel scheme.

Regional bus replacement program continued to cut the age of the regional fleet, improve its amenity (air conditioning) and ensure compliance with Federal disability standards.

Daytime safety perceptions were in the high 90s on board Transperth services and at the stop or station; night figures were better than 2008/09 at 70 per cent (stop or station) and mid-high 70s on board.

Duress alarms installed on all buses and security cabs fitted on all post-6pm buses.

Chief Executive Officer's overview

As we move into a new decade, it is sobering to consider the breakneck pace at which technology changed in the past 10 years. Even more daunting is the realisation that this rapid evolution will continue, and organisations which fail to keep up will suffer.

The Public Transport Authority has an excellent record of changing with the times and staying ahead of the game without sacrificing performance standards, reliability or customer service. Outstanding examples of this include the introduction of SmartRider, still the only fully-operational smartcard-based ticketing system in Australia, our world-leading security CCTV and monitoring system, our use of the internet and SMS technology to keep our customers informed, the continued success of the Mandurah Line and a continuing drip-feed of new railcars at a time when other transport agencies all over the world were caught short by a big surge in demand. The ongoing growth in overall patronage – though our regional operations slipped slightly – is a testament to our vision, as are the very high satisfaction levels of Transperth and Transwa customers.

We continued on this path throughout 2009/10.

Transperth followed up its SMS service (bus or train timetabled arrival times at individual stops and stations can be sent direct to your mobile phone in seconds) with a new service which allows passengers to view live train times online or via a WAP-enabled mobile, and launched a website module through which passengers can find out online how to access their station and what facilities it provides.

There were significant upgrades on our key websites – those for the PTA, Transperth, Transwa and School Bus Services – so that our customers can more quickly and easily retrieve information such as train running times and bookings. Our IT branch also further enhanced customer interface systems such as back-office SmartRider – the flexibility of the SmartRider system design was a key factor in the outstanding success of our free weekend and off-peak travel entitlement for seniors and other pensioners. We also were able to expand SmartRider services to Busselton.

Other instances where we are using technology to improve the quality of our services include a platform detection system to ensure railcar doors don't open if they are not opposite a platform; computerised SBS vehicle inspection records; and state-of-the-art ticket vending machines at stations.

We completed the resleepering of the urban branch lines; upgraded the bus facilities at Kalamunda and Karrinyup

and the platform at Kalgoorlie; and continued with a major program to provide extra parking at stations along the Mandurah and Joondalup lines. Other key achievements are listed in the at-a-glance “snapshot” of the PTA on page 5.

Our most important asset is our people and I was proud to be part of a highly-successful employee workshop in March, from which came *onePTA*, a broad-based initiative to promote a unified culture and values, and an even better workplace.

In March 2010 the Government released a tender for a 10-year contract to supply Transperth with at least 65 new buses a year, starting when the current arrangement concludes in June 2011. The new contract will keep us at the forefront of the Australian industry in terms of disability access and environmental friendliness. Negotiations with a preferred tenderer are expected to start in the first half of 2010-11.

Two important pieces of enabling legislation were introduced into State Parliament during the year: The Railway (Butler to Brighton) Bill 2009 and the Railway (Tilley to Karara) Bill 2010.

The former relates to the $240 million, 7.5km extension of the Joondalup Line to a new interchange station and Park ‘n’ Ride facility at Butler. Passenger services are expected to start by the end of 2014. The latter relates to construction of a 75km publicly-owned iron ore railway in WA’s Mid-West region. The line will be designed, built and operated by Karara Mining Ltd under the oversight of the PTA. Work is expected to start in the first half of 2010-11.

It was a year of change at the PTA.

Our People and Organisational Development division was restructured and we created the Infrastructure Planning and Land Services division, the Strategic Asset Management Development branch and the Major Projects Unit, as a result of which there were several additions to the PTA Executive. There was also a major change in my role.

In an overview to the 2003 annual report of the Western Australian Government Railways Commission, the last before the Public Transport Authority came into being on 1 July the same year, I wrote: “Public transport is about to embark on a bright new future in Western Australia.”

Those words are as valid today as they were seven years ago.

At that time, I was alluding to the consolidation into a single agency of the operations of WAGRC and Transperth to form a unified public transport provider – a fully-integrated model which has become a benchmark for other transport agencies in Australia and overseas.

A similarly-significant step was taken towards the end of the latest year when Transport Minister Simon O’Brien announced the creation of the new position of Director General – Transport to head up the key agencies of Main Roads WA, the Department of Transport and the PTA, integrating and enhancing the coordination of the State’s transport operations, regulatory functions and policy development.

I was offered this position and took up the role from 3 May. The day-to-day operations of the PTA are now overseen by Mark Burgess, who has stepped up from his role as Executive Director – Transperth, Regional and School Bus Services and is, at year’s-end, Acting Managing Director of the organisation.

I now take a more holistic view of the key role that transport plays in our State’s continued strong economic growth, and especially of the considerable benefits offered by a cohesive, integrated approach to the planning, management and operation of WA’s transport requirements.

However, I remain firmly committed to the belief that public transport is one of the easiest and most effective ways in which the average West Australian can make a significant contribution to a sustainable future. In a year of change, this has remained the constant – the challenge for all of us is to encourage further growth in the use of public transport by continuing to make it an attractive alternative to the private car.

Reece Waldock
Chief Executive Officer

Transperth

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

The Transperth system consists of a bus network, a fully-electrified urban train system and a ferry service. It is managed by the Transperth branch of the Transperth System, Regional and School Bus Services division, which provides overall management of Transperth, including key functions such as system planning, bus service delivery, passenger information services, ticketing and bus fleet procurement.

Transperth bus and ferry services are provided under commercial contract arrangements; Transperth train services are provided under an internal service level agreement by the PTA's Transperth Train Operations (TTO) division.

Passenger information is provided through Transperth InfoCentres, the Transperth InfoLine service and the Transperth website. The Perth Station InfoCentre is operated by TTO; all other InfoCentres are operated under contract by Serco.

Objectives and outcomes

OBJECTIVE	OUTCOME
Install the Platform Detection System on A-series railcars	Completed on about half the A-series fleet.
Meet the increasing demand for bus services in specific areas	• Introduced high-frequency services linking Wellington Street Bus Station, Edith Cowan University and Mirrabooka regional centre • Upgraded Canning Highway peak bus services
Improve bus infrastructure facilities	Completed redevelopment of: • Kalamunda bus station • Karrinyup bus depot
Continue to pursue patronage growth, high passenger satisfaction and a high level of on-time running	Continuing the trend of the past nine years, cash and SmartRider initial boardings on the Transperth system increased by 1.6 per cent while total boardings rose 2.2 per cent. The level of overall customer satisfaction with Transperth (averaged over all modes) increased to 85.8 per cent in 2010 compared with 85.4 per cent in 2009. OTR on both bus and train services improved in 2010 with bus achieving 85.5 per cent and train 95.9 per cent compared with 84.5 per cent and 94.7 per cent respectively in 2009.

TRANSPERTH SNAPSHOT OF 2009/10

Total boardings rose 2.2 per cent to 131.629 million

PSM showed that 85.8 per cent of our customers across the system are happy with the quality of Transperth services

Daytime safety perceptions were in the high 90s on board and at the stop or station; night figures were better than 2008/09 at 70 per cent (stop or station) and mid-high 70s on board.

Seniors and pensioners took 7.276 million journeys under the off-peak free travel scheme. In the three months to June 30 (the only properly comparable period) total boardings were up 21.9 per cent at 1.922m

Continued installation of platform detection system on A-series railcars to ensure that railcar doors do not open if they are not opposite a platform

Took delivery of a further 24 railcars (eight x three-car sets) of the 45 B-series cars on order, bringing the total number delivered to 33

Reliability (on-time running) improved for buses (85.5 per cent) and trains (95.9 per cent) while the ferry's OTR was unchanged at 98.4 per cent

Total expenditure rose 3.5 per cent to $691.2 million; fare revenue rose 4.7 per cent to $141.7m

SmartRider accounted for 69.9 per cent of system-wide initial boardings with customer satisfaction levels for SmartRider in the mid to high 90s.

Busselton became the second regional town (after Geraldton in 2008/09) to get SmartRider, with Kalgoorlie expected to follow early in the new financial year

State-of-the-art ticket vending machines were installed at all train stations and jetties to provide a cash alternative for passengers

Launched a new service which allows passengers to view live train times online or via a WAP-enabled mobile

Launched a new facility (Station Access Information) on the website to enable passengers, especially those with a disability, to better plan their journey

Installed duress alarms on all buses and security cabs on all post-6pm buses

Key service measures

Patronage and services

Following the extension of SmartRider-based free travel in April 2009, three categories are used to report patronage on Transperth services to ensure valid comparison over time:

- cash and SmartRider initial boardings (i.e. fare-paying cash and SmartRider boardings and free travel on SmartRider),
- total initial boardings (cash and SmartRider initial boardings plus free bus travel on Free Transit Zone and Central Area Transit services) and;
- total boardings (total initial boardings plus transfer boardings).

Free travel on SmartRider refers to travel by WA seniors and aged and disability pensioners on weekdays from 9am to 3.30pm and all day weekends and public holidays as well as all-day free travel by PTA current and some retired staff and train travel within the Free Transit Zone by SmartRider users. Previously (since June 1999), WA Seniors Card holders were entitled to free travel on Sundays and public holidays.

Patronage on the Transperth system increased in 2009/10 though the rate of growth declined compared with the previous two years. Cash and SmartRider initial boardings increased 1.6 per cent compared with increases of 13.7 per cent and 10.1 per cent in 2008/09 and 2007/08 respectively. Total boardings increased by 2.2 per cent compared with increases of 18.4 per cent and 7.8 per cent in the previous two years.

Free travel by seniors and pensioners amounted to 4.623 million initial boardings and 7.276m total boardings in 2009/10. In the three months to June 30, seniors and pensioners recorded 1.201m initial and 1.922m total boardings, an increase of 14.4 per cent and 21.9 per cent respectively over initial boardings of 1.050m and total boardings of 1.577m in the same three-month period in 2009.

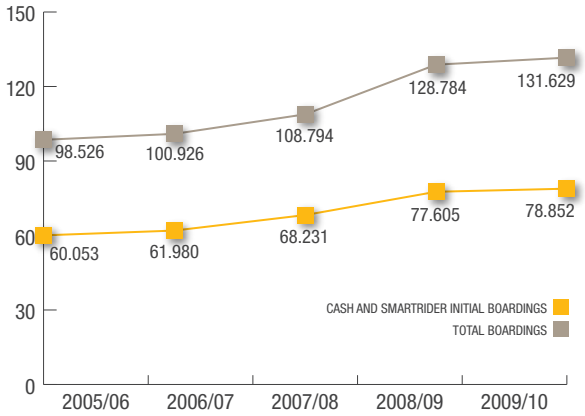
The following chart shows cash and SmartRider initial boardings (which correspond to fare-paying boardings reported previously) and total boardings over the five-year period to 2009/10. Initial boardings (cash ticket sales and paid and free SmartRider initial boardings) rose 1.6 per cent to 78.852m in 2009/10 compared with 77.605m in 2008/09. Total boardings recorded an increase of 2.2 per cent to 131.629m in 2009/10 from 128.784m.

Passenger place kilometres – which represent the total passenger-carrying capacity of the Transperth bus, train and ferry network – also increased substantially. This metric is based on service kilometres and the average capacity of the fleet.

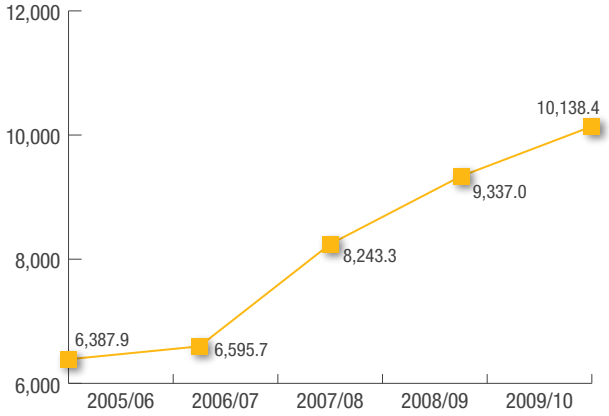
In 2009/10, passenger place kilometres rose 8.6 per cent to 10,138.4m following increases of 13.3 per cent in 2008/09 and 25 per cent in 2007/08. In the five-year period from 2005/06, total capacity provided on the Transperth system has increased by 58.7 per cent.

This big jump in capacity was due to the expansion of the Transperth train network which more than doubled between 2005/06 and 2009/10. The extension of the network to Clarkson and Thornlie, the introduction into service of three and six-car trains and the increase in service kilometres following the start of services on the Mandurah Line resulted in train passenger place kilometres increasing 53.4 per cent to 4600.8m in 2007/08 from 2998.3m in 2006/07. Following the introduction of new services, a further increase of 22.6 per cent to 5641.3m was recorded in 2008/09. In 2009/10, train passenger place kilometres increased by 14.4 per cent to 6456.2m.

The contribution of the bus network to passenger carrying capacity growth was modest. In 2009/10, bus passenger place kilometres fell 0.4 per cent to 3677m following a 1.5 per cent increase in 2008/09.

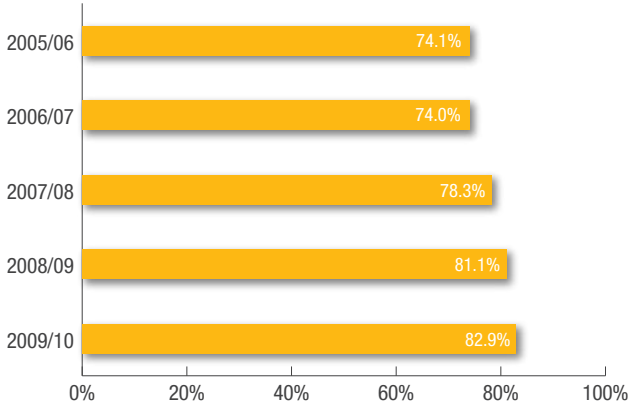


Transperth System: Patronage (millions)



Transperth System: Passenger place kilometres (millions)

Access to public transport



Access to Public Transport
Proportion of Property Street Addresses in the Perth Public Transport Area within 500m of a Transperth stop providing an acceptable level of service

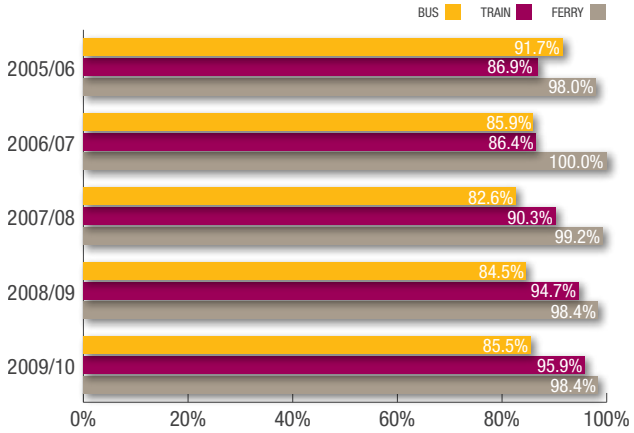
The graph shows that a very high proportion of Property Street Addresses (PSAs) in the Perth Public Transport Area (PPTA) are within walking distance (500m) of a Transperth stop providing an Acceptable Service Level (ASL). An ASL is defined as a 20-minute or better service in the peak flow direction during the peak and at least an hourly service throughout the core of the day.

Transperth uses Global Positioning System (GPS) data to measure the level of accessibility to public transport facilities. The exact location of all bus stops and train stations is identified and accessibility to these facilities is measured against other spatial data – in this case PSAs.

In 2010, 82.9 per cent of PSAs in the PPTA were within 500m of a stop providing an ASL, up 2.2 per cent from 81.1 per cent in 2009. While the number of PSAs in the PPTA increased by 2.7 per cent to 863,460 in 2010 from 840,731, PSAs within walking distance of an ASL stop increased 4.9 per cent to 715,719 from 681,989. In the five years to 2010, the number of PSAs within walking distance of Transperth facilities providing an ASL increased by 34.5 per cent from 524,054 in 2006 to 715,719.

The significant improvement in the level of PSA access to Transperth facilities resulted from the expansion of the feeder bus network in the southern suburbs following the introduction of the Mandurah Line. This is reflected in the rapid increase in the number of ASL stops between 2007 and 2008 from 5969 to 6698 (12.2 per cent) and to 7279 in 2009 (8.7 per cent). The rate of increase in the number of ASL stops slowed to 0.4 per cent in 2010 when a total of 7309 was recorded.

Reliability

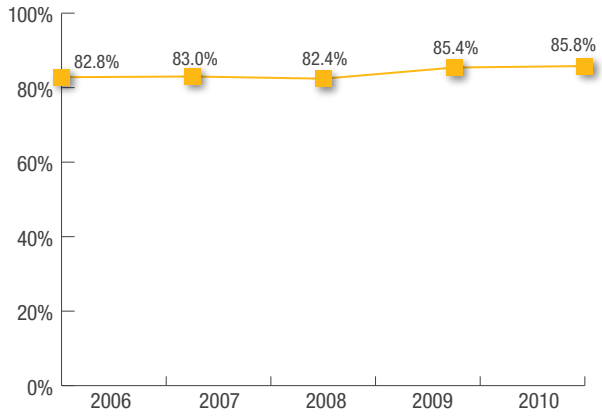


Transperth: Service reliability by mode
Proportion of services meeting on-time targets

The OTR of Transperth bus and ferry services is measured by the GPS Reporter functionality of the SmartRider ticketing system; for trains through the train control system. These technology-based monitoring methods allow more precise data-gathering than the physical checks and manual observations used previously.

In 2009/10, buses and trains recorded improvements in service reliability. On buses, 85.5 per cent of services met the OTR criteria, up from 84.5 per cent in 2009, while trains achieved a reliability level of 95.9 per cent compared with 94.7 per cent in 2009. The Transperth ferry service maintained its OTR rate unchanged at 98.4 per cent.

Passenger satisfaction

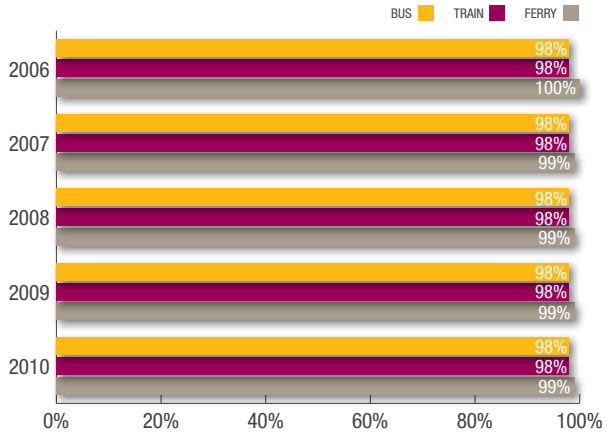


Transperth System: Level of overall customer satisfaction

An independent market research firm commissioned by Transperth carries out the annual Passenger Satisfaction Monitor (PSM) to assess the level of satisfaction/dissatisfaction among passengers in regard to various aspects of Transperth services. This graph shows the proportion of respondents who expressed overall satisfaction with the quality of service on Transperth bus, train and ferry operations, calculated as the weighted average across all modes.

In 2010, 85.8 per cent of users across the system expressed overall satisfaction with the quality of service compared with 85.4 per cent 2009. It is noteworthy that following a relatively static level of satisfaction from 2006 to 2008, a significant improvement was achieved in 2009 and this level of satisfaction was maintained in 2010.

Passenger safety

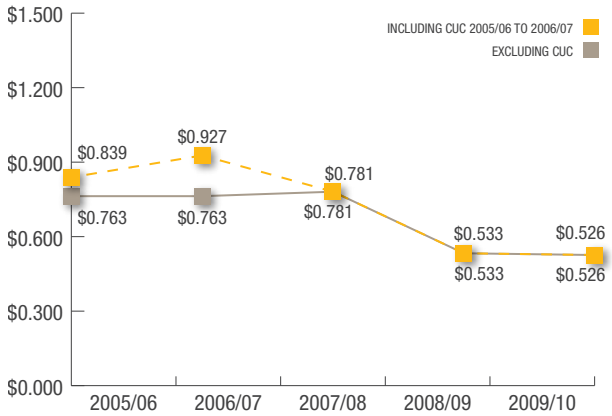


Transperth System: Proportion of respondents who generally feel safe on board during the day

Note: Measures relating to customer perception of safety at other times and at stations/interchanges are shown in sections dealing with individual modes.

The PSM assesses customer perceptions of safety during the day and at night, aboard buses, trains and ferries and at bus and train stations and ferry jetties. This chart shows that virtually all passengers felt safe aboard Transperth buses, trains and ferries during the day.

Efficiency



Transperth System: Total cost per passenger kilometre (Passenger kilometres: To 2007/08 based on average trip length derived from the zonal distribution of tickets. From 2008-09 average trip length based on SmartRider tag-on/tag-off data)

In 2009/10, total cost per passenger kilometre for the Transperth system fell 1.4 per cent to $0.526 from $0.533 in 2008/09. This result was achieved despite a 3.5 per cent increase in total expenditure, because of a 4.9 per cent increase in passenger kilometres.

The significant reduction in this cost figure from $0.781 in 2007/08 is due to a change in the method of determining the average trip length.

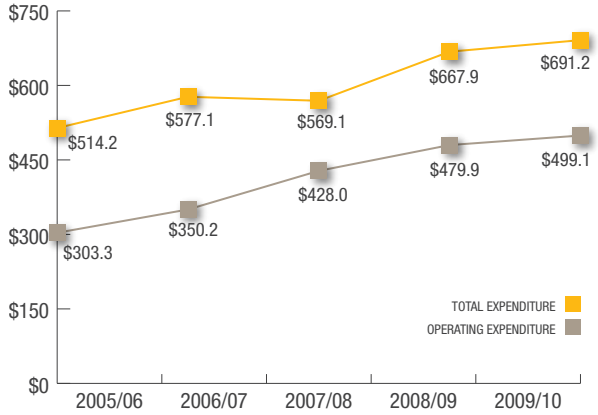
Since 2008/09, SmartRider tag-on/tag-off data has been used to calculate the average trip length for bus and train passengers. The tag process provides a precise basis for the calculation as it accurately records the length of each journey leg on both initial and transfer boardings.

Initial boardings comprise fare-paying boardings (cash and SmartRider) and the free travel available to some SmartRider users – seniors, aged and disability pensioners, veterans, PTA current and some retired staff and train travel within the Free Transit Zone (FTZ) - as well as bus travel within the FTZ and on Central Area Transit (CAT) services in Perth, Fremantle and Joondalup and on the Midland Shuttle.

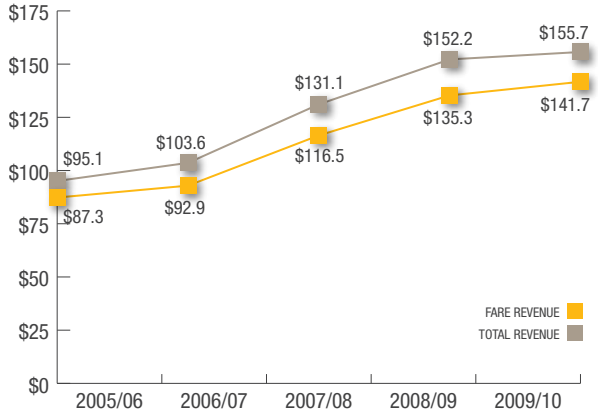
The average trip length determined for SmartRider users is then applied to cash initial and transfer boardings. Estimated trip lengths are applied to boardings on bus services in the FTZ and boardings on CAT services and the Midland Shuttle.

Until 2007/08, the calculation of the average trip length was based on the zonal distribution of ticket sales/validations. Calculating 2007/08 passenger kilometres using an average trip length based on SmartRider tag-on/tag-off data results in a total cost per passenger kilometre of $0.535 for 2007/08, 31.5 per cent less than the reported figure of $0.781.

Expenditure and revenue



Transperth System: Expenditure ($ millions)



Transperth System: Revenue ($ millions)

Total expenditure on Transperth services was $691.172m in 2009/10, up 3.5 per cent compared with $667.886m in 2008/09. Operating expenditure (excluding capital charges) rose 4.0 per cent to $499.108m from $479.941m. Capital charges recorded an increase of 2.2 per cent to $192.064m from $187.945m. Across the modes, bus total costs increased by 5 per cent and operating costs by 5.5 per cent, while train total costs increased by 2.2 per cent and operating costs by 2.3 per cent. For the ferry, total costs rose 25.9 per cent and operating costs 15.7 per cent – due to the expenditure of $74,000 to refurbish the *MV Shelley Taylor-Smith*.

The increase in system costs in 2009/10 was due mainly to:

- Higher maintenance cost of B-series railcars
- Expenditure on modifications to A-series railcars
- Increase in bus driver wages
- Higher operating costs arising from the increasing use of gas buses
- Increase in bus service kilometres operated during the year.

The increasing trend in revenue continued in 2009/10 although at a lower rate than previously. Fare revenue increased by 4.8 per cent while total revenue rose by 2.3 per cent.

Fare revenue includes full or part funding for CAT services, contributions for the provision of specific bus services, joint ticketing revenue (where the public transport fare is included in the price of the event ticket), Commonwealth funding for concession travel by interstate seniors and income from the sale of SmartRider cards. Total revenue takes into account, in addition to fare revenue, other income comprising advertising, rent, infringements etc.

The reduction in fare-paying boardings following a full year of the free travel period for seniors and pensioners did not impact significantly on fare revenue. The overall decline of 3.1 per cent in system fare-paying boardings was offset by the 3.9 per cent average increase in standard fares (concession and student fares were unchanged).

In regard to individual modes, bus recorded a 5.1 per cent decline in fare-paying boardings but had a 1.8 per cent increase in fare revenue. On train, fare paying boardings fell by just 0.5 per cent but fare revenue recorded a 5.6 per cent increase. Ferry suffered losses in both fare-paying boardings and fare revenue.

The lower rate of increase in total revenue (2.3 per cent) was due to the 18 per cent reduction in other income, from $16.954m in 2008/09, to $13.924m.

Review of performance

Service reliability

Transperth uses technology-based monitoring methods to measure OTR. The GPS Reporter functionality of the SmartRider ticketing system is used to monitor bus and ferry services, while the train control system is used for train services.

Trains

The target for TTO in 2009/10 was for 95 per cent of services to arrive within four minutes of the scheduled time. Until 2006/07, this tolerance margin was three minutes. It changed in 2007/08 to take account of longer rail services with increased journey times and to ensure consistency in reliability measures between Transperth's train operations and other Australian rail operators.

In 2009/10, 95.9 per cent of train services met the target compared with 94.7 per cent in 2008/09.

Buses

The service reliability target for Transperth buses is to never leave a terminus or travel through a mid-way timing point early and for 85 per cent of services to arrive within four minutes of the scheduled time.

Bus reliability is monitored on the basis of a random sample of one per cent of trips in each bus contract area (a substantial number, given that there are more than 10,000 bus trips on a typical weekday). This provides an accurate assessment of bus on-time performance. No other public transport jurisdiction in Australia has the technology or capacity to provide this precise level of automated checking of bus services.

In 2009/10, we surpassed our OTR target when 85.5 per cent of bus services operated within the four-minute tolerance period compared with 84.5 per cent in 2008/09. A significant factor contributing to the improvement was the use of the GPS Reporter functionality to identify under-performing services. Following a careful review, these services were re-scheduled to ensure improved performance.

Ferries

The target for our ferries is for services to arrive within three minutes of the scheduled time. In 2009/10, 98.4 per cent of services met this target, the same as in 2008/09. During the year, out of 124 trips checked (0.3 per cent of total annual trips), one trip did not run and one trip ran early.

Trends in patronage

Patronage on the Transperth system increased for the eleventh year in succession, though the rate of increase slowed from the exceptional growth in 2008/09 (18.4 per cent) and 2007/08 (7.8 per cent) following the start of services on the Mandurah Line.

In 2009/10, total boardings (comprising fare-paying boardings, free travel and transfers) increased 2.2 per cent to 131.629m compared with 128.784m in 2008/09. Cash and SmartRider initial boardings (fare-paying boardings and SmartRider-based free travel) were up 1.6 per cent to 78.852m (77.605m previously) but fare-paying boardings fell 3.1 per cent to 74.103m from 76.467m, reflecting the full-year impact of free travel for seniors and aged and disability pensioners (introduced on April 4, 2009). However, on a like-for-like comparison, during the three-month period to June 30, fare-paying boardings were 18.526m in 2010 compared with 17.951m in 2009, an increase of 3.2 per cent.

All cash and SmartRider initial boardings are recorded accurately on the Transperth ticketing system. In 2009/10, SmartRider accounted for 69.9 per cent of initial boardings compared with 66.7 per cent in 2008/09 and 61.0 per cent in 2007/08. In addition, the SmartRider system allows transfers to be accurately recorded and this data provides a reliable model to estimate transfers for cash passengers.

In longer-term trend analysis, from 2005/06 to 2009/10, total boardings on the Transperth system increased by 33.6 per cent, while cash and SmartRider initial boardings rose 31.3 per cent. During this period, total boardings increased at an average annual rate of 4 per cent on buses and 13.4 per cent on trains. The average annual rate of increase of cash and SmartRider initial boardings was 2.2 per cent on bus and 14.6 per cent on trains.

Patronage on the Transperth ferry service fluctuates partly due to the fact that a high proportion of users are tourists. In 2009/10, total boardings fell by 4.1 per cent, and there was a significant decline of 16.7 per cent in cash and SmartRider initial boardings. This follows an increase of 4.3 per cent in total boardings and a reduction of 3.3 per cent in cash and SmartRider initial boardings in 2008/09. In 2007/08, total boardings fell 14.9 per cent and cash and SmartRider initial boardings fell 5 per cent. On the other hand, in 2006/07 total boardings and cash and SmartRider initial boardings recorded increases of 8.5 per cent and 8.4 per cent respectively.

Total capacity on the Transperth system expressed in terms of passenger place kilometres continued to increase. In 2009/10, Transperth provided total capacity amounting to 10,138.4 million passenger place kilometres compared with 9337m in 2008/09.

On a per-capita basis, public transport usage within the Perth metropolitan area (including the City of Mandurah) in 2009/10 was 53 total initial boardings per annum (comprising fare-paying boardings and all free travel), down 1.8 per cent from 54 in 2008/09. This reflects the relatively low rate of increase in total initial boardings (1.7 per cent) compared with an estimated 3.6 per cent increase in population.

Marketing of the service

In 2009/10, the Transperth Information and Event Services team successfully undertook the following initiatives:

- Launched a new service which allowed passengers to view live train times online or via a WAP enabled mobile.
- Launched the new Station Access Information module on the website to enable passengers, especially those with a disability, to plan their journey. Passengers can see online how to access the station and the facilities provided – from the number of car bays to whether there are toilets and change machines.
- In conjunction with Transwa, supported the PTA's aim of making public transport an attractive and sustainable choice by supporting *daysofchange.org*. More than 40,000 West Australians pledged to make sustainable changes in their lives during the launch phase of this initiative.
- Launched a campaign to improve courtesy among passengers. The *I Give Two Hoots* campaign was designed to highlight behaviour that passengers find irritating, such as playing loud music, not moving away from train doors and trying to board a train when passengers are still trying to alight.
- The community education team continued to deliver *Get on Board* presentations to a broad range of community groups. Particularly noteworthy was the translation of key public transport information into 11 languages on the Transperth website, in both written and audio format.
- Continued to work with major event organisers across the Perth metropolitan area to ensure that adequate public transport services are planned and funded. In 2009/10, there was an increase in the use of public transport to travel to/from major events throughout Perth. City to Surf and Future Music were two events which required substantial support from Transperth bus operations.
- Conducted research on park 'n' ride behaviour, cash v SmartRider usage patterns, as well as the annual Passenger Satisfaction Monitor.

Disability access

Transperth aims to provide universal access to its buses, trains and ferries so that the wider community (including people with disabilities and parents with prams) can access services and facilities. In 2009/10, further progress was made towards achieving this objective, as described below.

Trains

All Transperth trains are universally accessible. The key issue for rail is whether access to the station is provided for people with varying disabilities and whether the gap between train and platform meets accessibility standards. Currently, 36 out of 70 train stations, (51.4 per cent) provide independent access for people with disabilities and parents with prams. At the other stations, passengers are helped by PTA customer service staff when required.

	Independent access*	Partial access**	Limited access **	Total stations
2005/06	16	31	12	59
2006/07	23	26	10	59
2007/08	34	25	10	69#
2008/09	36	25	9	70
2009/10	36	25	9	70

** Complies with the Disability Standards for Accessible Public Transport and Guidelines under the Disability Discrimination Act, 1992*

*** Assistance available from Transperth customer service staff*

 # Perth Underground Station included in Perth Station in 2007/08, identified as a separate station from 2008/09.

Buses

Transperth continued its long-term program to increase the number of accessible buses in its fleet with the purchase of 80 new low-floor accessible Compressed Natural Gas (CNG) buses as part of the Daimler bus supply agreement. As at June 30, the number of accessible buses was 826 out of a total fleet of 1146 (72.1 per cent) compared with 774 out of a total fleet of 1134 buses (68.3 per cent) a year earlier.

Preference is given to operating accessible buses whenever possible so that, off-peak, most buses are accessible. During peak, when service demand is high, both accessible and non-accessible buses are fully committed. Accessible buses accounted for 80.3 per cent of service kilometres in 2009/10 compared with 76.6 per cent in 2008/09.

During the year, 14 diesel low-floor buses were transferred to regional towns, part of the State's public transport system managed by the PTA. The PTA has a responsibility to ensure that the bus fleets in regional towns meet the Federal legislated requirement in regard to accessibility. To replace these 14 buses, 14 new CNG buses were procured for the Transperth fleet. The buses transferred to regional towns in 2009/10 form part of a program to transfer 41 buses to regional areas over a four-year period.

Transperth continued its program of upgrading accessibility at bus stations and bus/train interchanges to meet the requirements of the Federal Disability Standards for Accessible Public Transport. During 2009/10, work was carried out to completely refurbish Kalamunda bus station to meet all accessibility standards.

Ferries

During the year, the bulk of Transperth ferry services were provided by the new accessible ferry, the *MV Phillip Pendal*, which was brought into service on May 3, 2009. The *MV Shelley Taylor-Smith*, an accessible vessel, is also available for use when required. The two jetties, at Barrack Street in Perth and Mends Street in South Perth, meet the Federal Disability Standards for Accessible Public Transport.

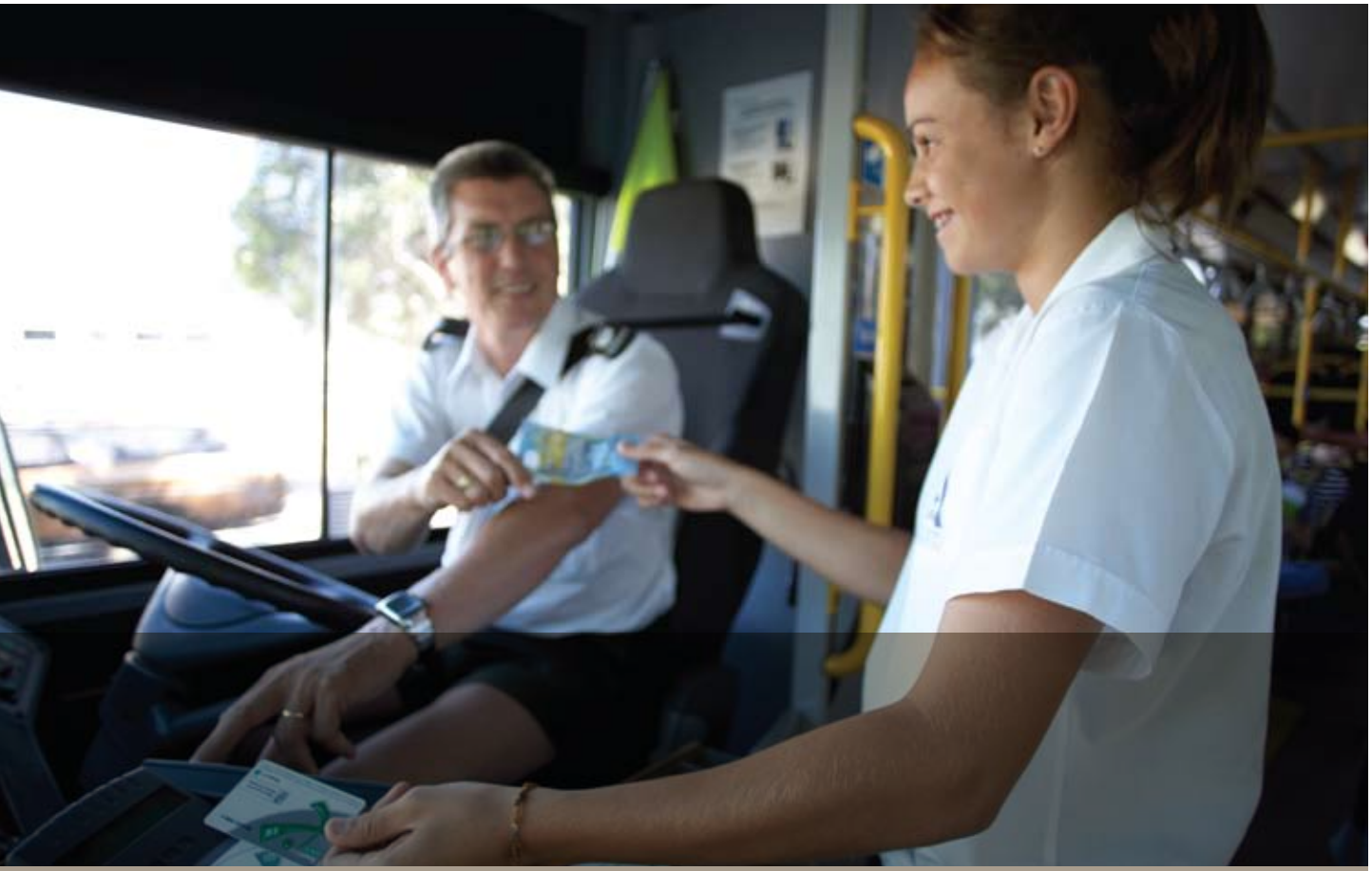
Service coverage

Transperth aims to maximise the number of people in the community who have ready access to its services. As described earlier, this is measured in terms of the proportion of property street addresses (PSA) within 500m of a Transperth stop (bus, train, or ferry) providing an acceptable service level (ASL).

In 2009/10, the proportion of PSAs within 500m of an ASL stop increased to 82.9 per cent from 81.1 per cent in 2008/09. The number of ASL stops increased 0.4 per cent from to 7309 from 7279.

Passenger satisfaction

The 2010 PSM showed that, system-wide, 85.8 per cent of our customers are satisfied with the level of service compared with 85.4 per cent in 2009. (Details of passenger satisfaction with train, bus and ferry services are included in individual mode reports from page 17).



SmartRider project and system ticketing

Transperth's SmartRider ticketing system continues to improve on its award-winning success and lead Australia in smartcard ticketing technology.

In 2009/10, on average over the year, SmartRider accounted for 69.9 per cent of system-wide initial boardings compared with 66.7 per cent in 2008/09. The share of SmartRider in each mode in 2009/10 was, on average, bus 69.6 per cent, train 70.5 per cent and ferry 32.6 per cent, compared with 66 per cent, 68 per cent, and 30.9 per cent respectively in 2008/09.

Veterans entitled to free all day travel were issued with SmartRiders in November 2009. WA seniors, aged and disability pensioners are required to use SmartRider to access free travel during the weekday inter-peak and on weekends and public holidays.

During the year, Busselton (231km south of Perth) became the second regional town to have SmartRider on its public transport services. (SmartRider was successfully introduced in Geraldton in 2008/09).

The 2010 PSM showed a very high level of satisfaction with the SmartRider system– 96 per cent among bus passengers, 94 per cent among train passengers and 97 per cent among ferry passengers.

Complementing the SmartRider system, we have installed state-of-the-art ticket vending machines (TVMs) at all train stations and ferry jetties to provide an efficient cash alternative for passengers.

Transperth trains

The TTO division operates an electrified suburban train system with more than 1045 services on an average weekday, and more than 6640 weekly services.

At June 30, 2010, the system covered 173.1km of track with 70 stations on five lines, and a fleet of 222 railcars which can be coupled in configurations of two, three, four or six-car trains. The train network consists of the Joondalup Line (33.2km), the Fremantle Line (19km), the Midland Line (16km), the Armadale/Thornlie Line (30.5km and a 3km spur line to Thornlie) and the Mandurah Line (71.4km).

The year's developments

Work continued on the installation of the Platform Detection System on A-series railcars. This system promotes passenger safety as railcar doors will not open where there is no platform.

We took delivery of 24 new railcars (eight three-car sets) out of the 45 B-series railcars on order, bringing the number of new railcars delivered to 33 (11 three-car sets).

The Rostering and Payroll System (RAPS) was upgraded and implemented in the Transit Office area. This system improves staff rostering and payroll and has facilitated the decentralisation of driver rostering.

In 2009/10, the train network operated 13.582m service kilometres, down 6.5 per cent from 14.531m operated in 2008/09. This followed substantial increases in 2008/09 and 2007/08 and was due to the service revision introduced on June 28, 2009 to rationalise off-peak services.

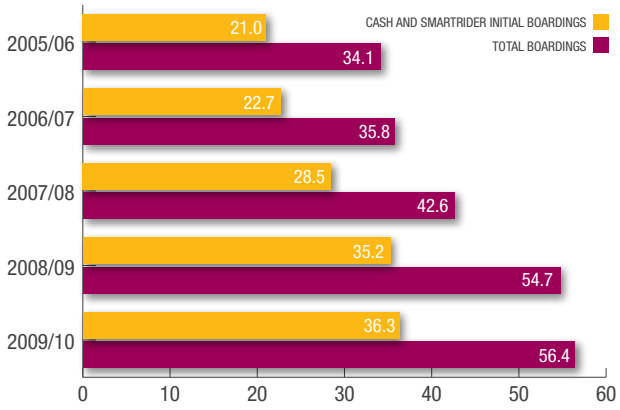
Total capacity on the train network increased 14.4 per cent to 6456.2m in 2009/10 from 5641.3m in 2008/09 continuing the expansion which began in 2007/08 with the introduction of the Mandurah Line. The increase in 2009/10 occurred despite the reduction in service kilometres due to the increased use of three-car and six-car trains.

Cost of the service

In 2009/10, the total cost of providing Transperth train services, including annual capital charges, was $371.554m, up 2.2 per cent from $363.732m in 2008/09.

Train operating costs (i.e. excluding capital charges) increased by 2.3 per cent to $229.919m from $224.818m in 2008/09. The main factors contributing to this increase were the higher maintenance costs associated with the new B-series railcars, expenditure on modifications to the A-series railcars, increased public liability insurance premium, and improvements to the CCTV system.

Patronage



Transperth Trains: Patronage (millions)

Patronage on Transperth train services increased for the sixth year in succession although the rate of increase was significantly lower than in the previous two years.

In 2009/10, cash and SmartRider initial boardings were 36.284m, up 3 per cent from 35.243m in 2008/09. Total boardings also increased 3 per cent, to 56.409m from 54.750m. Following the start of operations on the Mandurah Line, cash and SmartRider initial boardings increased 23.8 per cent in 2008/09 and 25.6 per cent in 2007/08, while total boardings rose 28.4 per cent and 19.2 per cent in the two years.

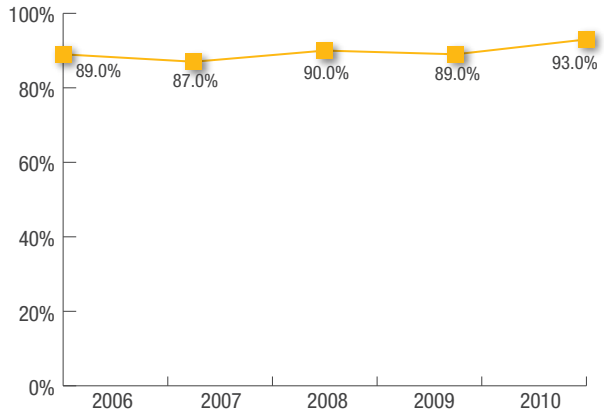
Fare-paying boardings on train remained high in 2009/10. The first full year of free travel for seniors, aged and disability pensioners had a relatively minor impact on train fare-paying boardings which fell by just 0.5 per cent to 34.642m compared with 34.815m in 2008/09. Comparing train fare-paying boardings on a like-for-like basis over the three-month period to June 30 shows a 5.9 per cent increase to 8.474m in 2010 from 8.0m in 2009.

Boardings per service kilometre on the train network recorded a significant improvement. While both cash and SmartRider initial boardings and total boardings increased, each by 3 per cent, train service kilometres fell 6.5 per cent to 13.582m from 14.531m in 2008/09, following the service revision introduced on June 28, 2009. Total boardings per service kilometre increased 10.2 per cent to 4.153 from 3.768 in 2008/09, while cash and SmartRider initial boardings per service kilometre also increased 10.2 per cent to 2.671 from 2.425.

An increasing number of train passengers are able to access the network though park 'n' ride facilities at train stations. At June 30, 2010, there were 16,963 parking bays across the system an increase of 6.3 per cent compared with 15,957 at June 30, 2009.

Passenger satisfaction

The 2010 Transperth PSM showed that the proportion of users who expressed overall satisfaction with the train system increased 4.5 per cent to 93 per cent of respondents from 89 per cent in 2009.



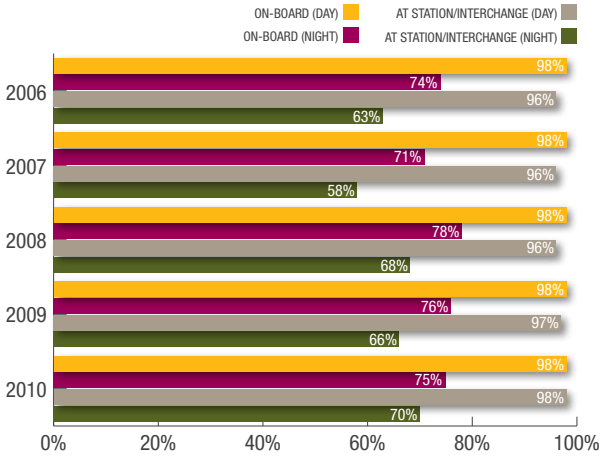
Transperth Trains: Level of overall customer satisfaction

The importance rating of the key service characteristics of Transperth's train services (other than passenger safety) and the level of satisfaction/dissatisfaction for each key service characteristic are shown in the table. Significantly, the satisfaction rating for all service characteristics except one either improved or remained unchanged.

Service characteristic	Importance rating (%)		Satisfied (dissatisfied) (%)	
	2009	2010	2009	2010
Cost of fares	68	74	66 (7)	67 (10)
Cleanliness on board	64	67	86 (5)	88 (5)
Speed of the trip	60	67	93 (3)	93 (3)
Punctuality	64	66	94 (2)	94 (2)
Availability of seats	59	63	77 (17)	78 (14)
Service frequency weekdays	49	58	85 (5)	84 (6)
Service frequency peak times	49	51	81 (12)	84 (7)
SmartRider electronic ticketing	42	37	93 (4)	94 (2)

Passenger safety

The 2010 PSM asked train users: *"How safe do you generally feel from personal interference or threat from other passengers?"*



Transperth Trains: Customer perception of safety

The accompanying graph shows the proportion of respondents who "always" or "usually" feel safe at the specified times at the specified locations.

The results for the past five years show that the proportion of passengers who generally feel safe during the day has remained high. Also, there was a significant increase in the proportion of passengers who generally feel safe at night at the station/interchange (70 per cent, compared with 66 per cent in 2009) though there was a small reduction in the proportion of passengers who generally feel safe on-board at night to 75 per cent from 76 per cent in 2009.

The PTA is committed to ensuring that all passengers feel safe on our train network at all times. To help achieve this aim, digitised CCTV footage from all train stations is monitored at a state-of-the-art facility which is manned 24 hours a day, seven days a week.

Major initiatives for 2010/11

- Provide operational expertise for the Perth City Link project and the extension to the Joondalup Line.
- Continue to take delivery of and commission into service the new three-car trains.
- Continue the installation of the Platform Detection System into A-series railcars
- Continue recruitment of staff to service customer needs on the system.

Transperth buses

Transperth's bus services are divided into 11 geographic contract areas which are periodically subject to competitive tender. Currently, services in these 11 areas are operated by three contractors:

- **Path Transit** (Marmion-Wanneroo and Morley contracts, with the Joondalup CAT contract forming part of the Morley contract).
- **Swan Transit** (Canning, Kalamunda, Midland, Southern River, Claremont, and Belmont contracts).
- **Southern Coast Transit** (Rockingham, Fremantle-Cockburn and Perth CAT contracts, with the Fremantle CAT contract part of the Fremantle-Cockburn contract).

In 2009/10, our bus system operated 305 standard timetabled bus routes and 398 school routes. On a typical weekday this involved operating 11,261 standard and 398 school service trips. Accessible buses are always used on 112 of the standard routes. A bus service frequency of 20 minutes or better is provided all day on most major corridors, with higher frequencies in peak periods.

The year's developments

- Redevelopment of Kalamunda bus station completed.
- Redevelopment of Karrinyup bus depot completed.
- Commenced redevelopment of Mirrabooka bus station.
- Service improvements during the year:
  - Introduced high-frequency services (Routes 888 and 885) between Wellington Street bus station (WSBS), Edith Cowan University (ECU) and Mirrabooka regional centre via Alexander Drive and Fitzgerald Street to cater for growing demand along this corridor. Route 998 operates between Mirrabooka bus station and WSBS; Route 885 provides additional capacity between WSBS and ECU.
  - Canning Highway service upgrade: Route 105 peak service to provide additional capacity along Canning Highway between Applecross and the Causeway; Route 111 to provide additional peak and peak-shoulder trips between Fremantle Station and Esplanade Busport via Kwinana Freeway; additional Saturday services on Route 106 on Canning Highway.
  - Introduction of a trial service between Rockingham Station and Rockingham City Shopping Centre to better cater for the needs of seniors living in the Hefron Street area.
  - Service extension on Routes 483, 484, 586, 589, 597

In 2009/10, the Transperth bus network covered 52.340 million service kilometres, an increase of 0.7 per cent over 2008/09's 51.997m. In the five-year period to 2009/10, service kilometres have increased by 6.5 per cent.

Total network capacity in 2009/10 was 3677m passenger place kilometres, a reduction of 0.4 per cent compared with 3690.9m passenger place kilometres provided in 2008/09. The average capacity of the fleet fell by 1 per cent to 70.25 in 2009/10 from 70.98 in the previous year. This was due to the increasing proportion of CNG buses in the fleet – CNG buses have a marginally lower capacity than diesel buses. As at June 30, we had 521 CNG buses in our 1146-vehicle fleet (45 per cent). A further 96 CNG buses will be delivered in 2010/11 as the existing bus supply agreement concludes.

During the year, a CNG refuelling facility was constructed at Karrinyup bus depot and commissioned in November 2009.

The safety audits of our bus contractors continued in line with standard AS 4801-OSH Management Systems. Each depot was audited at least once with other documented site visits occurring throughout the year. These regular audits and inspections have generated improved safety management systems and safety focus, and our contractors' Lost Time Injury (LTI) rate continues to be well below the industry standard.

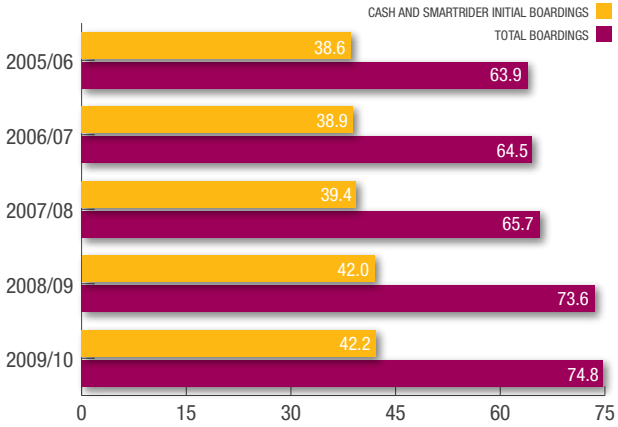
- Swan Transit was re-certified to AS4801 in May 2009 (valid to May 2012). Swan Transit has an LTI rate of 2.0.
- Path Transit was re-certified to AS4801 in August 2009 (valid to August 2012) and has achieved the WorkSafe Platinum Award. Path Transit's LTI rate is 1.3.
- Southern Coast Transit was re-certified to AS4801 in January 2008 (valid to January 2011) and has also achieved the WorkSafe Platinum Award. Southern Coast Transit's LTI rate is 2.7.

During the year, we continued to upgrade our workshop facilities to ensure that maintenance of our CNG-fuelled buses is carried out in a safe environment. The program includes gas detection sensors, alarm systems, extraction fans and the infrastructure to support the maintenance of these units including safe access ladder systems and roof-top walkways.

Cost of the service

The total cost of operating Transperth bus services in 2009/10 was $318.835 million, up 5 per cent from $303.532m last year. Operating costs rose 5.5 per cent to $268.470m from $254.501m in 2008/09. The cost increase was due to an increase of more than seven per cent in bus driver wages, the cost impact of the new CNG refuelling facility at Karrinyup, and the cost of the extra 343,695 service kilometres operated during the year.

Patronage



Transperth Buses: Patronage (millions)

In 2009/10, total boardings on Transperth bus services were 74.756 million, up1.6 per cent from 73.550m in 2008/09, when a 12 per cent increase was achieved following the start of services on the Mandurah Line. Cash and SmartRider initial boardings edged up 0.6 per cent to 42.235m from 41.963m in 2008/09 but fare-paying boardings slipped 5.1 per cent, reflecting the full-year impact of free travel for seniors, aged and disability pensioners.

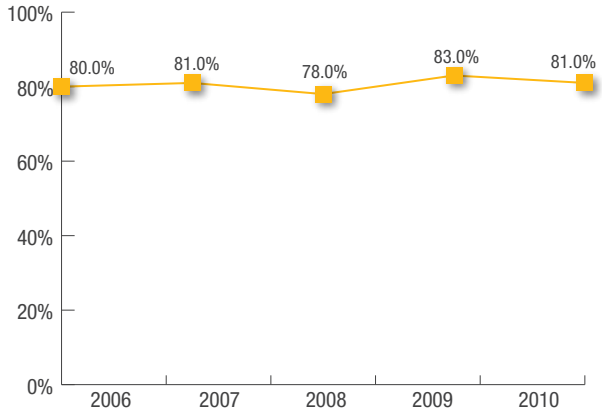
Comparing fare-paying boardings over the three months to June 30, on a like-for-like basis, showed a 1.2 per cent increase in 2010 at 9980.7m boardings compared with 9865.5m in 2009.

Contract areas recording significant increases in cash and SmartRider initial boardings were Southern River (7.9 per cent) and Midland (3.5 per cent), while Canning achieved a 1.4 per cent increase. Boardings fell in Belmont (-2.3 per cent), Kalamunda (-1 per cent) and Morley (-0.3 per cent) while other contract areas recorded marginal increases. On the Circle Route (a high-frequency service connecting major shopping centres, hospitals, universities, schools and colleges) boardings edged up 0.3 per cent.

Road congestion, particularly in peak periods and the lack of significant bus priority measures on major roads in Perth continue to impact on service reliability and may affect patronage on Transperth bus services.

In 2009/10 Transperth buses operated 52.340 million service kilometres, up 0.7 per cent from 51.997m in 2008/09. On a per service kilometre basis, cash and SmartRider initial boardings remained unchanged at 0.807 between 2008/09 and 2009/10, while total boardings increased by 1.0 per cent to 1.428 from 1.415.

Passenger satisfaction



Transperth Buses: Level of overall customer satisfaction

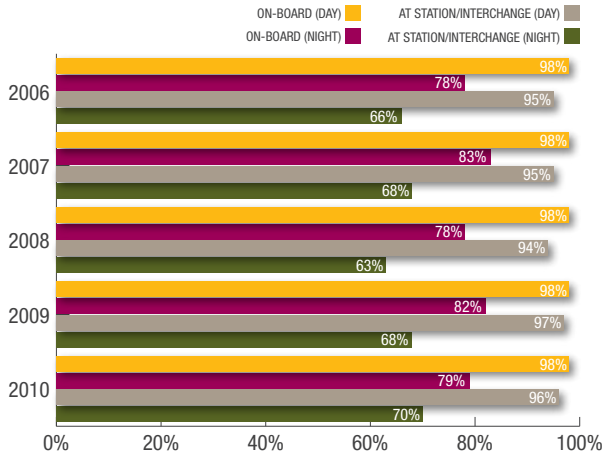
The 2010 PSM showed a marginal decline in the proportion of Transperth bus users who expressed overall satisfaction with the system – 81 per cent compared with 83 per cent in 2009. Poor results in the Morley contract area and concerns over personal safety on board at night were key factors in the downturn.

The importance rating of the key service characteristics (other than passenger safety) and their respective levels of satisfaction are shown in the accompanying table. In 2010, users identified “service frequency peak times” as a key service characteristic, replacing “service frequency weekends”. The satisfaction rating for “cleanliness on board” was unchanged and for “shelter provided at the bus stop” it went up, but for the other main characteristics, the satisfaction rating eased slightly.

Service characteristic	Importance rating (%)		Satisfaction (dissatisfaction) (%)	
	2009	2010	2009	2010
Punctuality	65	65	83 (8)	79 (10)
Cost of fares	61	59	66 (7)	65 (8)
Service frequency weekdays	64	58	69 (20)	68(20)
Shelter provided at the bus stop	59	54	71 (22)	72 (20)
Cleanliness on board	55	52	91 (3)	91 (3)
Speed of the trip	48	52	92 (3)	89 (4)
Availability of seats	49	48	92 (5)	91 (5)
Service frequency peak times		42		77 (14)

Passenger safety

In the 2010 PSM, bus users were asked: *"How safe do you generally feel from personal interference or threat from other passengers?"* The accompanying graph shows the proportion of respondents who "always feel safe" or "usually feel safe" at the specified times/locations on the bus network.



Transperth Buses: Customer perception of safety

Results for the past five years show that almost all passengers generally feel safe on board our buses and at station/interchanges during the day. Though the proportion of users who feel safe at night on board fell to 79 per cent from 82 per cent, the proportion of users who felt safe at night at station/interchanges increased to 70 per cent from 68 per cent.

The security concerns expressed by passengers who travel on our buses at night have been given particular attention. While noting that most passenger security concerns are based on perception rather than actual events, we focussed even further attention on improving bus system security.

In addition to security officers at major bus stations, mobile patrols, CCTV at bus stations and on all new buses, the following improvements were implemented in 2009/10:

- Increased mobile security patrols with the addition of six new cars to the fleet of 11 patrol cars resulting in a 121 per cent increase in the number of man-hours attributable to mobile security.
- Targeting hotspots with security resources using information from the comprehensive security incident database maintained by Transperth to record all security incidents by location/route.
- Launched Operation Cleanskin in response to public concern and escalating costs to repair graffiti vandalism to bus rolling stock. Under this program, selected "cleanskin" buses are closely and regularly monitored and if evidence of scratching is found, an immediate CCTV review is undertaken to identify the perpetrator and refer the matter to Police for investigation.
- Upgraded CCTV at bus stations.
- Installed driver duress alarms on all buses.
- Installed security cabs on all buses used after 6pm.

Major initiatives for 2010/11

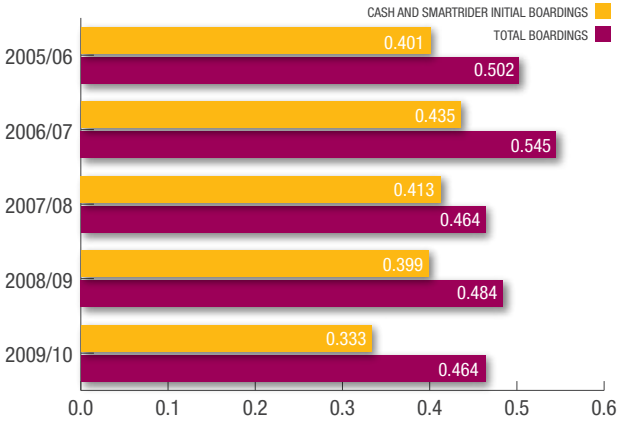
- Upgrade Mirrabooka bus station.
- Service improvements:
  - Frequency and/or operating hours of the Perth CAT services (Red, Yellow and Blue)
  - Frequency of Beaufort Street services (routes 22,67and 68)
  - A high-frequency spine on Ellenbrook and Morley services (routes 955 and 956) and changes to the feeder bus network
  - Frequency of Guildford Road services (routes 41,42,43,44 and 48) in two stages – stage 1 to improve Sunday services and stage 2 to upgrade weekday services
  - Extension of route 19 to serve Dog Swamp Shopping Centre
  - Upgrade weekday inter-peak and peak shoulder services on Scarborough Beach Road, Wanneroo Road and Cambridge Street.
- Trial of bus service linking Armadale Station and Cockburn Station.

Transperth ferries

Two Transperth ferries operate between the City (Barrack Street) and South Perth (Mends Street) providing 80 services on an average weekday from September to April and 60 services on an average weekday from May to August. The service has been competitively tendered since 1995, and is currently provided under contract by Captain Cook Cruises.

Just prior to the start of the year a new ferry, the *MV Phillip Pendal*, was commissioned and started services. This vessel replaced the *MV Countess II*, and operates as the primary vessel, with the *MV Shelley Taylor-Smith* now the back-up vessel.

Patronage



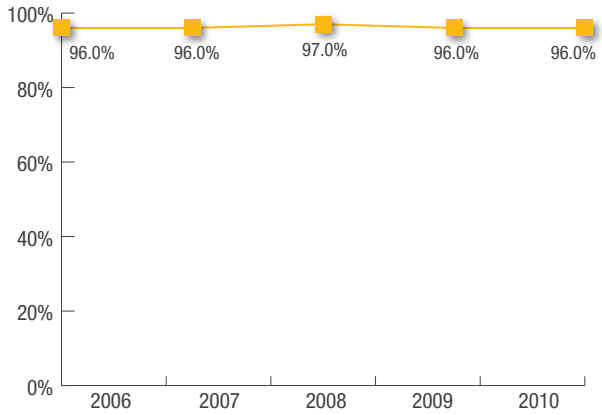
Transperth Ferries: Patronage (millions)

The ferry service represents only a very small proportion of Transperth system patronage (less than 0.5 per cent). Tourism has a significant impact on this business – tourists account for about half our ferry passengers. Consequently ferry patronage tends to fluctuate with the level of tourist traffic.

In 2009/10, total boardings fell 4.1 per cent and cash and SmartRider initial boardings fell by 16.7 per cent. As was the case with the other modes, fare-paying boardings on the ferry were affected by the introduction of free travel for seniors and aged and disability pensioners. Over the three months to June 30 (i.e. on a like-for-like basis, with the free travel included in each period), fare-paying boardings fell 17.4 per cent, from 87,057 in 2009, to 71,878.

On a per kilometre basis, total boardings fell 4.1 per cent to 13.430 from 14.008, while cash and SmartRider initial boardings fell 16.8 per cent to 9.627 from 11.565.

Passenger satisfaction



Transperth Ferries: Level of overall customer satisfaction

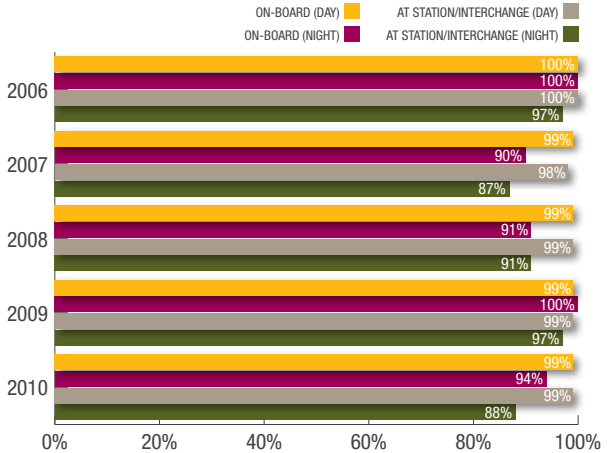
The 2010 PSM showed that a very high proportion of passengers continued to express satisfaction with our ferry service overall, continuing the trend of the past five years (and longer).

The importance rating of the key service characteristics (other than passenger safety) and their respective levels of satisfaction are shown in the accompanying table. In 2010, “temperature on board” replaced “access to ticket purchase facilities” as a key service characteristic. The level of satisfaction for “speed of the trip” and “availability of seats” improved but the others all slipped slightly – though they still ranged between 75 and 99 per cent.

Service characteristic	Importance rating (%)		Satisfaction (dissatisfaction) (%)	
	2009	2010	2009	2010
Cost of the fare	77	59	84 (1)	80 (2)
Cleanliness on board	76	59	100	99 (0)
Punctuality	57	52	100	94 (1)
Shelter at the jetty	65	49	79 (18)	75 (14)
Speed of the trip	53	46	96 (4)	99 (0)
Temperature on board		44		89 (4)
Service frequency weekdays	61	42	85 (8)	79 (5)
Availability of seats	60	40	97 (2)	99 (0)

Passenger safety

In the PSM, ferry users were asked *"How safe do you generally feel from personal interference or threat from other passengers?"* The accompanying graph shows the proportion of respondents who "always" or "usually" feel safe at the specified times/locations.



Transperth Ferries: Customer perception of safety

Results over the past five years show that almost all ferry passengers feel safe on board and at the jetty during the day. The proportion of users who felt safe on board at night fell from 97 per cent in 2009 to 94 per cent and the proportion who felt safe at the jetty at night fell from 97 per cent to 88 per cent.

Regional Town Bus Services

The PTA manages bus services in 14 regional towns in country WA. Seven of these towns have an intra-town bus service, while all 14 have a town school bus service. In addition, we provide five inter-town regional services, four servicing the Pilbara area and one in the Goldfields.

Objectives and outcomes

OBJECTIVE	OUTCOME
Conduct field visits and audit all contractors' performance and passenger boardings.	Audits were carried out in Albany, Busselton, Bunbury, Carnarvon, Geraldton, Esperance, Karratha, Port Hedland and Kalgoorlie.
Continue with a programmed approach to reviewing regional bus services.	Service reviews were undertaken in Geraldton, Bunbury and Kalgoorlie.
Develop solutions for regional transport problems in consultation with local communities.	Community consultation was undertaken in Geraldton and Bunbury to gauge community sentiment in relation to network changes, with positive results. In addition, the SmartRider ticketing system was successfully introduced in Busselton in December 2009.

The year's developments

Under the four-year regional bus replacement program, which began in 2007/08, 41 newer buses will progressively be transferred from the Transperth fleet to regional town operators. This will include sufficient low-floor (accessible) and air conditioned buses to operate the timetabled town bus services. This program will ensure that the regional bus fleet meets Federal disability access standards. It is also reducing the average age of the regional fleet to around 12 years and improving the standard and comfort of regional bus services. Currently there are 56 low-floor accessible buses operating in regional areas.

Service review highlights during the year included:

- Geraldton services were reviewed, and changes made to town and school services. Many dedicated school services were replaced with town services deviating to schools to provide the entire community with additional travel options. The town network was also extended into new and developing areas to address growth. All service changes were based on patronage data from the SmartRider ticketing system.
- Kalgoorlie services were reviewed prior to the introduction of the SmartRider ticketing system, scheduled for July 2010. However, service changes will not start until SmartRider patronage data is available to shape the review recommendations.
- A comprehensive review of Bunbury services began this year. Widespread changes are required across the town and school service network to meet the changing needs of the community and address growth in outer suburbs. In consultation with the community and key stakeholders, we have been working with the local operator, Bunbury City Transit, to develop a new bus network. This review is ongoing, and service changes are scheduled to be implemented in September 2010.

During the year, a number of service audits were carried out on the PTA's regional town bus service contractors in Busselton, Bunbury, Carnarvon, Geraldton, Esperance, Karratha, Port Hedland and Kalgoorlie. The audits involved checking route effectiveness, operational record-keeping, patronage statistics and occupational safety records.

SmartRider ticketing was rolled out in Busselton in December 2009. To facilitate the new system, new bus stops had to be sited and installed throughout the town. The Busselton fleet was replaced with a wholly PTA-owned fleet and the service re-branded to TransBusselton with a bus livery consistent with the Transperth fleet. Kalgoorlie will be the next town to receive an upgrade to SmartRider ticketing, due to start in July 2010.

REGIONAL TOWN BUSES SNAPSHOT OF 2009/10

Manages bus services in 14 country towns in country WA, plus five inter-town regional services

Under regional bus replacement program, 41 buses transferred from the Transperth fleet, reducing the age of the regional fleet, improving its amenity (air conditioning) and meeting Federal disability standards – there are now 56 low-floor accessible buses in regional areas

Simultaneous with the Busselton launch of SmartRider, new bus stops were installed, the local fleet replaced with PTA-owned buses and the service re-branded as TransBusselton

Cost of the service

The cost of operating regional bus services in 2009/10 was $15.8 million, an increase of 10.5 per cent from $14.3 million in 2008/09. For intra-town services, the cost rose by 11 per cent from $13.6 million to $15.1 million, while the cost of inter-town services increased by 3.6 per cent from $0.702 million to $0.727 million.

Patronage

Total boardings on regional bus services increased 4.7 per cent from 2.363 million in 2008/09 to 2.473 million, while fare paying boardings of 2.089 million remained at the same level as 2008/09.

On intra-town services, total boardings showed an increase of 4.7 per cent to 2.466 million, while fare paying boardings rose by 0.05 per cent to 2.083 million. Both of these figures represent eight year highs. On inter-town services, both total and fare paying boardings decreased by 21.2 per cent, due mainly to the winding back of the Karratha, Dampier, Roebourne , Wickham and Point Sampson service from four to two days a week.

Passenger consultation

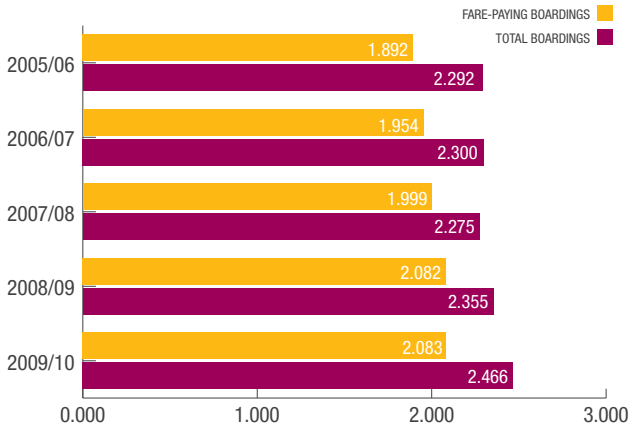
Typically, passenger consultation sessions are undertaken before major service changes occur. Passenger consultation was held in Geraldton in November 2009 prior to new town and school services starting in January 2010. The consultation results were largely in favour of the proposed changes. Public consultation also took place in June 2010 for the Bunbury service changes, with results yet to be finalised.

Planned major initiatives for 2010/11

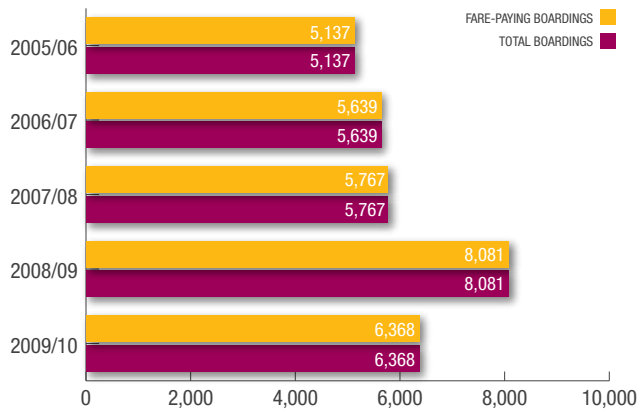
- Installation of the SmartRider ticketing system in Kalgoorlie
- Installation of Global Positioning System (GPS) bus stops in the greater Bunbury area for the accurate recording of data into the Transperth Route Information System (TRIS)
- Continuation of the scheduled bus replacement program, with Transperth buses transferred to regional centres to improve the standard and comfort of regional services
- Purchase of land and construction of a new bus depot in Busselton
- Possible purchase of land for new bus depot in Bunbury

Major service reviews scheduled for 2010/11 include:

- Completion of the Bunbury services review, with changes scheduled to be implemented in September 2010
- Review of Busselton/Dunsborough services to incorporate new developments in the region and an extension of the Public Transport Area
- Kalgoorlie post-SmartRider review of town and school services in 2011
- Albany town and school services review in 2011



Regional intra-town bus services: Patronage (millions)



Regional inter-town bus services: Patronage

School Bus Services

The PTA manages the policy and entitlement framework, system management and contract management of more than 800 orange school bus services around the State. These buses provide access to school for students in rural areas, picking them up from the farm gate (where appropriate), as well as providing access to schools in metropolitan areas for students attending special education facilities. Responsibility for the management of these services rests with the School Bus Services (SBS) branch within Transperth.

In 2009/10, the school bus network was made up of 706 school buses servicing mainstream schools, 118 servicing special education facilities, and three regular public transport service arrangements. Around the state, these services were accessed each school day by 26,200 students, using mainly the contracted orange school buses.

Where eligible students could not be accommodated on a school bus, their parents/carers were paid a conveyance allowance to defray the cost of getting their children to the nearest appropriate school. Transport assistance was also provided to students attending special education facilities, mainly in large regional towns and in metropolitan Perth.

Cost of the service

The cost of providing 824 school bus services (inclusive of our seat belt program) and the payment of conveyance allowance was $90.3 million in 2009/10. Including administration and corporate on-costs took the total for 2009/10 to $97.3m.

Objectives and outcomes

OBJECTIVE	OUTCOME
Provide transport assistance for eligible students to attend their nearest government or non-government school offering the appropriate year of study.	Currently operating 824 orange school bus contracts or paying a conveyance allowance to entitled students at a total cost of $90.3 million (includes seat belt fitment project).
Ensure the transport assistance provided to students is appropriate, cost-effective, safe and fair in its application.	Continued to manage the introduction of seat belts on government-funded school buses. Conducted two safety inspections on every school bus in the fleet.
Ensure all service contracts are managed effectively and efficiently in accordance with agreements made between the Minister, the PTA and individual contractors and/or their representatives.	Reviewed special education bus routes in metropolitan Perth and regional towns. Reviewed school bus routes that serve the fringes of metropolitan Perth.

All orange school buses are operated by private contractors. Four contract/service models were used to provide student transport support:

- Composite Rate Model (CRM) contracts (20-30 years in duration) – 692 contracts
- Fixed-term contracts (1-15 years since 1995) – 131 contracts
- Bunbury Regional School Bus cluster contract – one contract
- Regular passenger transport (licence arrangement with fare subsidy) – three arrangements

The CRM is an average cost model which was implemented in January 2004 and provides for contractor payments, with the cost elements of the payment model being reviewed over a three-year cycle by an independent review panel. The Bunbury cluster contract, previously operating under a licensing arrangement in Bunbury, has a fixed term.

Description of services

In 2009/10, the average cost per contract kilometre rose 1.5 per cent due to:

- An increase in the number of orange school bus contract services from 821 in 2008/09 to 824; and
- additional transport services provided on behalf of the Department of Education.

The service reliability measure covers rural mainstream services and education support school buses operating in the Perth metropolitan area, and is based upon arrival less than 10 minutes before school starts and departure less than 10 minutes after school finishes. In 2009/10, service reliability was 97 per cent (97 cent per cent in 2008-09). SBS also processed 4,719 conveyance allowance claims for eligible recipients – 8.699m conveyance kilometres were travelled, costing $1.73 m in eligible payments.

The year's developments

On 12 October 2009, the PTA launched its new website as part of its *Log on before you Hop on* campaign. The website is designed to provide families and other stakeholders with a more streamlined way to conduct their business with SBS. The website, which also contains information on policies and procedures, allows parents to lodge and track applications for transport assistance, lodge claims for conveyance allowance and make changes to their address and contact information.

Other initiatives this year include the creation of an enhanced student database, the computerisation of contract administration, and the computerisation of vehicle inspection records. SBS vehicle inspectors now take laptops into the field and are able to upload/download data as required to complete reports and forward completed reports.

SCHOOL BUSES SNAPSHOT OF 2009/10

Network of 706 school buses servicing mainstream schools, 118 servicing special education facilities and three regular public transport service arrangements

Services (mainly the contracted orange school buses) accessed each school day by 26,200 students

Inspection records computerised – SBS vehicle inspectors now take laptops into the field and can upload/ download data as required

As at June 30, 499 school buses (59 per cent of the contracted fleet) were fitted with seat belts

A number of services were reviewed to ensure that we are meeting the needs of eligible students entitled to transport assistance, and various outcomes were achieved:

- Two new services will be introduced to Merredin from the start of term 3, 2010.
- A new service to Moorine Rock from the start of term 3, 2010.
- Two new services to Hyden started in February 2010.
- A new service to Walkaway started in February, 2010.
- A new service to Kukerin started in February, 2010
- Services operating to Boyup Brook, Narrogin, Brookton, Capel, Borden and Kojonup were adjusted to streamline travelling times and make better use of bus-carrying capacities.

Major initiatives for 2010/11

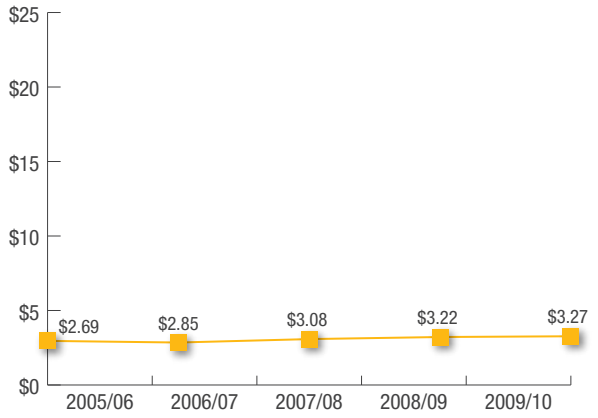
It is now government policy that from 1 July 2010, all new buses will have air conditioners and an automatic transmission, and contractors will be paid to operate air conditioners (where fitted) all year round.

To maximise efficiency, we will continue to review our operations, including:

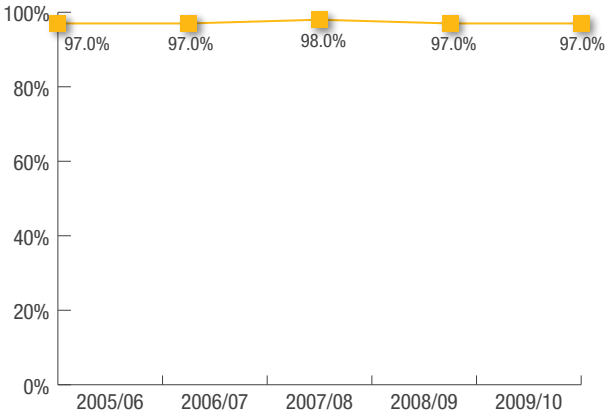
- services operating in Perth metropolitan fringe (ie Wanneroo, Bullsbrook, Ellenbrook, Mundaring and Midland) areas;
- rural services in Geraldton, Bindoon, Cunderdin, Buntine, Mukinbudin, Wyalkatchem, Wyndham, Warmun, Balgo, Bidydanga, Ngalapita, Walpole, Denmark, Albany, Margaret River, Manjimup, and Waroona; and
- education support services in Bunbury.

We will also continue to liaise with the Department of Education and Training to review the student transport assistance policy with regard to reviewing transport provision when school facilities are opened or closed.

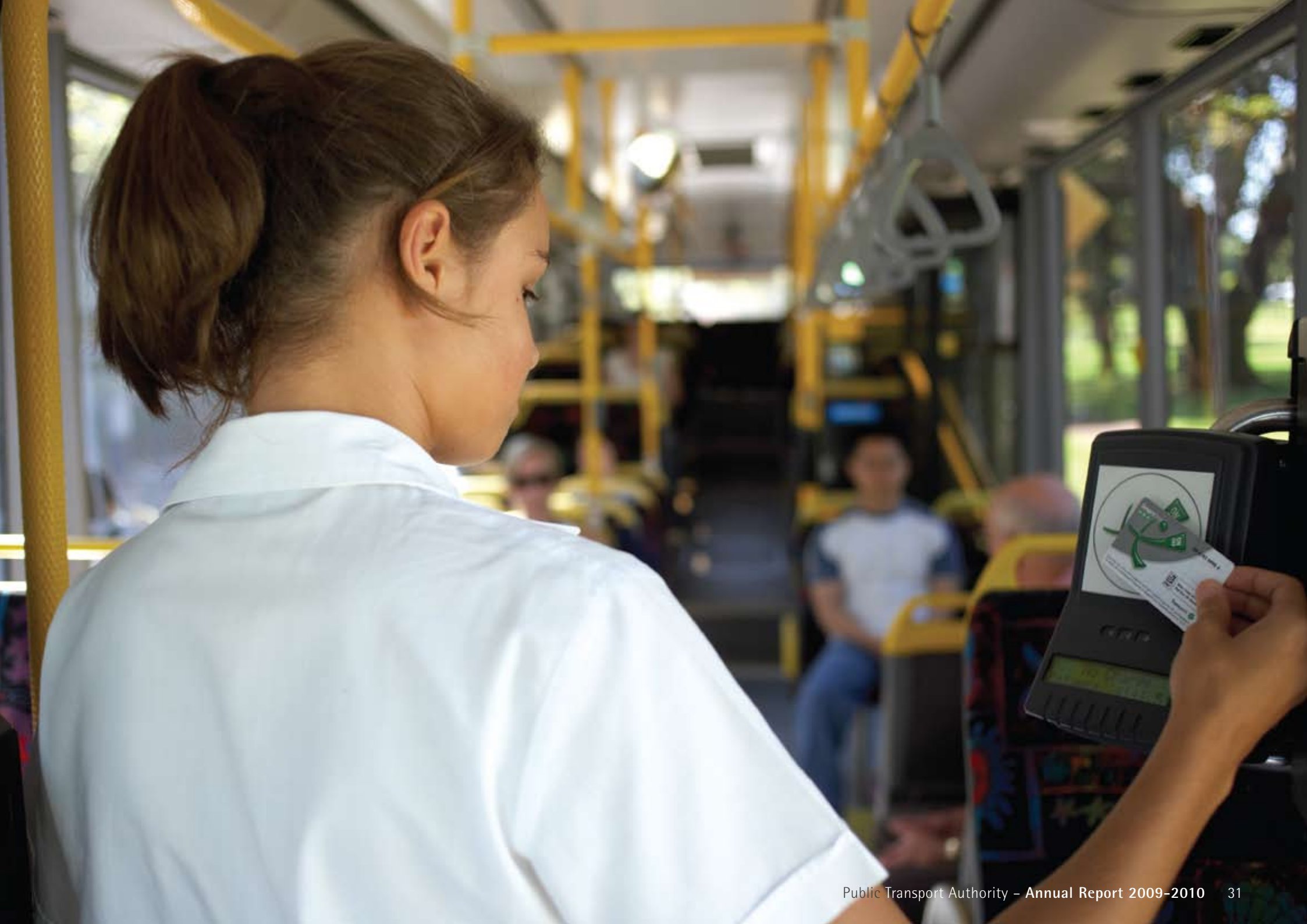
At year-end, 499 school buses (59 per cent of the contracted fleet) were fitted with seat belts.



School Bus Services: Average cost per contracted kilometres



School Bus Services: Service Reliability



Transwa

Transwa is the brand and operating name for the road and rail public transport system serving regional centres in the southern half of Western Australia. Our purpose is to provide a customer-focussed, safe and cost-effective public transport service to regional Western Australia.

We monitor our performance against a range of non-financial and financial indicators such as customer satisfaction, on-time running (OTR) and cost per passenger kilometre.

Objectives and outcomes

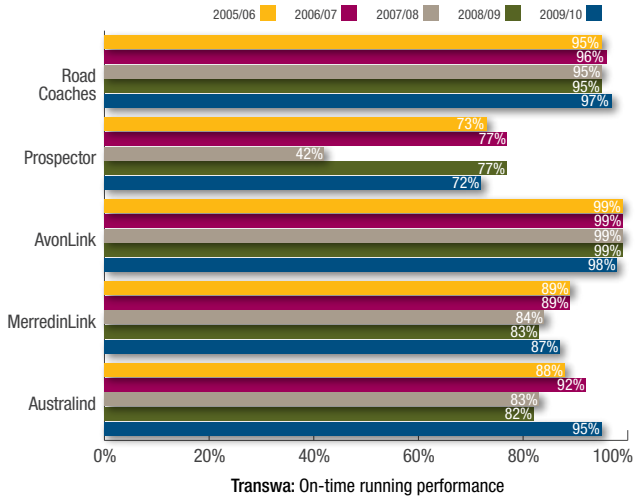
OBJECTIVE	OUTCOME
To provide customer-focussed passenger transport services for regional Western Australia.	Transwa maintained a high level of overall customer satisfaction indicated by the 90 per cent PSM result for 2010. The attributes of cleanliness, punctuality and on-board comfort again rated highly reflecting Transwa's commitment to continuous improvement.
To provide safe and cost-effective passenger transport services for regional Western Australia.	Transwa's emphasis on safety continued. The Safety Committee met on a regular basis to address issues as they arose and staff continued to receive appropriately-targetted safety-related training.
Services to arrive within acceptable punctuality parameters.	Our OTR improved in most areas during 2009/10 with AvonLink and road coach services maintaining the consistent high levels achieved since 2003/04. The Prospector and MerredinLink services were adversely affected by speed restrictions applied around track and culvert worksites. The Australind improved significantly following an extended period of track work in 2008/09. The following results were achieved: Australind – 95 per cent of services arrived within 10 minutes of schedule AvonLink – 98 per cent within 10 minutes MerredinLink – 87 per cent within 10 minutes Prospector – 72 per cent within 15 minutes Road coaches – 97 per cent within 10 minutes

Review of performance

Service reliability

The key performance indicator is OTR and the 2009/10 targets were:

Prospector	90 per cent of services to arrive within 15 minutes of schedule
Australind	90 per cent within 10 minutes
AvonLink	95 per cent within 10 minutes
MerredinLink	95 per cent within 10 minutes
Road coaches	95 per cent within 10 minutes



Transwa: On-time running performance

The road coaches maintained a high level of reliability – 97 per cent of services arrived within the time parameter, continuing a long record of performance at or above target. Results for the AvonLink also remained high at 98 per cent and the MerredinLink improved to 87 per cent from last year's 83 per cent. Prospector services continued to experience delays due to speed restrictions around culvert and track worksites, resulting in an OTR rate of 72 per cent. Following the completion of major track works last year, the Australind's performance improved significantly and was above target at 95 per cent.

TRANSWA SNAPSHOT OF 2009/10

Overall patronage slipped back 3.7 per cent, with possible affecting factors including the opening of the new Bunbury Highway

PSM showed that 90 per cent of our customers are happy with the overall quality of Transwa services

Expanded on-line booking functionality to allows Seniors (with SmartRider cards) to book concession tickets on-line

Launched a refreshed, modernised website

Acquired a new 50-seat Scania road coach, to complement existing fleet

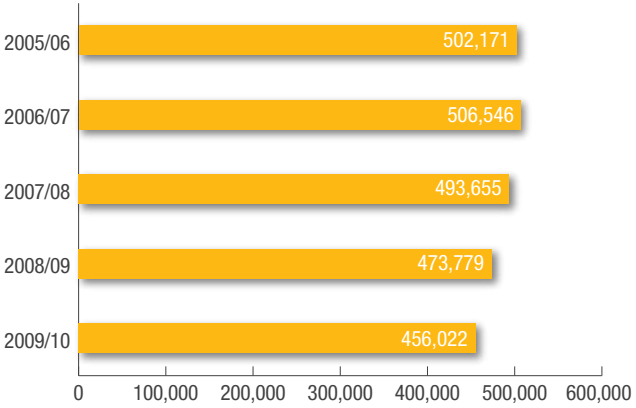
Upgraded the Kalgoorlie platform

Interstate seniors granted concession under the National Seniors Transport Scheme

Trends in patronage

Overall patronage decreased by 3.7 per cent, driven largely by a 5.6 per cent drop in patronage on the Prospector and a 5.5 per cent drop in patronage on our coaches. Some of the factors that may have contributed to the overall decline are:

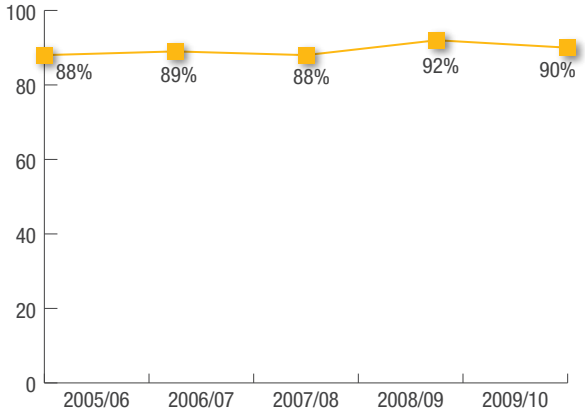
- the general economic downturn;
- fare increases; and
- opening of the new Bunbury Highway.



Transwa: Total Patronage

Passenger satisfaction

A high level of customer satisfaction was achieved in 2009/10 with 90 per cent of passengers either satisfied or very satisfied. This result is down slightly from last year's all time high result of 92 per cent.



Transwa: Level of overall customer satisfaction

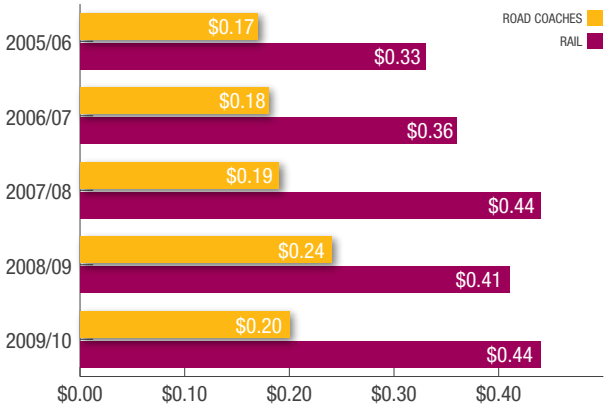
Passenger safety

Transwa continued to provide a very safe service for customers through its continued commitment to safety systems, procedures and processes. The number of passenger injuries during the year remained low.

Efficiency

There was an overall decrease in the expected cost of providing Transwa services mainly due to a lower-than-expected fuel price and better-than-expected mechanical performance of the railcars, allowing for some maintenance spending to be deferred until 2010/11.

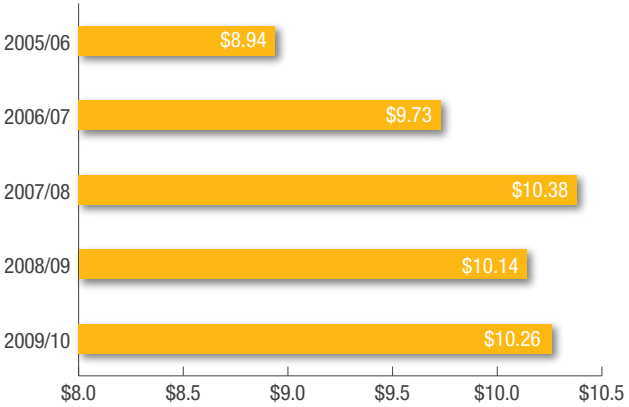
In addition, cost efficiencies were achieved by reducing the advertising/marketing expenditure of the division.



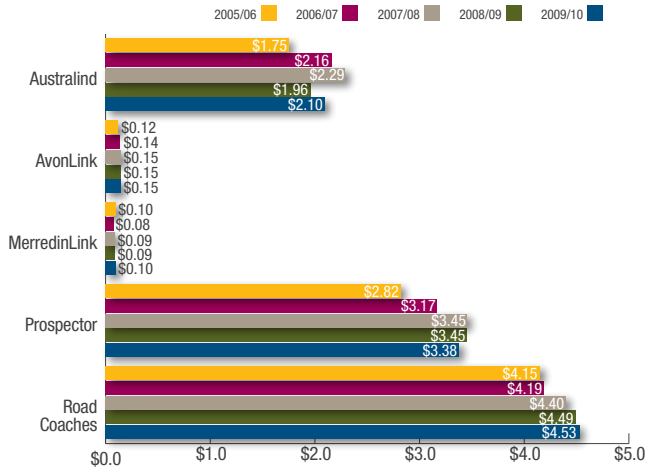
Transwa: Average cost per passenger kilometre

Revenue and expenditure

There was an overall 1 per cent increase in revenue in 2009/10 as a result of fare increases introduced from 1 July 2009 partially offset by a 3.7 per cent reduction in patronage. Catering revenue helped increase results for the Australind above last year's figure which was affected by an extended period of service disruptions due to track works.

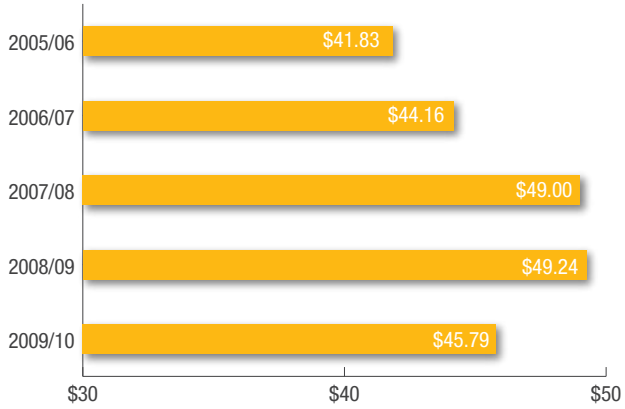


Transwa: Revenue (million)



Transwa: Revenue (million) by service

Expenditure was lower than in 2008-09, due mainly to a lower-than-expected fuel price and the better than expected mechanical performance of the railcars, allowing for some deferred maintenance spending until 2010/11.



Transwa: Expenditure (million)

Service information

The combined effect of WestNet Rail's rolling program of track upgrade work, speed restrictions and crossings with other trains impacted on the OTR performance of the Prospector, which ended the year at 72 per cent. Patronage was down 5.6 per cent.

Australind patronage increased by 0.6 per cent against a 2008/09 figure which was significantly impacted by a major track upgrade program. Following completion of this work, OTR was very good at 95 per cent.

The MerredinLink's OTR improved to 87 per cent (from last year's 83 per cent) and the AvonLink continued to perform very well at 98 per cent. AvonLink patronage fell 4.6 per cent while MerredinLink patronage remained virtually unchanged.

Our road coaches experienced a steady decline in patronage in 2009/10, ending the year down by 5.5 per cent, however OTR recorded a long term high at 97 per cent.

In the future

Transwa will continue to implement initiatives to improve customer service and information. In 2009/10, we started a process to upload all our services on to Google Maps, thus incorporated them into the Google Transit journey planner functionality. Once this process is complete and tested, a link will be created in the Transwa website, making it easier for customers to plan their journey with Transwa.

During 2010/11 we hope to start construction of a shop front on Platform 3 at Perth Station. This will provide improved service for Australind customers and serve as an outlet delivering the full range of Transwa services.

Transwa trains

In 2009/10, we ran four distinct train services:

- The Australind runs daily return services between Perth and Bunbury for a total of 28 services a week
- The Prospector runs 18 services a week between Perth and Kalgoorlie
- Between Northam and Midland the AvonLink provides two services each weekday (except on public holidays)
- The MerredinLink provides six all-stops services between East Perth and Merredin each week, operating on Mondays, Wednesdays and Fridays, with the exception of public holidays.

The train fleet consists of 14 railcars – seven Prospector, two AvonLink (also used to provide MerredinLink services) and five Australind railcars.

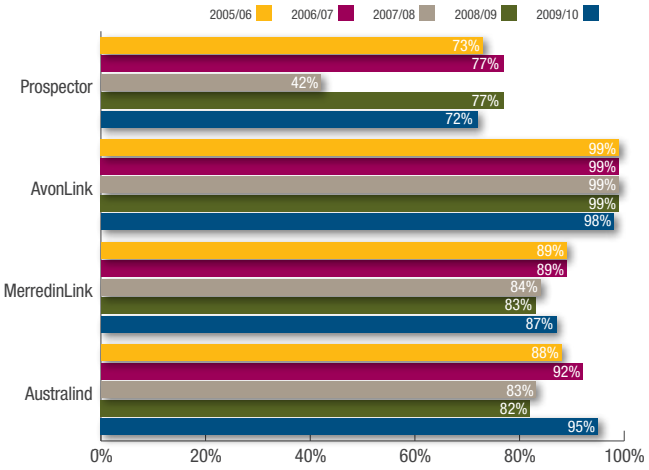
In 2009/10 Transwa employed 17 Railcar Drivers based at East Perth and Bunbury. The on-board services on the Australind are provided by Bunbury-based Transwa staff and a contractor provides on-board services on the Prospector, AvonLink and MerredinLink.

The year's developments

Replacement of the carpet and galley flooring in the Prospector railcars was completed in 2009/10 and will provide benefits both in appearance and ease of cleaning. Power points were installed at every passenger seat location on the Prospector and AvonLink, providing greater access for passengers to use their own laptops and other portable devices.

The manufacturing of the new seats for the Australind was completed and we are awaiting delivery. The new seats will be fitted to the railcars in 2010/11.

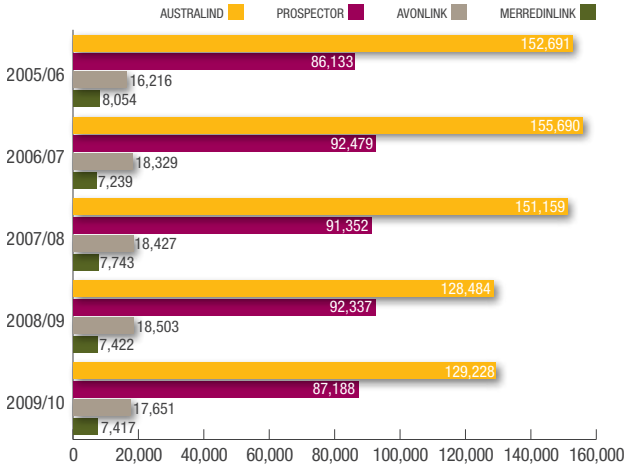
Transwa continued with their ongoing commitment to safety throughout the year.



Transwa Trains: On-time running performance

Patronage

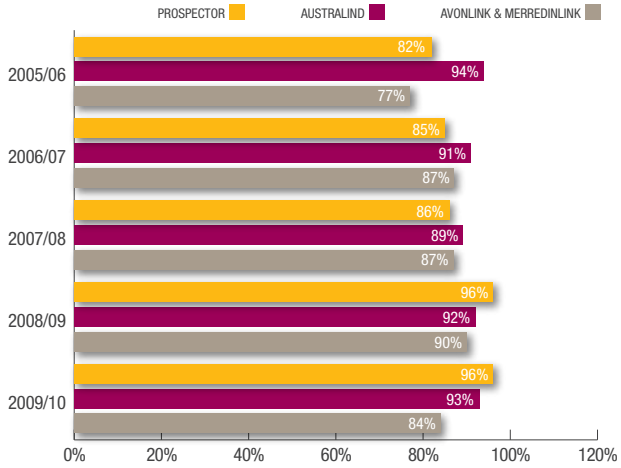
Due to a variety of factors, including the general economic downturn, patronage on Transwa rail services fell by 2.1 per cent mostly reflected on the Prospector and AvonLink services.



Transwa Trains: Patronage

Passenger satisfaction

The PSM continued to show excellent overall satisfaction levels for Transwa trains, with the Prospector remaining steady at 96 per cent and satisfaction with the Australind improving slightly to 93 per cent. The combined results for the AvonLink and MerredinLink were down to 84 per cent from last year's all time high result of 90 per cent.



Transwa Trains: Customer satisfaction

Infrastructure

Work was completed on the construction of a security compound in Kalgoorlie for overnight stabling of the Prospector. The only remaining item is the installation of artistic panels in keeping with the heritage nature of the site. Work commenced on Prospector major engine and transmission refurbishments, as well as bogie overhauls, with much of the work being undertaken at the Kewdale depot. Transwa continues to seek funding for the construction of additional facilities at Kewdale to ensure efficient replacement of major components, thus preventing any disruptions to services.

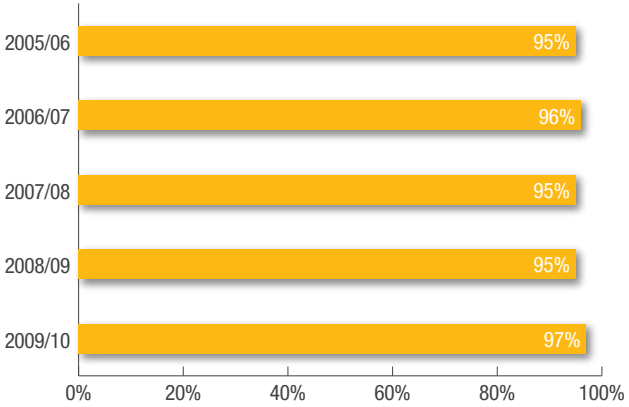
Transwa road coaches

During the year we operated 144 road coach services each week and employed 34 Road Coach Operators for our fleet of 21 five-star coaches.

The year's developments

The program of preventative and restorative maintenance – including repainting, equipment upgrades and mechanical overhauls – continued, and our road coaches offer customers a high level of comfort, reliability and amenity. To facilitate this program, an additional second-hand coach was purchased and is expected to enter service in August 2010 increasing the fleet size to 22 vehicles.

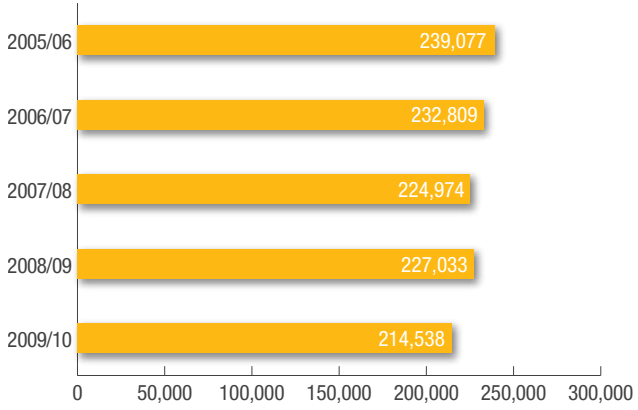
Timetable changes were made to take account of changed running times as a result of the opening of the new Bunbury Highway.



Transwa Road Coaches: On-time performance

Patronage

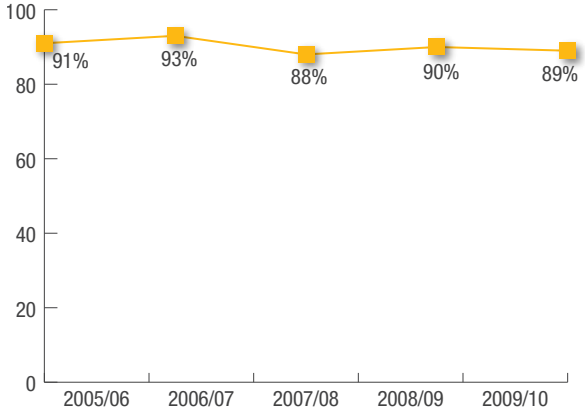
Most of our coach routes experienced a decline in patronage, with the overall year-end result being 5.5 per cent down on the 2008/09 result.



Transwa Road Coaches: Patronage

Passenger satisfaction

The 2010 PSM shows 89 per cent of customers either satisfied or very satisfied with Transwa road coach services, down 1 per cent from 90 per cent the previous year.



Transwa Road Coaches: Level of overall customer satisfaction

Infrastructure

Global Positioning System (GPS) devices have now been installed across the whole Transwa fleet. These devices will ensure we are able to maintain contact with all services even in isolated areas, offering improved safety and real-time performance information benefiting both Transwa and its customers.

Network and Infrastructure

The PTA's Network & Infrastructure (N&I) division is responsible for the management and maintenance of the urban passenger rail network, the design and delivery of our asset investment program, and the delivery of our information technology.

N&I has a service level agreement with Transperth Train Operations (TTO), which details its responsibility for the provision and maintenance of the infrastructure required by TTO to operate train services reliably, efficiently and safely.

N&I's focus is on providing and maintaining our rail infrastructure at a high reliability level. In turn, this enables TTO to provide a high-quality train service to the PTA's customers.

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Strategic asset management

To ensure the provision of high-quality train services into the future, it is essential that the PTA continues to maintain and replace its assets.

For this reason, we are enhancing our asset management systems, with an emphasis on long-term planning using the Ellipse tool.

In addition, asset management plans will be developed with a focus on asset performance standards, asset replacement strategies and strategic level asset maintenance requirements over the medium and long-term horizons.

A project team lead by an Executive Director has been established to provide the required focus.

Maintenance

Most of the division's resources are allocated to maintenance, both planned and breakdown.

Routine maintenance is planned carefully to ensure the infrastructure is both safe and absolutely reliable. This ensures that our customers continue to enjoy a safe, dependable train service.

The division also deploys its resources to ensure a rapid response to any breakdowns, again minimising the impact on customers.

A highly visible category of the assets is the 70 stations. As well as ensuring that all station facilities are reliable,

considerable effort is made to have them well presented. This is achieved through regular cleaning and periodic large maintenance items such as high-pressure water cleaning and painting.

Asset investment program

Parking facilities program – Better Transport System (3000 car bays)

The Better Transport System Project will deliver 3000 car bays on the Joondalup and Mandurah lines over the life of the program. In 2008/09, 430 bays were added in the network at Edgewater, Greenwood and Murdoch stations. In 2009-10 a further 1311 car bays were completed at Greenwood, Whitfords, Cockburn, Mandurah, Warnbro, Clarkson and Rockingham stations. The remaining car bays will be completed in 2010/11, 2011/12 and 2012/13 at a total cost of $51 million.

Karrinyup bus depot

A major upgrade of this depot was completed. This included a new office complex, workshop facility, refuelling facility (including compressed natural gas and diesel), bus steam cleaning and washdown facility and staff and visitor car park. The total cost was $8.0 million.

Mirrabooka bus station upgrade

The upgrade of the Mirrabooka bus station is being undertaken as the first stage of the Mirrabooka Regional Centre Improvement Strategy (MRCIS), coordinated by the City of Stirling. This upgrade is an essential part of the City's plan to revitalise this important centre. The works will include improved disability access, improved lighting, improved security systems and a new pavilion-style entrance building incorporating a new kiosk, customer service booth, staff toilets, public toilets, crib room and communications room.

Edgewater Station

A $7 million project to increase the level of weather protection for customers started this year. Additional protection is being provided on the platform, access stairway and footbridge. Disability access will be enhanced through the provision of a new lift to the platform. This major upgrade is scheduled for completed in the first quarter of 2011.

Armadale Station Stage 2

Work has started on the Park 'n' Ride facility to include a new drop-off area as well as an additional 100 bays. The east entrance to the station is being developed and permanent parking facilities being constructed. It is scheduled for completion by end-2010 at a budgeted cost of $2.5 million.

N&I SNAPSHOT OF 2009/10

More than 1300 new car parking bays built at Greenwood, Whitfords, Cockburn, Mandurah, Warnbro, Clarkson and Rockingham stations

Completed redevelopment of Kalamunda bus station

Completed major ($8.0m) upgrade of the Karrinyup bus depot, including office complex, workshop, refuelling (CNG and diesel) and cleaning/washdown facilities, and parking

Wooden sleepers replaced by concrete on the Midland Line, the last of the urban branch lines to be re-sleepered

Work continued on a detailed conservation and restoration program at Fremantle Station

Work started on:

- **A major upgrade of Mirrabooka bus station**
- **A specialist rail training centre at Kwinana**
- **A new Park 'n' Ride at Armadale Station**
- **A major upgrade of Edgewater Station**
- **An expansion and upgrade of our CCTV network's Central Monitoring Room**
- **A $2.3m program to install UPS (uninterrupted power supply) across our signalling system**

Fremantle Station upgrade

Fremantle Station is undergoing a program of staged conservation and restoration works in line with the Conservation Plan prepared in 1999. This includes the restoration of the main entry façade, refurbishment of most of the internal areas and an electrical upgrade including a new point-of-supply to bring the station up to modern standards. The works will incorporate the restoration of the front and side external facades of the station building at an estimated cost of $2.2 million with the completion in 2011.

Kwinana training centre

The training centre will consist of two 20-person classrooms and associated parking, plus about 400m of track with overhead masts and wiring, two turnouts (equivalent to the PTA's most complex), a level crossing with boom gates and pedestrian crossing with automatic gates. The facility will enable the appropriate safe training of all PTA personnel in a non-live but realistic environment which will ensure that our people can carry out their tasks safely and efficiently.

Concrete re-sleepering project

Concrete sleepers offer improved passenger comfort, system reliability and increased speeds during hot summer days. The double dual-gauge Midland line was re-sleepered in July-September 2009. This was the last of the branch lines to be re-sleepered, leaving only the four tracks between Claisebrook and the city to complete on the urban network.

Central Monitoring Room upgrade

The degree to which PTA's customers feel safe is a very important aspect of providing a high-quality service and a key component of our security is our extensive closed-circuit TV (CCTV) camera network and associated Central Monitoring Room (CMR). The substantial expansion of the rail network and associated increase in camera numbers as a result of the opening of the Mandurah Line – plus the expectation of further increases in the future – meant an upgraded CMR was needed and preliminary work started on a bigger, better-equipped room. This facility will play an important role in ensuring the PTA is able to provide a rapid response to any security incidents.

Upgrade of signal power supplies

The signalling system is a critical part of our operating system and any interruption to the power supply can considerably disrupt our services. To guarantee continuity, uninterrupted power supplies are being installed throughout the network at a cost of $2.3m.

Websites – customer interaction

The PTA has completed technology refresher programs and customer interface improvements on some major websites. PTA customers can now more quickly and easily retrieve information such as train running times and bookings.

www.pta.wa.gov.au
www.transwa.wa.gov.au

Our IT Branch is also responsible for continuing infrastructure support initiatives to ensure and further enhance customer interfacing systems such as back-office SmartRider systems.


Fare evaders will be prosecuted
Entry SmartRider
Entry all tickets

Major Projects Unit

The PTA's Major Projects Unit was established to deliver high-risk, high-value, complex public transport and freight railway infrastructure projects. It was formed in July 2009 and has established a core management team – supported by specialist resources engaged on an as-needs basis – to oversee the delivery of these projects.

Projects on the MPU books as at June 30 were:

Joondalup Line extension

This $241 million project, due for completion in December 2014, is a 7.5km extension of the Joondalup Line from Clarkson to a new Park 'n' Ride and bus transfer station at Butler. The scope of work includes all rail, rail systems and signalling for the extension, three road bridges, communications systems improvements between East Perth and Nowergup, additional track for railcar stowage at Nowergup Depot and additional track and service facilities at Mandurah Depot. The project also includes the acquisition of 11 new buses to service expanded bus routes in the north-west corridor and to provide more frequent peak feeder bus services between Butler and Clarkson.

A project management team has been established and specialist design resources are being engaged. Tenders are being arranged for station design, bridge design, earthworks, drainage and cable works and orders have been placed for the supply of rail and signalling equipment.

Perth City Link Transport

This $609m project includes undergrounding a section of the Fremantle Line in the CBD immediately west of the Horseshoe Bridge and the construction of a new underground bus station to replace the Wellington Street Bus Station. The project will be implemented in stages with the underground railway being complete by mid-2014 and the bus station complete by mid-2016. PCLT is enabling works for the larger Perth City Link project which includes the urban renewal to be undertaken by the East Perth Redevelopment Authority (EPRA) after the PTA works are complete.

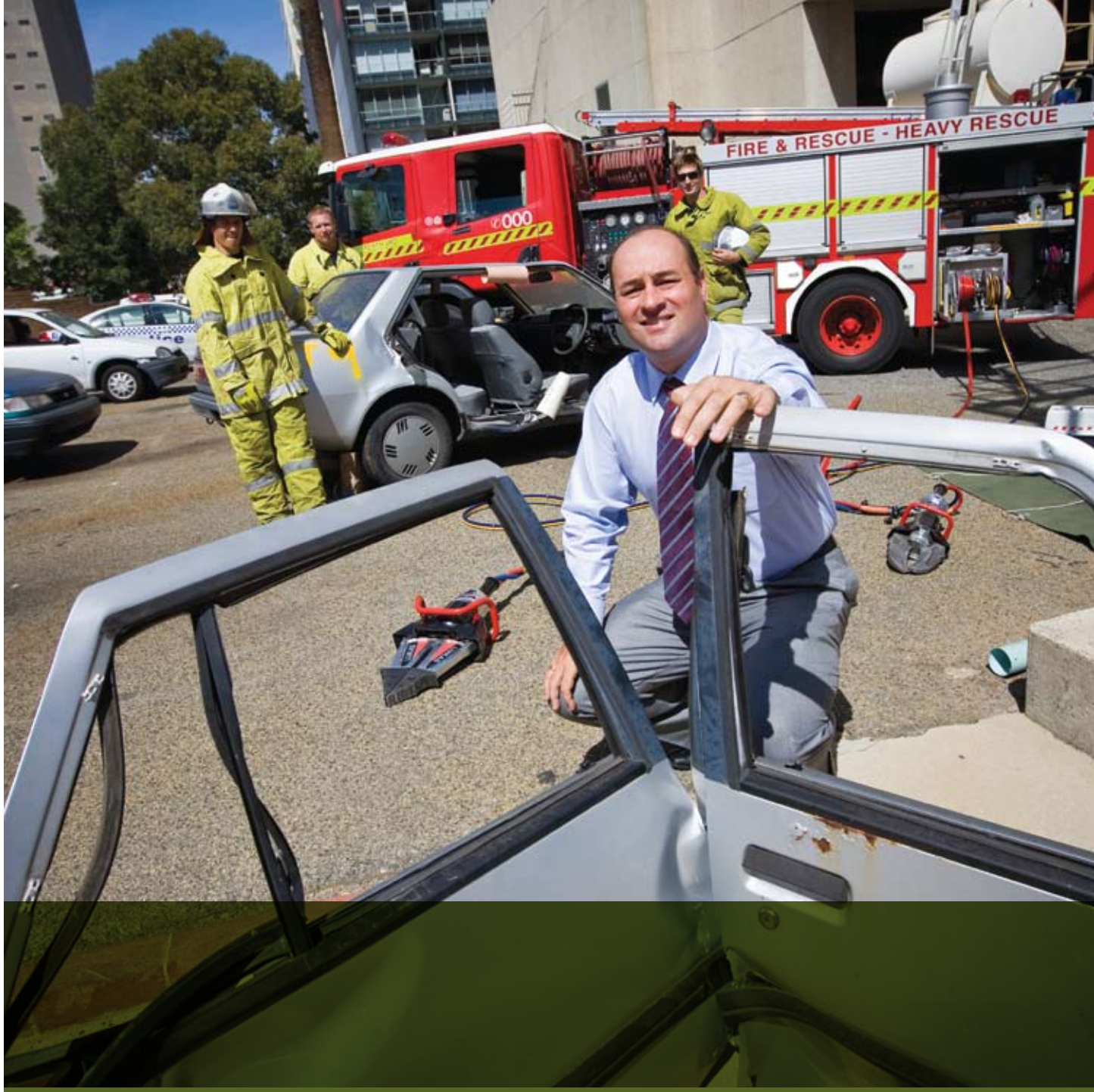
PCLT planning was undertaken through 2009 and completed early in 2010. Through its Infrastructure Planning and Land Services Division, the PTA worked with other divisions and with external stakeholders – including EPRA, Main Roads WA, the Departments of Planning and Treasury and Finance and the City of Perth – to complete the two Master Plans for this project. The scope, timeframes and cost for the Perth City Link project are detailed in the HUB Master Plans Parts 1 and 2.

Cabinet approved Perth City Link Project's implementation in March 2010 and financial provision was made in the 2010 Budget. The total capital cost of this project is $609m with $336m funded by the State, $236m from the Commonwealth and $38m from the City of Perth.

Implementation of the railway works is under way. The cost of the railway portion of the Perth City Link Project is $360m. The first works consist of a series of forward works packages

that entail railway infrastructure and platform modifications in the central section of Perth Station. These works are on track for completion by early 2011 to enable construction of the major underground railway civil, structures and infrastructure works. The main works will be undertaken through an Alliance form of contract – selected because of the high degree of interaction necessary with the operating railway, high levels of engineering and operations risk, the need to control impacts on infrastructure and ensure there is minimum interference to and impact on rail services. The tendering phase has started and an Alliance agreement between the PTA and a selected construction and design consortium is due in early 2011 with completion due by mid-2014.

The bus station part of the project is $248m. Investigations into the optimum form of contract delivery for the underground bus station continue. During construction of the new bus station, temporary bus facilities will be established on Wellington Street. Completion of the new underground bus station is due by mid-2016.



Infrastructure Planning and Land Services

The Infrastructure Planning and Land Services division was formed in mid-2009 in recognition of the need to focus on planning for the future of the public transport network, including the management of PTA land and properties. The division has since settled its structure in three key work streams:

- Land and Property Services
- Transit and Business Development
- Rail Engineering.

Senior managers were appointed during the year and recruitment of appropriately-qualified specialist staff continues. IP&LS also provides master-planning services to the PTA as required.

Land and property services

Most of the PTA's land and property functions, including corridor management, heritage, leasing, acquisitions and sales were previously located within separate divisions. Following a major review, these sections have now been amalgamated within one branch. The result has been a more strategic focus, synergistic integration of the services and a defined career path for staff. Income for leases administered by the branch is estimated at $11.96 million.

Transit and business development

This group was established as the starting point of infrastructure project development. Its task is to identify transport needs, evaluate options to meet those needs and conduct business analyses to determine preferred options before moving to the design and master-planning phase.

Rail engineering

This group provides technical expertise on the engineering feasibility of rail projects. It looks at all aspects of rail engineering from vertical and horizontal alignment profiles through to geotechnical assessment of routes. The RE group will typically conduct the technical analysis of all rail projects from concept design to master planning.

Master planning

A major requirement of the division is to undertake master planning for major projects. The objective of master planning is to prepare for project implementation through a rigorous evaluation of needs and the scope of engineering infrastructure to satisfy these needs from which credible cost estimates are derived. The two most recent projects are the extension of the Joondalup Line to Butler and the sinking of the railway lines through Northbridge.

Projects

Marine Terrace, Geraldton

A significant property between Foreshore Drive and Marine Terrace in Geraldton was put out to tender in 2009. Unfortunately, factors beyond the control of the PTA, including the global financial crisis and significant development conditions, affected the outcome. We are continuing to negotiate with potential purchasers.

Perth City Link Project

The Perth City Link Project has recently been successful in achieving WA Government funding as well as an Infrastructure Australia contribution of $265 million. IP&LS undertook the master planning. The project is part of The Link development project, which will provide permeable access between Northbridge and the Perth CBD and the opportunity of developing blighted land between the Mitchell Freeway and Perth Station. The Link project was only possible with the undergrounding of the Fremantle Line between Perth Station and Milligan Street and the undergrounding of the Wellington Street Bus Station (WSBS). These two projects, in conjunction with some redesigning of platforms, access and infrastructure within Perth Station, constitute the bulk of the project.

The PCLP Master Plan was undertaken consistent with the Link Master Plan. The planning process was undertaken in two parts – a rail infrastructure master plan, and a WSBS master plan. IP&LS provided senior staff to manage the production of these plans, which consider demand, staging, functionality and concept development. The resulting concept designs and functional definition allow the project to be costed to an accuracy required by Infrastructure Australia, which supported the subsequent Cabinet submission and final Government approval and funding.

Airport rail link

As part of the Perth Airport Transport Master Plan, the PTA has been investigating the feasibility of developing a Perth Airport (and surrounds) rail link. The proposal is to provide a rail link from the Midland Line near Bayswater Station to the consolidated international and domestic terminal as proposed by Westralia Airports via the proposed business/industrial park (the current domestic terminal site). Access to the stations will be provided from High Wycombe, Maida Vale and surrounds. The study is nearing completion and a business analysis shows forecast patronage to be an acceptable level for further development. The PTA will move forward with the Master Plan this year.

Bunbury fast rail

Initial feasibility and demand forecasting studies have been undertaken for a fast rail route between Bunbury and Perth. The proposed route is aimed at providing a 90-minute travel time. Further feasibility work is continuing, including analysis of Bunbury city centre requirements, timetabling with suburban rail and verification of demand forecasts. A business analysis will also be conducted to determine financial and economic feasibility and potential timing of development.

Ellenbrook transit study

The branch is undertaking a review of the public transport requirements of Ellenbrook and the surrounding Upper Swan area and commissioned Parsons Brinckerhoff with Syme Marmion and Co to undertake a feasibility study to provide strategic advice to Government. The study shows that population growth in the corridor is lower than expected and an interim service may be required to meet demand. Work will continue to establish service requirements.

Transport Network Plan (20-year Public Transport Plan)

The branch has been involved in the research and drafting of a 20-year plan for public transport in Perth, intended to inform and guide the implementation of public transport infrastructure towards an ultimate mass transit network. The plan is a report from an independent panel, with representatives from relevant government departments and industry experts that discusses the public transport challenge in Perth and recommends mass transit projects to contribute to an ultimate vision.

It will identify investment opportunities by expanding the rail network and developing rapid on-road transit solutions over particular corridors. The project team has worked closely with the Department of Planning to ensure consistency with Directions 2031, the next development plan for Perth. Consultation continues with Main Roads WA, Treasury and the Department of Transport, as well as local governments and interested parties such as the University of WA and Curtin University. The project is likely to be presented to government for consideration in the second half of 2010.

Mandurah Line stations

Planning investigations have begun into construction of an additional station at Paganoni Road, Karnup, about halfway between Mandurah and Warnbro. The station will directly serve the existing communities of Golden Bay and Singleton. It will operate as a bus interchange and park ‘n’ ride facility for residents and employees in the coastal area north of Mandurah. Station designs are close to being finalised.

Brighton forward earthworks

During the year work was completed on the 2.2km Brighton forward earthworks project. This is in the Brighton sub-division development immediately north of where the future extension of the Joondalup Line from Clarkson to Butler leaves the future Mitchell Freeway. The work was carried out by the WA Planning Commission with the PTA as its agent.

Extension of the Joondalup Line to Butler

The branch produced a master plan for the extension of the Joondalup Line from the current passenger terminus at Clarkson, to a new station at Butler in the Brighton sub-division (via the Brighton forward earthworks). The government approved the project in November 2009, and detailed design work is under way. Site construction is set for January 2011 with train services due to commence end of 2014.

Stirling Alliance

The PTA is represented on the board of the Stirling City Centre Alliance, the aim of which is to plan the redevelopment of the city centre into a sustainable city of the future. A key element of the planning is to favour public over private transport and the PTA, through its involvement in a Transport Technical Working Group, is providing planning and drafting advice to help achieve these goals. The latest year was a busy one for the working group and included concept design for improved public transport facilities including priority for strategic bus services and the possible introduction of light rail. As part of this process, the PTA is working with the Alliance to investigate innovative funding mechanisms to bring this planning to fruition.

Central Northern Corridor

The Central Northern Corridor is a key project for the PTA to improve access to Perth for residents living in the only quadrant without some form of priority mass transit service. The scheme has a potential catchment of about 250,000 residents. The project area includes that sector of the city, between the Joondalup and Midland rail lines, which is bisected by the Fitzgerald Street/Alexander Drive alignment. Following completion of a corridor strategic report in October 2009, the PTA has embarked on a pre-feasibility study to prove up the concept. Heritage and ground surveys have been completed and tenders evaluated for a corridor design.

Perth city strategic bus routes

As Perth's city streets become more congested, there is a realisation that if public transport is to play a greater role in delivering people into the city, bus services must be given priority over the private car. The City of Perth's approach to transport planning is set out in its draft Urban Design Framework and includes "the creation of quality on-street public transport that encourages use by improving reliability and reducing delay". To address this objective, we have been working with the City of Perth and Main Roads to establish a network of city streets to be used by strategic bus routes and an implementation plan that integrates these routes with the city's reintroduction of two-way streets.

Strategic Asset Management Development

The position of Executive Director Strategic Asset Management Development was established In October 2009. This branch works across all divisions to direct the development of asset management plans for all PTA infrastructure and rolling stock over the medium and long term planning horizons.

Significant progress has been made in reviewing and upgrading the PTA's Ellipse Asset Management System to set up the planning of equipment maintenance and to configure Ellipse and PTA practices to meet the requirements of the Strategic Asset Management framework.

Planning for the maintenance of all equipment maintained by the Communications Engineering Branch has been completed and staff training continues. This has enabled, in parallel, an Asset Management Plan for communications assets to be developed. The work done with communications forms the basis for the development of asset management plans and implementation of planned maintenance using Ellipse throughout the PTA.

PTA people

The Public Transport Authority places a strong emphasis on the importance of its people. This is reinforced by the commitment to Our People as one of five key results areas in our Strategic Plan. The PTA follows the public sector standards in human resource management and approved procedures in the management of its people. Additionally, we maintain a comprehensive suite of human resource policies and procedures which are applied to ensure a consistent approach to human resource management for all current and potential employees.

By doing so we strive to ensure a discrimination-free work environment, effective employee performance and a workplace that encourages active staff participation and engagement in decision-making processes. Recently we launched an initiative called *onePTA*, based on the theme "together we deliver." The impetus for this came from the November 2009 Employee Opinion Poll and a subsequent workshop involving 80 PTA employees.

The opinion poll showed improvements in every positive indicator and percentage reductions in indicators which reflected areas for the PTA to work on. The *onePTA* initiative aims to build on the positive poll results to create an even better workplace for all PTA employees. The workplace experience impacts on employee engagement, motivation, commitment and performance; *onePTA* promotes a united purpose for PTA employees and supports a strong culture of respect, recognition, integrity, safety and sustainability.

Because we are engaged in a broad range of work activities, the PTA needs a diverse workforce to address the differing needs of the work undertaken. Job roles and career paths are offered in direct transport service provision, front-line customer service, planning, infrastructure design and delivery, maintenance, trades, project and contract management, security and a wide range of professions. As at 30 June the PTA employed 1463 people.

Strategic people management

Workforce planning and development remain a key focus to ensure support is provided in the operation of an efficient and effective public transport system. Workforce planning provides a strategic framework for the identification of our future capability needs and the challenges we face in attracting and retaining a diverse workforce. In this context, the PTA develops strategies to recruit new employees and develop the capabilities of its existing workforce.

The Graduate Recruitment Program is an important way to attract and retain high-calibre individuals for eventual appointment to key leadership roles in the PTA. The program started in 2002 and has provided a pool of talent from which we can and do, draw. Additionally, the PTA has a focus on youth – the 2010 youth intake includes seven graduates, two school-based trainees and two full-time business trainees.

As well as employing people with university qualifications and engaging trainees, we have recently set about refocussing our learning and development function to build the capability of our workforce. This follows a restructuring of the People and Organisational Development Division to include a Learning and Development Branch, a Labour Relations Branch and a Human Resource Branch.

The learning and development function will seek to support and improve skills and knowledge of employees through targeted training and development in employment opportunities, succession and career planning.

Registered training organisation

As a registered training organisation (RTO), the PTA provides quality training and assessment activities in compliance with the Australian Quality Training Framework (AQTF). As an RTO, we are scoped to issue Certificates II, III and IV in Transport and Logistics (Rail Operations). Activities undertaken as an RTO include:

- coordinating the Recognition of Prior Learning project with Polytechnic West for overhead catenary maintainers;
- coordinating (in conjunction with the Safety and Strategy Directorate) the Workplace English Language and Literacy OHS training for operational supervisors;
- delivering and administering requalification training for operational support functions (railcar drivers, transit officers and passenger ticketing assistants);
- providing apprenticeship and traineeship advice; and
- developing training and assessment materials for Transwa railcar and on-train employees and train control operations.

PTA PEOPLE SNAPSHOT OF 2009/10

As at 30 June the PTA employed 1463 people

The People and Organisational Development division was restructured to include a Learning and Development branch, a Labour Relations branch and a Human Resource branch

A cooperative arrangement was put in place with Sevenoaks College to provide work experience placements for indigenous and socially-disadvantaged youth

Conducted a successful employee opinion poll in November 2009 and a subsequent workshop involving 80 PTA employees in March 2010

As a result, launched *onePTA*, an initiative based on the theme "together we deliver" and supporting a strong culture of respect, recognition, integrity, safety and sustainability

The 2010 intake under our youth-focussed graduate recruitment program included seven graduates, two school-based trainees and two full-time business trainees

Training was delivered to:

PTA Employees	
New Courses	
Urban Railcar Drivers	60
Transit Officers	27
Passenger Ticketing Assistants	13
Total	**100**

Refresher Training	
Urban Railcar Drivers	127
Transit Officers – Defensive Tactics	192
Transit Officers – Safe working	68
Customer Service Officers	69
Transperth Operations	49
Total	**505**

Contractors	
Rev Protects, Authorised Officers	70

Qualifications Issued	
Certificate II	23
Certificate III	28
Total	**51**

Learning centre

As part of the upgrade and maintenance of the human resource management database and payroll system, we have implemented a new learning management system to capture more comprehensively, information relating to training undertaken by employees. The system will enable a stronger connection between the performance development and planning process and employee development needs which can be provided through learning and development opportunities. The system will be rolled out through 2010/2011 and will:

- store all PTA learning and development records and related costs in one database;
- allow managers to track development activities accessed by team members;
- provide a central portal for all internal and external learning and development activities; and
- provide online training modules including safety and induction programs.

Labour relations

The remuneration and employment conditions for 80 per cent of PTA employees are governed by registered industrial agreements. Railcar drivers had elected to remain under their award conditions, but have recently recommenced bargaining for an industrial agreement. Negotiations were undertaken for a replacement agreement for transit officers, who are eligible for a new agreement from 18 July.

Diversity

The PTA continues to implement initiatives to meet its representation and distribution objectives for each diversity category in the Equity and Diversity Management Plan 2010/2012. Through our Reconciliation Action Plan, we continue to contribute to reconciliation by raising the organisational profile and awareness of indigenous issues to improve respect, relationships and opportunities for indigenous Australians. A cooperative arrangement has been put in place with Sevenoaks College to provide work experience placements for indigenous and socially-disadvantaged youth. We also engage with the Public Sector Commission and Rocky Bay Employment Service to employ people with disabilities.

Health and lifestyle program

The PTA has a comprehensive health and lifestyle program available for all employees. It concentrates on changing habits and educating employees to make healthy lifestyle choices. Components include good eating habits, food and health awareness, physical activity for employees and their families and sponsorship of participation in community events.

Compliance with human resource management standards

We received five breach claims in 2009/10. Of the claims, three were dismissed by the Office of the Public Sector Commissioner and two were withdrawn.


Employee Opinion Poll
2009

Executive profiles

Reece Waldock

Chief Executive Officer

Reece has 25 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 rail freight business of the Western Australian Government Railways Commission (WAGRC), Reece acted in the position of Commissioner of Railways until the Railways Commission was extinguished on 30 June 2003.

With the creation of the PTA on 1 July 2003, Reece acted in the position of Chief Executive Officer, 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.

In May 2010 the State Government integrated WA's three key transport agencies and Reece was appointed to head the Department of Transport, Main Roads WA (MRWA) and the Public Transport Authority (PTA).

Mark Burgess

Acting Managing Director
Executive Director

Transperth System, Regional Town and School Bus Services

Mark has gained extensive logistic, transport and people management skills through 21 years in the Army and 12 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 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 and service support contracts across the State.

In May 2010 Mark became Acting Managing Director of the PTA, responsible for day-to-day management of all PTA business and operations.

Pat Italiano

General Manager

Transperth Train Operations

Pat is a qualified accountant and member of CPA Australia. During his 37-year career in public transport, he has acquired considerable expertise in business and strategic management, risk management, audit and, more recently, operational experience within a fully-integrated urban passenger transit environment.

Pat is responsible for promoting and managing the delivery of urban passenger rail services to the highest of customer service standards and is committed to ensuring the successful integration and delivery of all urban passenger rail services.

Kim Stone

Acting General Manager

Network and Infrastructure

Kim joined the PTA in August 2004 after two years' secondment from the Department for Planning and Infrastructure to direct school bus reform. He moved to N&I in October 2009. He had previously been Director of Coastal and Facilities Management in the Department of Transport for four years. Kim has experience in the State and Federal Government arenas and the private sector, including running his own management consulting business. His background is in engineering and management.

His N&I responsibilities include the management and maintenance of the PTA railway network infrastructure, including controlling access by third parties under the Railways (Access) Act 1998 and ensuring the provision of Information Technology services to support PTA's operations.

Martin White

General Manager

Transwa

Martin joined the PTA in 2006. He was formerly General Manager of the Eastern Goldfields Transport Board (trading as TransGoldfields). Martin has 20 years' experience in public transport, having previously worked in both the Department of Transport and the Department for Planning and Infrastructure. He is a qualified accountant and has a post-graduate qualification in management.

Martin is responsible for managing Transwa, the PTA's regional rail and road coach network (including TransGoldfields – Kalgoorlie's public bus service) 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.

Kevin Kirk

Acting Executive Director,

Finance and Contracts

Kevin has more than 35 years' experience in public service and has held senior management roles in Main Roads WA, the Department for Planning and Infrastructure and the Department of Transport. He holds a Bachelor of Business (Accounting) degree and is a member of the National Institute of Accountants. His professional interest is in the areas of financial management, business performance and procurement.

Kevin is the PTA's Chief Finance Officer, responsible for maintaining the PTA's financial management and procurement systems and processes.

David Browne

Acting Executive Director

Safety and Strategic Development

David joined PTA predecessor WAGRC in December 2002 as a Policy Officer. He has a Master of Transport Studies degree (UWA) as well as qualifications in policy and management. Before joining the PTA, David spent 20 years in the aviation industry including 15 years in the RAAF where he worked in a number of areas including strategic airspace management policy and planning.

His role includes making the link between high-level policy and operations within the agency, managing a number of key projects, and driving strategic change in safety, policy development and business management.

Brian Appleby

Executive Director

People and Organisational Development

Brian brings to the organisation more than 20 years' experience in labour relations, human resource management, workforce services issues and learning and development. After beginning his career in the private sector, Brian has undertaken a range of roles as an operative, operational manager and director in key public sector agencies and central government departments. He holds a post-graduate qualification in Industrial Relations, is a former Australian Army Reserve officer and is a Director of the Rail Skills Career Council.

Along with his responsibility for strategic people management, Brian oversees the delivery of functional human resource services for the PTA's people. He commenced his appointment in February 2008.

Hugh Smith

Executive Director

Strategic Asset Management Development

Hugh launched his engineering career at British Steel in the United Kingdom and joined WAGRC 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 OTR of trains. Following the sale of WAGR's freight business in December 2000, Hugh was appointed General Manager, Network and Infrastructure in an organisation focussed exclusively on passenger transport and customer service

In October 2010 Hugh took on the role of Executive Director Strategic Asset Management Development responsible for the implementation of policies, strategies and actions for the effective asset management of PTA assets.

Ross Hamilton

Manager

Major Projects

Ross has worked for Westrail and the PTA for 22 years in various roles including construction, planning land rationalisation and maintenance. With the inception of the PTA he worked as the Manager Track and Civil Infrastructure and then took over the construction of the Mandurah railway through the critical commissioning phase for the commencement of services in December 2007.

Ross is responsible for the delivery of major projects for the PTA and is currently working on the Perth City Link project and the extension to the Northern Suburbs Railway from Clarkson to Butler.

Peter Martinovich

Executive Director

Infrastructure Planning and Land Services

Peter began his railway career with WAGR as a junior clerk in 1964. He graduated as an engineer in 1974 and was appointed Planning Engineer for the Northern Suburbs Railway in 1989.

He joined the Department of Transport as Manager, Transit Planning in 1995 where he set up and led the team on the South West Metropolitan Railway and Northern Suburbs Extension Master Plans.

He was appointed to Deputy Project Director of the New MetroRail Project in 2003 and took up the position of Director of Railway and Infrastructure Planning, within the Network and Infrastructure division in 2007. In 2009, Peter became Executive Director of the newly formed Infrastructure Planning and Land Services division.

Richard Barrett

Manager

Corporate Communications

Richard is an award-winning professional communicator with more than 12 years' experience in Australia and the United Kingdom. He began his career in the private sector, and now is responsible for strategic communications, internal and external communications, crisis and issues management, media relations, event management and community relations at the PTA. He previously oversaw the communications effort for the New MetroRail project, which culminated with the opening of the Mandurah Line in December 2007.

Richard, who joined the Executive in September 2007, has a Bachelor of Arts (UWA), Bachelor of Commerce (Curtin University), and is a member of the Public Relations Institute of Australia.

Compliance reports

Health and safety

The strong focus on safety as a core value of the organisation continued during the year. Representatives of the safety teams from across the PTA attended the annual strategic safety planning day and identified the key focus areas which formed the Health, Safety and Environment (HSE) Strategic Directions for the year. This document is updated annually and endorsed by the Executive HSE Management Committee to ensure a continued focus on strategic safety management.

Integrated HSE Management System

The PTA's integrated HSE Management System is based on a risk management approach and combines the common elements of occupational and operational (rail) safety, as well as environmental management. Each discipline is mapped to relevant Australian Standards (OSH – AS4801; Rail - AS4292; Environment – AS/NZS ISO 14001) on an integrated compliance matrix, enabling the PTA to retain the ability to separate out the three areas for discipline-specific audits and reviews. The PTA's HSE Management System is regularly monitored and reviewed to ensure that all aspects, from local hazard control measures to the overarching organisational HSE strategy, are working effectively to identify areas for continuous improvement.

Proactive programs

The PTA's proactive health and safety programs continued throughout the year, including the Safety Topic of the Month campaign and the Safety STAR (Stop Think Assess Respond) hazard management program. HSE committees continued to operate at location, branch, divisional and Executive levels across the organisation. Together, these initiatives form part of the organisation's long-term safety cultural change program.

Several health initiatives were conducted, including annual free influenza inoculations and mole check clinics.

Awards

The PTA was awarded the 2009 WA Work Safety Award for the best safety and health management system in the public sector and was also a finalist in the National Work Safety Awards 2010.

The award recognised the PTA for its excellent and practical safety and health management system and for incorporating safety into all key result. It was noted that the PTA exhibits a good safety culture with a focus on continuous improvement.

Training

A customised supervisor safety responsibilities course was developed for the PTA, in consultation with members of the PTA Safety Team, and rolled out during the year. The training program is designed to provide PTA supervisors with a better understanding of safety, and demonstrate how safety responsibilities apply to their role. Staff members who successfully complete the program are able to work towards achieving a national accreditation of Certificate IV in Safety.

A contingent of PTA safety and health representatives, as well as several supervisors, managers and safety coordinators, attended the 2009 WorkSafe forum where they heard from and questioned a panel of safety experts and presenters on various topics.

Regular in-house training programs continued, including half and full-day corporate HSE inductions for administrative and operational staff, and a full-day, interactive training course on how to conduct effective HSE investigations.

Rail safety accreditation

To ensure our personnel are up-to-date with changes to rail safety management practices a number of workshops were held by the PTA, as outlined below:

- Human Factors Workshops, which acknowledge the inevitability of human error and encourage honest reporting of errors, while establishing clear accountability for remedial actions.
- A Driver Workload/Fatigue Study is currently being carried out by the Centre for Sleep Research at University of South Australia to assess potential workload and fatigue management issues relating to PTA Train Drivers. A number of workshops have been held to communicate information regarding this study.
- The PTA's Incident Fault Reporting System (IFRS) underwent a complete overhaul to align with the new reporting requirements of ONS-1 (WA) Dec 2008.

A number of workshops were held by PTA divisional representatives with the Office of Rail Safety (ORS) which assisted in the development of a Memorandum of Understanding on reporting Notifiable Occurrences.

Compliance audits, inspections and reporting

The annual Rail Safety Compliance Audit was conducted by the ORS in November 2009, and the report issued in December 2009. The audit identified three non-compliances and 17 observations. All issues identified during the audit were closed out by April 2010.

Throughout 2009/10, Safety and Health Representatives in each operating division continued to conduct regular workplace inspections, in accordance with the *Occupational Safety and Health Act (1984)*.

A comprehensive HSE performance report is provided to the PTA's Executive HSE Management Committee each quarter. The committee meets quarterly to discuss the report and to identify potential strategies for continuous improvement.

The PTA also prepares an Annual Rail Safety Performance Report which outlines our Rail Safety Performance over the year and is submitted to the ORS as part of our rail accreditation requirements.

Reporting systems

The upgraded PTA HSE reporting system (STAR Reporting System) was launched on 19 March 2010, and enables efficient capture and management of reported hazards, near-misses and incidents, and for better analysis of data for the purpose of identifying trends.

In the analysis of our data the PTA aims to identify information or trends which may indicate where corrective actions and other improvements may be required. The PTA also continues to monitor the outcomes of investigations to ensure we learn from incidents or near misses within our public transport system.

The PTA's rail safety reporting system enables the organisation to capture incidents and notifiable occurrences, specifically related to rail safety and is the conduit for reporting to the rail safety regulator. This system is updated as required to meet changes in the national reporting requirements as defined in ONS-1(WA).

Injury management

Injury prevention and injury management continue to be a focus for the PTA. With the exclusion of security services, the PTA exceeded the 10 per cent improvement target for Lost Time Injury (LTI) Incidence Rate, with a 15.9 per cent reduction equivalent figure for the previous financial year. With the inclusion of security services staff, this becomes a 4.3 per cent reduction.

Analysis of these injuries identified that transit officers have the highest incidence of LTIs per workgroup and result from anti-social behaviour on the rail network. A project to analyse this trend and to identify recommendations for improvement was completed during the reporting period. The recommendations from this review were submitted for endorsement to the Executive HSE Committee in early 2009/10 and the improvement strategies are currently being implemented.

Employees who are injured are supported by the PTA's Injury Management team in accordance with the *Workers' Compensation and Injury Management Act (1981)*. The PTA's injury management system works on the principle of early intervention and includes return to work programs developed in accordance with the Act.

		2008/9	2009/10	change
LTI Incidence Rate	PTA (including security services)	8.12	7.77	↓4.3%
	PTA (excluding security services)	4.03	3.39	↓15.9%
LTI Severity Rate		13.04	7.14	↓45.2%
Fatalities	(employees)	0	0	N/A
RTW within 28 weeks		100%	95.5%	↓4.5%

Health assessment standards

On 1 July 2004, the National Transport Commission (NTC) 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 (1998). It relates to health assessments and procedures for monitoring the health and fitness of workers who perform rail safety duties. Regular monitoring is undertaken across the organisation to ensure the currency of health assessments is maintained.

Improvement actions introduced after the 2007/08 post-implementation review of the introduction of the national standard continue to be monitored to ensure the continuous improvement and efficiency of the PTA's health management program.

During the year, the PTA was involved in the NTC national consultation process for updating the rail and road health assessment standards and will continue to monitor the outcomes of this review and their impact on the PTA.

Testing for drugs and alcohol

Random and post-incident testing of employees and contractors continued throughout the year as part of the PTA's drug and alcohol management program.

No illicit positive results were recorded for post incident tests conducted. Of the 478 random tests conducted, three positive results due to illicit substances were recorded. Two of the illicit positive results were for direct PTA employees; while one was for a contractor. All three illicit substances detected were cannabinoids.

Notifiable occurrences

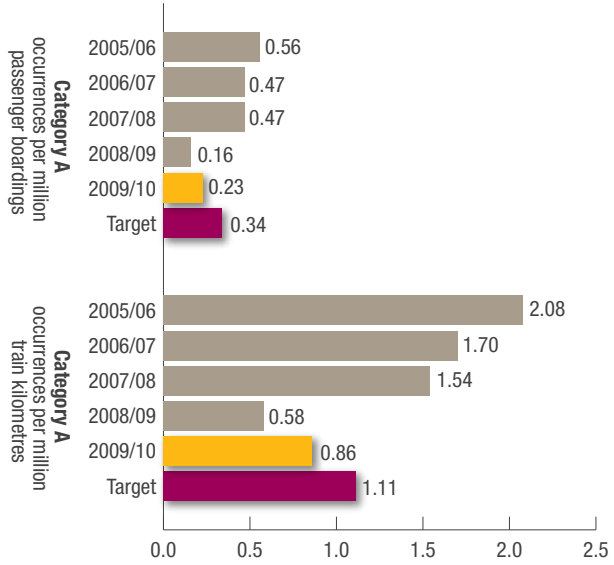
Under the *Rail Safety Act (1998)*, certain railway safety incidents are required to be reported to the ORS. These incidents or "Notifiable Occurrences" are defined in the *Rail Safety Regulations (1999)* as Category A (serious injury, death, or significant damage) or Category B (incidents that may have the potential to cause a serious accident). They do not cover non-rail operations.

A complete review of the PTA's Rail Safety KPIs was undertaken and implemented in July 2009 and following the introduction of the Mandurah Line in December 2007.

A revised method for calculating Category A and Category B incidents was adopted during the reporting period and now caters for the increase in passenger boarding's and train kilometres travelled on the Mandurah Line.

The Benchmark Values (Target) for Category A and Category B incidents are calculated on estimations of the number of future passenger boarding's and train kilometres.

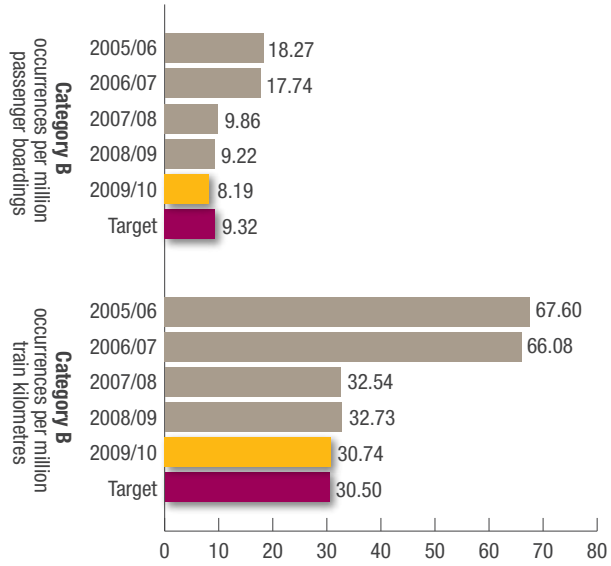
There were thirteen Category A incidents in 2009/10, compared with nine in 2008/09.



Excluding incidents involving actions beyond the PTA's control (e.g. suicides and attempted suicides), there were six Category A incidents in 2009/10 compared with four in 2008/09. No adverse trends were identified from the analysis of these six Category A incidents.

The PTA has provided data collected on suicides/attempted suicides to the Department of Health (DoH). The DoH, in conjunction with the PTA, is examining the characteristics and patterns of suicide events in order to develop effective prevention and intervention measures.

A significant decrease in Category B incidents was noted during 2009/2010 (464) compared with 2008/09 (507) and is attributed to a number of proactive strategies implemented within the PTA, in particular, the continued application of the ALARP (As Low As Reasonably Practicable) principle for identifying corrective actions.



Sustainability

In 2009/10, the PTA continued to work with relevant external parties to identify opportunities to maximise sustainability during the development and planning of transport services. This included:

- Transit Oriented Developments (TODs).
- Integration of infrastructure for pedestrians and cyclists.
- Protection and restoration of local air, water, soils, flora and fauna.
- Services to improve accessibility for people with disabilities.

During the year we:

- Continued to implement the PTA Water Efficiency Management Plan.
- Became a Days of Change ambassador organisation to promote sustainability within the organisation and community.
- Continued to implement the recommendations of the energy and water audits of the Public Transport Centre completed in 2006.
- Undertook energy audits of Cockburn Central Station, Kewdale Prospector Depot and Claisebrook Depot.
- Continued using recycled water and reverse osmosis to wash railcars.
- Continued implementation of the Energy Efficiency Opportunities Program including the completion of the energy assessment of Transperth Buses.
- Reviewed and updated the online Greenhouse Gas Savings calculator which uses travel information (including the car size and distance travelled) to calculate a passenger's greenhouse gas savings. This calculator is available on the Transperth website.
- Continued the implementation of the environmental induction program for PTA staff.
- Established the Biggest Reducer Program to reduce paper, water and electricity consumption across PTA work locations.
- Submitted the PTA's first Greenhouse and Energy Report to the Department of Climate Change.

Disability Access and Inclusion Plan (DAIP)

In 2009/10, the PTA continued to improve access to public transport for people with disabilities. The DAIP for 2007-2012 was released in July 2007, and achievements for 2009/10 included:

- Continued implementation of a 12-year program to progressively replace the existing fleet with new, low-floor, accessible CNG buses.
- Progressively increasing the number of accessible bus services.
- Continued recognition of companion cards to allow a companion to travel with a person with a permanent disability at no additional cost.
- Continued administration of the Bus Shelters Grant Scheme, which provides dollar-for-dollar funding to local councils and schools for the construction of accessible shelters at selected bus stops.
- Continued administration of the Accessible Pathways Grant Scheme, which provides dollar-for-dollar funding to local councils for the construction of accessible pathways at selected bus stops.
- Development and management of an accessibility group via TravelEasy as a mechanism to disseminate disability specific updates to disability organisations.
- Completion of the planning and design phase for the upgrade of Meltham and Queens Park stations with commencement expected early in 2010/2011.
- Establishing a cross-referencing process to allow a PTA infringement notice to be revoked where it has been issued to a customer who is a holder of a Transperth Unrestricted Travel Pass Register but fails to carry the pass.
- The Government's new "Bus Stop Accessibility Works Program" (BSAWP) launched in January 2010, which will provide funding for the upgrade of 600 stops per annum. In 2009/2010, there were approximately 50 bus stops which were upgraded to meet the requirements of the Disability Standards for Accessible Public Transport.
- Accessibility Bulletins issued (as required) to inform customers registered to the Transperth Accessibility Group of system changes, upgrades and Transperth news relating to accessible issues.
- The "Get On Board" education program is continuing to work with disability organisations to deliver information and training at both the staff and client level. Train-the-trainer style sessions have been delivered to organisations including; Intework and Activ to provide the skills and knowledge necessary to take clients on the Transperth network and teach them how to become safe and confident users of the network. The school-based "Get On Board" program for Education Support students has continued to be rolled out with 37 in-class presentations and station tour experiences delivered.
- New Station Access Information is now available on the Transperth website. The information includes detailed access maps of all bus/train interchanges and train stations which highlight accessible pathways into and around each facility. A summary of key features complement each map providing a quick reference guide for facilities such as ACROD parking bays, ticket machines and toilets (including disabled toilets).

Risk management

The PTA utilises a comprehensive risk management strategy for managing its strategic and operational risks. Our Strategic Risk Management Group ensures that risks are managed effectively across the divisions and is supported by risk coordinators at divisional level.

All risks listed within the PTA's Risk Register are reviewed annually to ensure that identified corrective actions are reviewed and monitored on a regular basis. Audits are undertaken regularly to ensure compliance with the PTA's Risk Management framework.

Recordkeeping

The PTA has continued its program of improved recordkeeping processes and procedures implemented following approval of its Recordkeeping Plan by the State Records Commission. The PTA has demonstrated its commitment to meeting the State Records Commission's minimum compliance requirements through the achievements as detailed below.

A recordkeeping effectiveness framework was implemented in 2007-08, and this is reported on annually (State Records Commission Standard 2, Principle 6, Item 1).

In 2009, the PTA purchased an Electronic Document Records Management System (EDRMS) which is being deployed to business units. During the implementation phase, we continue to review and improve records management processes and procedures. To date the system has been deployed to 22 per cent of PTA's business units.

Awareness of recordkeeping requirements for staff has increased as a result of formal training for the EDRMS and informal training by the Records Services Section. In addition, records management processes and procedures continue to be improved as a result of the internal auditing process.

The PTA's Learning Management System has recently been implemented to provide staff with training courses online. A Recordkeeping Awareness Training course is available online and has been reviewed to ensure it reflects current operational and administrative practices and processes (State Records Commission Standard 2, Principle 6, Item 3). The course is mandatory for new clerical, administrative and business staff and those current staff who have not yet completed it (State Records Commission Standard 2, Principle 6, Item 2). The online program is regularly monitored for completion, and feedback on the course is sought from staff. The PTA continues to keep all staff informed on recordkeeping matters through regular intranet bulletins and informal training sessions.

The PTA's induction manual lists the employee's recordkeeping roles and responsibilities and is communicated to all new staff at the induction session (State Records Commission Standard 2, Principle 6, Item 4).

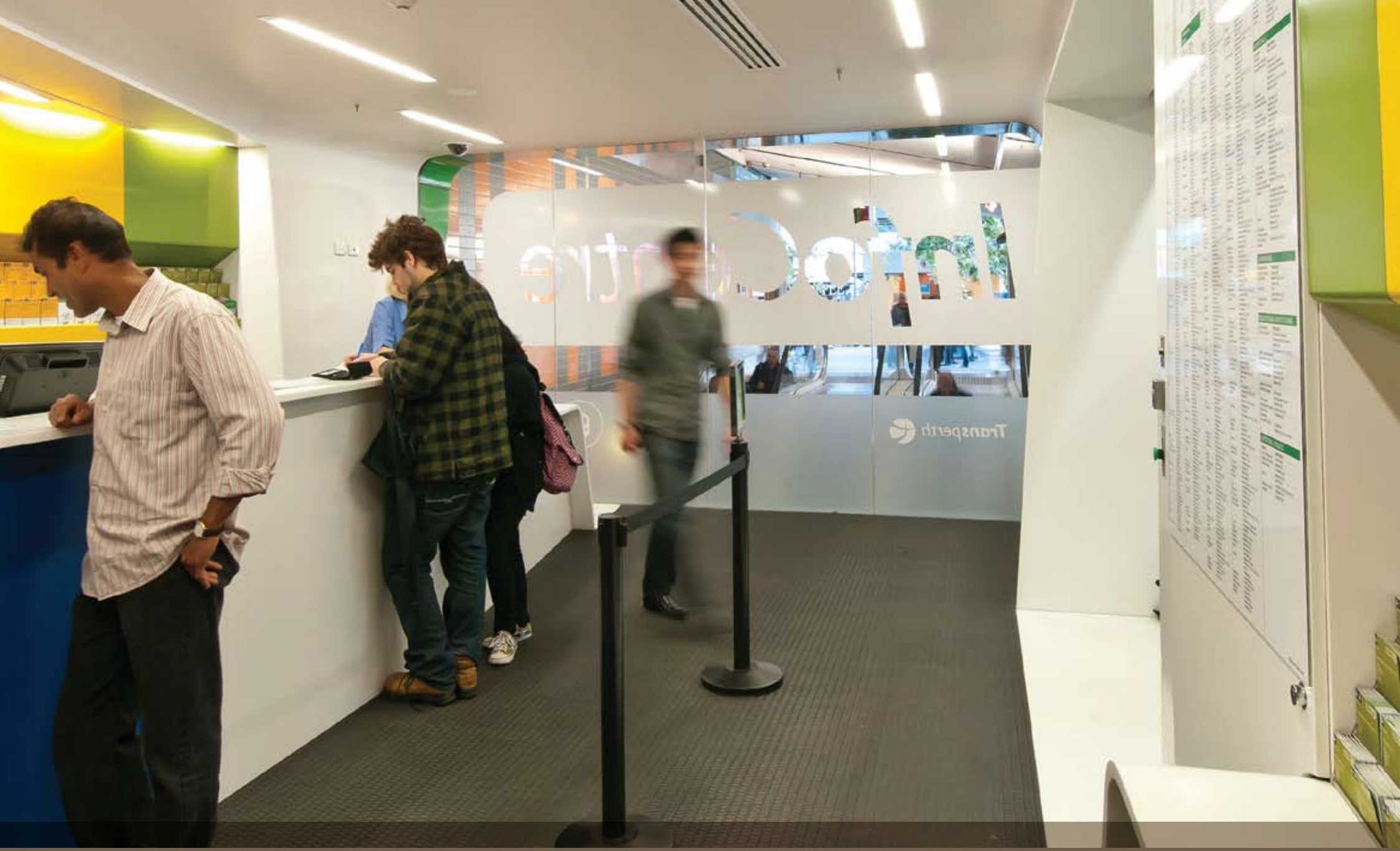
Pricing policy

Government continued to maintain public transport fares at an affordable level by restricting the increase in standard fares to the rate of change in CPI. In accordance with Government policy, concession fares and the student fares were held unchanged.

Transwa fares are established by the Government to ensure affordability for regional West Australians.

Transperth fare information is provided at www.transperth.wa.gov.au.

Transwa fare information is provided at www.transwa.wa.gov.au.


Transperth

Compliance statement

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 passenger transport services anywhere in the State and performing functions under other Acts, including the *Rail Freight System Act 2000* and the *Government Railways Act 1904* as well as the construction of railways under various railway enabling Acts. Currently the Minister responsible for PTA is the Minister for Transport.

Legislation impacting on the PTA's Activities

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

Financial Management Act 2006; Electoral Act 1907; Equal Opportunity Act 1984; Superannuation and Family Benefit Act 1938; Heritage of Western Australia Act 1990; Freedom of Information Act 1992; State Supply Commission Act 1991; Public Sector Management Act 1994; Disability Services Act 1993 (Cth); 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 Management Act 2006*. 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.

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

1 September 2010

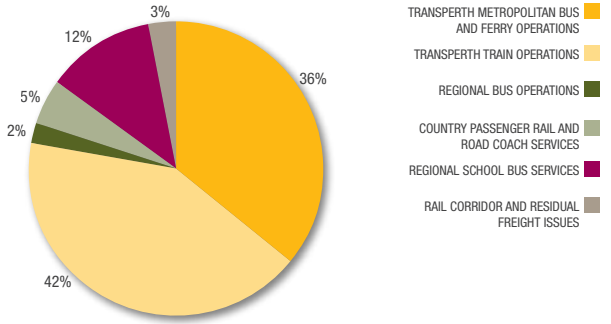
Kevin Kirk

A/Chief Financial Officer

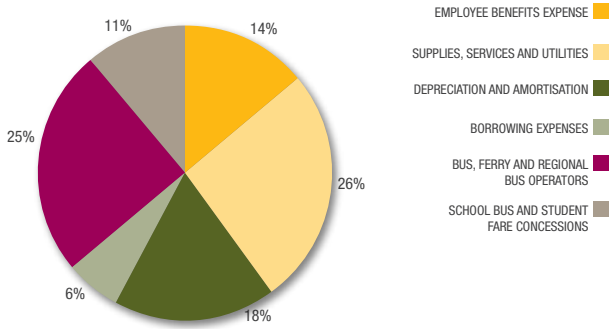
1 September 2010

Service and Financial Achievements

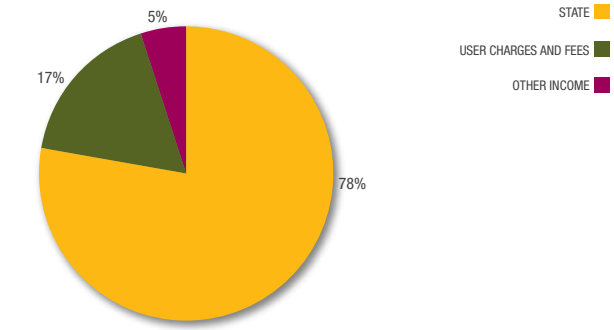
During the financial year 2009/10, the PTA has delivered public transport services worth $882.7 million to the people of Western Australia. The graph below shows how these funds were spent across each service. Refer to the individual sections of Review of Performance by mode for further details on expenditure by services. Total revenue and funding received during the year amounted to $899.3 million.



Expenditure by Service



Total Expenditure by Type



Revenue and Funding Sources

Financial Targets: Actuals compared to budget targets

The following table provides a comparison of the financial targets and outcomes against criteria included in the Resource Agreement between the Chief Executive Officer, Minister for Transport and the Treasurer.

	2009-10 Target (1) $'000	2009-10 Actual $'000	Variation(2) $'000	
Total costs of services	866,141	882,693	-16,552	Note 2.1
Net cost of services	697,315	684,919	12,396	Note 2.2
Total Equity	3,309,431	4,477,030	-1,167,599	Note 2.3
Net increase/(decrease) in cash held	-13,150	-7,182	5,968	Note 2.4

	Number of FTE's	Number of FTE's	Number of FTE's	
Approved Full Time equivalent	1,463	1,393	70	Note 2.5

Notes

1. As specified in the 2009/10 budget statements
2. Explanation of variations:

(2.1) Increase in Total Cost of Services reflects Cabinet and EERC budget approvals during 2009/10, the increase is mainly due to:

- Costs related to recoverable external works $ 5.2 million;
- Fuel cost increases $ 2.4 million;
- Legal costs $ 3.7 million, funded in a previous year;
- Grain freight Stage 1 expenditure $ 5.2 million;
- Bus Stop Accessibility Program $ 0.6 million.

(2.2) Decrease in net cost of services reflects increases in total cost of services offset by a $ 20.9 million increase in revenue, mainly due to:

- Fare revenue $ 3.9 million;
- Rental revenue $ 2.9 million;
- Revenue related to the Goongoonup rail bridge and the Mirrabooka bus station $10.1 million;
- Revenue from infringements and service contributions $ 4.0 million.

(2.3) The variation is mainly due to revaluation of freight network infrastructure.

(2.4) The movement in cash is mainly due to cash balances held for the Grain Freight stage 1 program.

(2.5) The variation to the approved FTE staff level is mainly due to the difficulty in recruiting transit officers. Train security was maintained by use of CCTV and contract security services.

Summary of Key Peformance Indicators: Actual compared to budget targets

	2009-10 Target	2009-10 Actual	Variation
Outcome: Accessible, Reliable and Safe Public Transport System.			
Key Effectiveness Indicators			
Use of public transport – passengers per service kilometre :			
• metropolitan bus services	1.43	1.43	0.00
• metropolitan train services (a)	3.46	4.15	0.69
• metropolitan ferry services	13.78	13.43	-0.35
• regional bus services	0.853	1.002	0.149
• country passenger rail services	0.27	0.242	-0.028
• country passenger road coach services	0.07	0.067	-0.003
Accessible Public Transport:			
The proportion of street addresses within the Perth Public Transport Area which are within 500 metres of a Transperth stop providing an acceptable level of service	81%	82.89%	1.89%
Metropolitan and regional passenger services reliability:			
• bus services within four minutes of scheduled time	85%	85.54%	0.54%
• train arriving within four minutes of scheduled time	95%	95.90%	0.90%
• ferries arriving within three minutes of scheduled time	98%	98.39%	0.39%
Country passenger rail and road coach services reliability:			
• Prospector arriving within 15 minutes of scheduled time (b)	90%	72%	-18.00%
• Australind arriving within 10 minutes of scheduled time	90%	95%	5.00%
• MerredinLink arriving within 10 minutes of scheduled time	95%	87%	-8.00%
• AvonLink arriving within 10 minutes of scheduled time	95%	98%	3.00%
• Road Coaches arriving within 10 minutes of scheduled time	95%	97%	2.00%

	2009-10 Target	2009-10 Actual	Variation
Regional school bus services reliability:			
drop off no less than 10 minutes before the school starts and pick up within 10 minutes of school ending	97%	97%	0%
Level of overall customer satisfaction – customer satisfaction index:			
• metropolitan bus services	80%	81%	1%
• metropolitan train services	92%	93%	1%
• metropolitan ferry services	98%	96%	-2%
• country passenger rail and road coach services	92%	90%	-2%
Customer perception of safety – independent external surveys:			
• train station – daytime	96%	98%	2%
• on-board train – daytime	97%	98%	1%
• train station – night-time	65%	70%	5%
• on-board train – night-time	75%	75%	0%
• bus station – daytime	95%	96%	1%
• on-board bus – daytime	99%	98%	-1%
• bus station – night-time	65%	70%	5%
• on-board bus – night-time	80%	79%	-1%
Level of notifiable safety occurrences – notifiable occurrences:			
• Category A: occurrences per million passenger boardings (c)	0.34	0.23	-0.11
• Category A: occurrences per million train kilometres (c)	1.11	0.86	-0.25
• Category B: occurrences per million passenger boardings	9.32	8.19	-1.13
• Category B: occurrences per million train kilometres	30.50	30.74	0.24
• Regional school bus services: notifiable occurrences (accidents) reported each school year(d)	13	17	4

	2009-10 Target	2009-10 Actual	Variation
Outcome: Protection of the long term functionality of the rail corridor and railway infrastructure:			
• Number of lease breaches	Nil	Nil	Nil
Key Efficiency Indicators			
Service 1 : Metropolitan and Regional Passenger Services			
Average cost per passenger kilometre			
• Transperth bus operations (e)	$0.63	$0.76	$0.13
• Transperth train operations (f)	$0.46	$0.41	-$0.05
• Transperth ferry operations	$1.24	$1.22	-$0.02
Average cost per 1,000 place kilometres			
• Regional bus services	$74.62	$80.09	$5.47
Total passenger place kilometres (millions)			
• Regional bus services	185.2	190.5	5.3
Service 2 : Country Passenger Rail and Road Coach Services			
Average cost per passenger kilometre			
• Transwa rail	$ 0.41	$0.44	$0.03
• Transwa road coaches	$ 0.22	$0.20	- $0.02
Service 3: Regional School Bus Services			
Average cost per contracted kilometre: student bus services	$3.39	$3.27	-$0.12
Service 4: Rail Corridor and Residual Freight Issues			
Total cost of managing the rail freight corridor and residual freight issues(g)	$26,846,000	$ 29,681,000	$2,835,000

Note: For more explanations on the variation, please refer to the section Audited Key Performance Indicators.

a) Transperth Trains achieved a growth in patronage in 2009/10 reaching 56.4 million, 2.0% above target.

b) The 2009/10 on time running result for the Prospector was below target as a result of disruptions in services due to track works, and train crossing delays due to increased traffic.

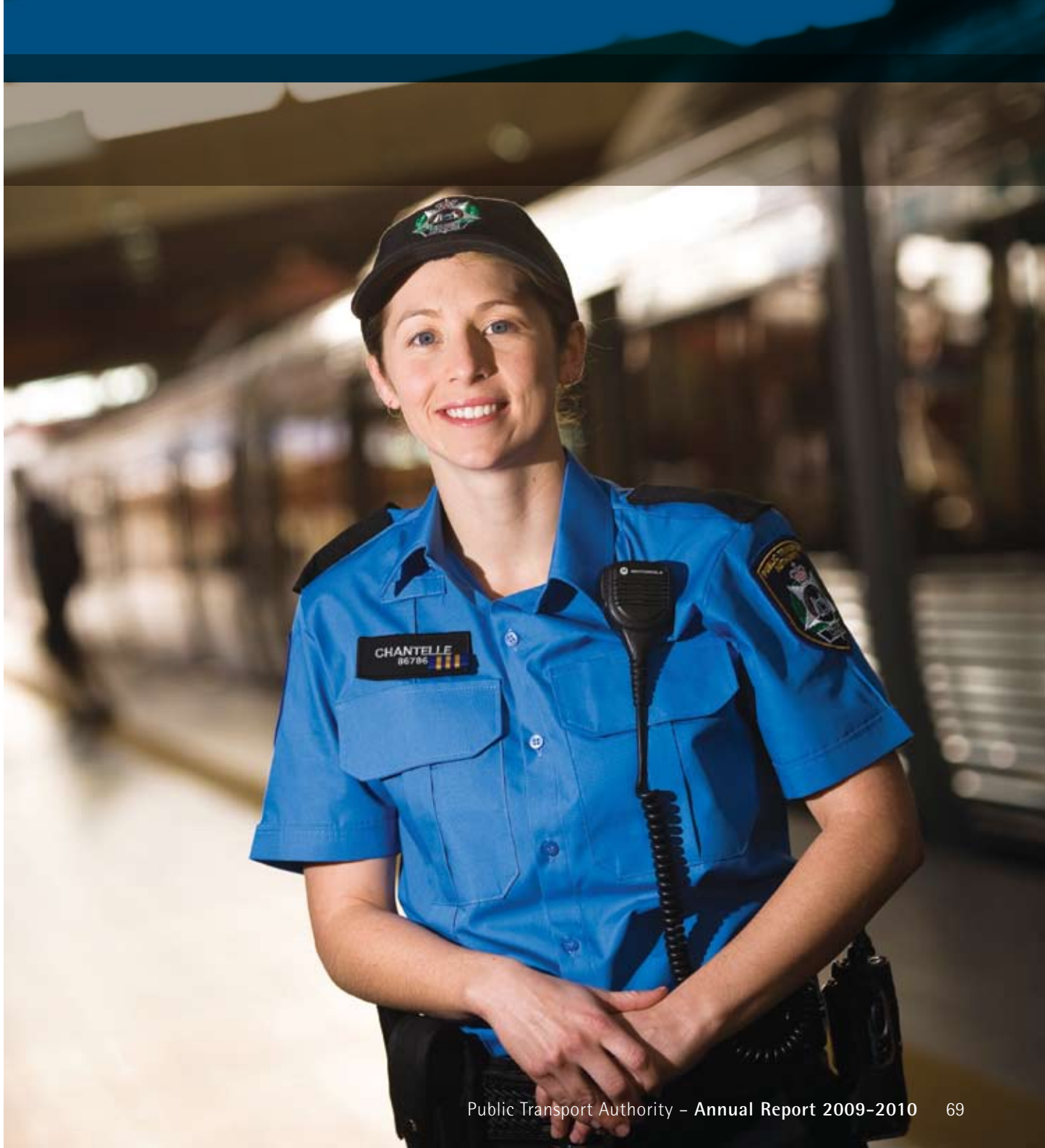
c) Category 'A' incidents per million passenger boardings and per million train kilometres were 32% and 23% lower than target.

d) Regional school bus services notifiable occurrences were above target; approximately 65% of the accident cases occurred through no fault of the school bus driver. No fatalities were recorded.

e) The Transperth Bus services cost per passenger kilometre in 2009/10 rose significantly above target mainly due to the significant decrease in passenger kilometres. The average trip length per passenger decreased by 15% from 6.6 kilometres to 5.6 kilometre.

f) The Transperth Trains services cost per passenger kilometre in 2009/10 decreased significantly below target mainly due to the significant increase in passenger kilometres by 16.6% compared to the previous year. The average trip length per passenger surpassed the target by 12% to 17.69 kilometre per passenger.

g) The cost of managing the rail corridor and residual freight issues in 2009/10 was higher than target by 10.56% due to additional costs associated with revaluing the freight network and the assessment of the grain freight network.



Electoral Act 1907 - Section 175ZE

In compliance with section 175ZE of the *Electoral Act 1907*, the Public Transport Authority of Western Australia 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:

	2010 $
Expenditure with Advertising Agencies:	
ADCORP Marketing Communication	248,163
APN National Sales Pty Ltd	2,670
Bladon (WA) Pty Ltd	2,610
Circling Shark	11,485
Discus Digital Print	2,468
Exposure Print Strategies	8,023
Image Source	25,747
Key 2 Design	139,134
Advance Press Pty Ltd	14,165
Cooch Creative	290,770
Elephant Productions	18,771
Vodafone Hutchison Australia Pty Ltd	1,859
	765,865
Expenditure with Market Research Agencies:	
Edith Cowan University	5,000
Painted Dog Research	337,613
	342,613
Expenditure with Polling Agencies:	**Nil**
Expenditure with Direct Mail Agencies:	**Nil**
Expenditure with Media Advertising Agencies:	
Media Decisions WA	355,845
Mitchell & Partners Australia	86,867
	442,712
TOTAL EXPENDITURE	**1,551,190**


Destination
Departs
Perth
1 min
Perth
Platform 2
Platform 1

Explanation of Major Capital Expenditure Variations 2009/10

(a) Budgeted estimates and actual results for 2009/10

	Budget $000	Actual $000	Variation $000	Comments
Bus Acquisition Program	39,284	36,387	2,897	Project scheduling
James Street Bus Bridge	3,051	527	2,524	Project scheduling
Karrinyup Depot Refurbishment	7,065	5,562	1,503	Project scheduling
Disability Access for Intermediate Minor Stations and Track Works – Stage 2	2,925	1,691	1,234	Project scheduling
Central Monitoring Room	2,500	1,620	880	Project scheduling
PTA Facilities Refurbishment	1,500	1,070	430	Project scheduling
Bus Acquisition Program - RPT Fleet	6,700	6,428	272	Project scheduling
Victoria Park Station	377	313	64	Project scheduling
Accessible Public Transport Upgrade Program	-	186	(186)	Project scheduling
Better Transport System (3000 parking bays)	17,000	17,641	(641)	Project scheduling
Kewdale Freight Complex Redevelopment	10,468	11,236	(768)	Project scheduling
Mirrabooka Bus Station Upgrade	-	1,210	(1,210)	Project scheduling
Perth City Link	-	1,853	(1,853)	Project scheduling
Extension of Northern Suburbs Railway to Butler	-	2,030	(2,030)	Project scheduling
Concrete Resleepering Projects	10,167	14,280	(4,113)	Project scheduling
Others	105,831	64,344	41,487	Project scheduling
New MetroRail	940	468	472	Project completed
Grand Total	**207,808**	**166,846**	**40,962**	

(b) Major Works in progress and completed

Description of Work	Estimated Total Cost 2009-10 $000	Estimated Cost to Complete $000	Total cost of project Actual $000	Expected Year of Completion
Perth City Link	609,269	606,619	1,853	2015/16
Extension of Northern Suburbs Railway to Butler	240,730	238,870	2,030	2015/16
Bus Acquisition Program	405,956	39,480	364,198	2010/11
Disability Access for Intermediate Minor Stations and Track Works – Stage 2	33,304	31,558	1,937	2016/17
Regional Bus Acquisition	52,434	31,224	21,210	2018/19
Better Transport System (3000 parking bays)	51,022	28,861	22,802	2012/13
Bus Priority Projects	26,330	23,180	2,456	2013/14
Concrete Resleepering Projects	61,741	13,231	48,750	2012/13
45 New EMU Railcars (15 sets)	160,000	2,518	153,717	2010/11
James Street Bus Bridge	19,827	3,323	16,299	2010/11

Independent Audit Opinion

Auditor General

To the Parliament of Western Australia

PUBLIC TRANSPORT AUTHORITY OF WESTERN AUSTRALIA
FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2010

I have audited the accounts, financial statements, controls and key performance indicators of the Public Transport Authority of Western Australia.

The financial statements comprise the Statement of Financial Position as at 30 June 2010, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, a summary of significant accounting policies and other explanatory Notes.

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

Chief Executive Officer's Responsibility for the Financial Statements and Key Performance Indicators

The Chief Executive Officer is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. This document is available on the OAG website under "How We Audit".

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators 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 and key performance indicators.

Public Transport Authority of Western Australia
Financial Statements and Key Performance Indicators for the year ended 30 June 2010

Audit Opinion

In my opinion,

(i) the financial statements are based on proper accounts and present fairly the financial position of the Public Transport Authority of Western Australia at 30 June 2010 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions;

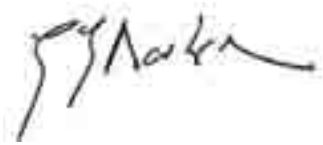
(ii) the controls exercised by the Authority provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and

(iii) the key performance indicators of the Authority are relevant and appropriate to help users assess the Authority's performance and fairly represent the indicated performance for the year ended 30 June 2010.

Matter of Significance

Without qualification to the audit opinion, I draw attention to the following matter. As disclosed in Note 4 to the financial statements for the year ended 30 June 2009, uncertainty existed concerning the valuation of the Authority's Freight Network Infrastructure (FNI). At that time there had not been a formal valuation of the FNI since 1993. At 30 June 2009, the FNI had a gross carrying value of $303 million, compared to the total gross carrying value of the Authority's infrastructure of $5.366 billion.

During 2009-10, a valuation was performed and the valuation of the FNI increased by $1.1 billion. However uncertainty remains as to whether the balance at 30 June 2009 of $303 million represented the fair value of the FNI at that time.



GLEN CLARKE
DEPUTY AUDITOR GENERAL
15 September 2010


Tickets
Tickets
How to Purchase a Ticket
Emergency
Press button
to call
Red light
indicates
call received
Emergency

Audited Key Performance Indicators

for the year ended 30 June 2010

Certification of Key Performance Indicators

For the year ended 30 June 2010

I hereby certify that the key 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 2010.

R Waldock

Accountable Authority

1 September 2010

Audited Key Performance Indicators

To make its contribution to the Government's goal, 'To enhance the quality of life and wellbeing of all people throughout 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:

- Metropolitan and Regional Passenger Services – these include
  - Perth Metropolitan Train, Bus and Ferry Services of Transperth; and
  - Regional Town Bus Services;
- Country Passenger Rail and Road Coach Services of Transwa; and
- Regional School Bus Services

The indicators of success in achieving this outcome and running these services are based on the use of public transport, accessibility, reliability, customer satisfaction, safety and cost efficiency.

The 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 leased to private sector operators in 2000.

Links to the Government Strategic Goal

The links to the Government Strategic Goal are presented in the table below:

Government Strategic Goal	PTA Outcomes	Services
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

Measuring Performance

Outcome 1: Accessible, reliable and safe public transport system

Effectiveness indicators

The PTA's effectiveness in providing an accessible, reliable and safe public transport system is measured using the following key effectiveness indicators for:

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.

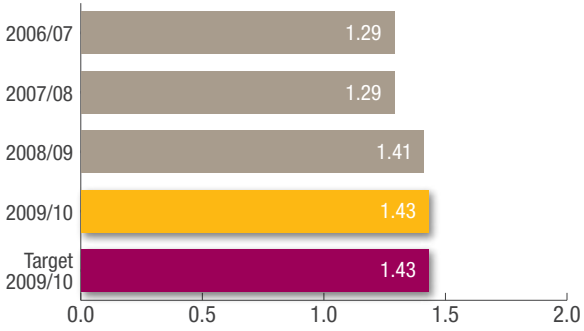
1. Use of Public Transport

The use of public transport is measured by comparing the annual number of passengers carried with the number of service kilometres. Service kilometres are kilometres operated on scheduled passenger services and exclude "non-productive running" i.e. travelling to or from the depot to commence a service trip or re-positioning to commence another service trip.

The measure indicates the extent to which services provided, as represented by the number of kilometres operated, are being utilised. An increasing trend in the indicator will generally signify that patronage is rising at a rate greater than the rate of increase in service kilometres operated and represents an improvement in effectiveness as well as an increase in the use of public transport.

This effectiveness indicator is applied to each mode of public transport. The indicator is based on total boardings on Transperth services and includes fare-paying boardings plus free travel and transfers. Transfers are boardings which occur either between services within the same mode or between modes during the specified ticket transfer time.

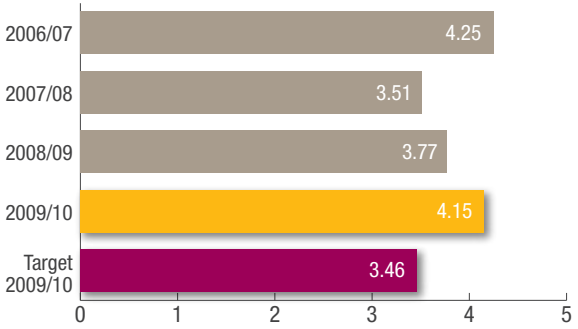
Transperth Bus Services



Transperth Bus Services: Passengers per service kilometre

In 2009/10 boardings per service kilometre on bus services were on target and 0.97% above the previous year's result. The target was based on projected annual total boardings of 74.419 million and 52.0 million service kilometres. Total boardings reached 74.756 million in 2009/10 compared to 73.550 million in 2008/09, an increase of 1.64% above 2008/09 and 0.45% above the target. Service kilometres also increased in 2009/10 by 0.66% to 52.340 million from 51.997 million in 2008/09 and exceeded the target by 0.65%.

Transperth Train Services



Transperth Train Services: Passengers per service kilometre

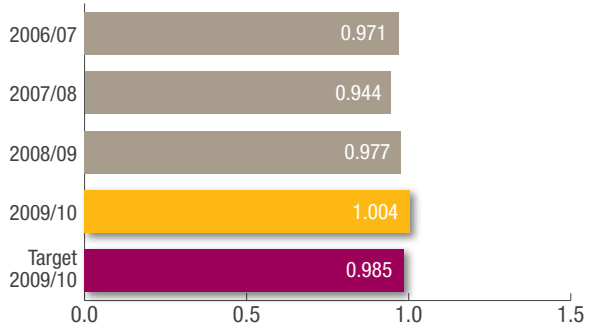
Boardings per service kilometre on train exceeded the target by 20.04% and the previous year's result by 10.23%. The target was based on projected annual total boardings of 55.281 million boardings and 15.996 million service kilometres. During the year, total boardings increased by 3.03% to 56.409 million from 54.750 million in 2008/09 and were 2.04% above target. Service kilometres were 15.09% below target and 6.53% below the previous year. The reduction in service kilometres was due to the service revision introduced on 28 June 2009 which reduced annual service kilometres to 13.582 million from the target of 15.996 million kilometres.

Regional Town Bus Services

In order to provide a more meaningful result in reporting the performance of regional town bus services, the effectiveness indicator for passengers per service kilometre has been separated into intra-town and inter-town components.

Intra-town services operate within rural town boundaries, while inter-town services run between regional centres.

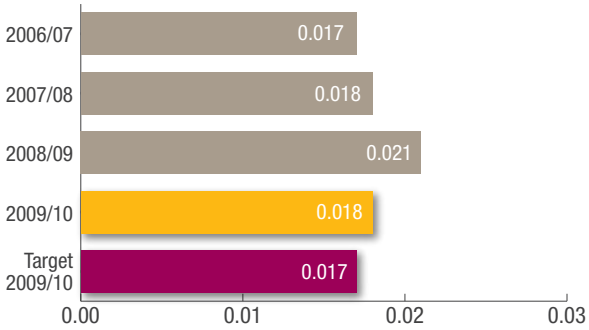
a. Intra-Town Services



Intra-Town Services: Passengers per service kilometre

The intra-town services in Bunbury, Port Hedland, Busselton, Carnarvon, Kalgoorlie, Broome, Collie, Kununurra, Manjimup and Narrogin performed strongly during 2009/10. Passengers per service kilometre for intra-town exceeded the target by 1.89% and the previous year's result by 2.72%. During the year, total patronage increased by 4.73% to 2.466 million from 2.355 million in 2008/09. Service kilometres also increased to 2.457 million, 1.95% above the previous year's result of 2.410 million.

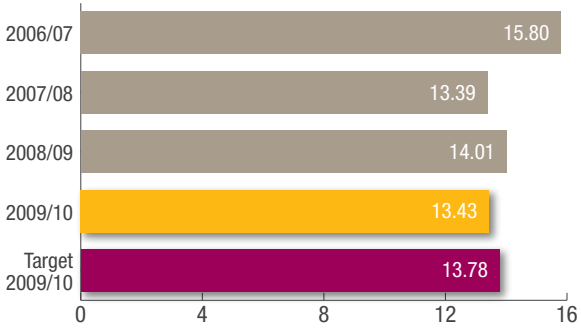
b. Inter-Town Services



Inter-Town Services: Passengers per service kilometre

Passengers per service kilometre exceeded the target by 8.38% due to the improved performance of the Perth to Port Hedland and Kalgoorlie to Laverton road coach services but were 14.28% below the previous year due to the ending of the trial for the extended services between Point Sampson, Wickham, Roebourne, Karratha and Dampier. During the year, total patronage reduced by 21.20% to 6,368 from 8,081 in 2008/09. Service kilometres were 345,614, 8.07% below the previous year's result of 375,952.

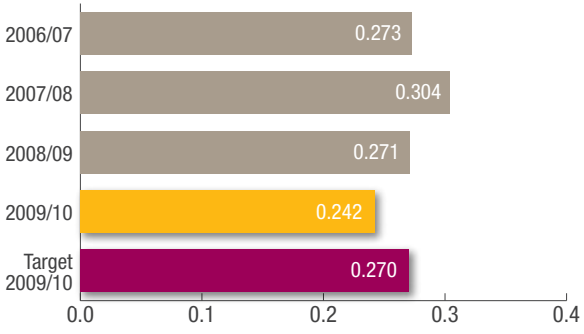
Transperth Ferry Services



Transperth Ferry Services: Passengers per service kilometre

The 2009/10 passengers per service kilometre were 2.54% below target and 4.12% below the previous year's result. The target was based on projected annual total boardings of 476,000 and 34,500 service kilometres. In 2009/10, total boardings were 2.49% below target and 4.06% less than in 2008/09. Annual service kilometres at 34,559 were 0.07% more than in 2008/09 and exceeded the target by 0.17%.

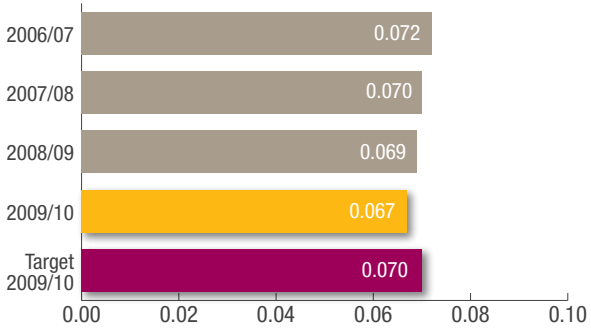
Transwa Rail Services



Transwa Rail Services: Passengers per service kilometre

Passengers per service kilometre in 2009/10 decreased by 10.52% against 2008/09 and were 10.23% lower than target. With the Australind resuming full service in May 2009, service kilometres increased by 9.38% to 996,279 kilometres from 2008/09. The increase in service kilometres and the further decline in patronage by 2.13% to 241,484 have contributed to the lower result.

Transwa Road Coach Services



Transwa Road Services: Passengers per service kilometre

The 2009/10 passengers per service kilometre was below target by 4.89% and 2008/09 by 3.38%. The lower result was due to a reduction of 5.50% in patronage to 214,538 and a reduction of 2.20% in service kilometres.

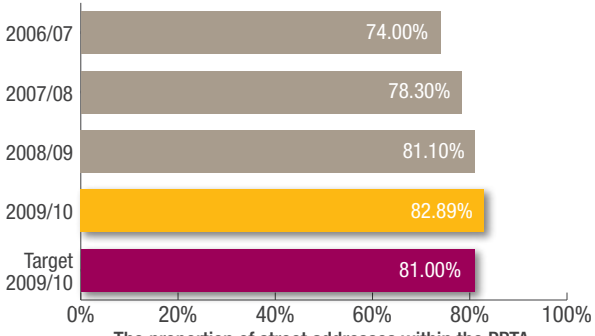
2. Accessible Public Transport

Accessibility to public transport, in terms of service coverage, is measured as the proportion of Property Street Addresses (PSA) within the Perth Public Transport Area (PPTA) which are within 500 metres of a Transperth stop providing an acceptable level of service. The PPTA defines the core operational areas for Transperth services.

"Acceptable service level" (ASL) is defined as an hourly service during the day with at least three trips per hour (i.e. at 20-minute intervals) in the peak flow direction in the morning and/or afternoon peaks, excluding dedicated school bus services.

The indicator uses PSA data from Landgate and service information and stop location data from the Transperth Route Information System (TRIS).

The measure demonstrates the extent to which the PTA meets its accessibility standards in the Perth metropolitan area.



The proportion of street addresses within the PPTA which are within 500 metres of a Transperth stop providing an acceptable level of service

The PSAs that were within walking distance (500 metres) of a Transperth stop providing an acceptable service level increased from 81.10% in 2008/09 to 82.89% in 2009/10, an increase of 2.21% and represents 2.33% increase over the target. The number of PSAs within 500 metres of an ASL stop increased by 4.95% to 715,719 from 681,989 in 2008/09. The 2009/10 result indicates that a very high proportion of PSAs in Perth, 715,719 out of 863,460 now have ready access to an acceptable level of public transport services.

3. Service Reliability

According to an independent survey which measured customer satisfaction, service reliability is regarded 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 defined period of time after the scheduled arrival time. This parameter is referred to as 'on-time arrival' and is shown in the table for each operation.

Operation	'On-time arrival' parameter
Metropolitan and Regional Passenger Services	
Transperth Trains	4 minutes
Transperth Buses	4 minutes
Transperth Ferries	3 minutes

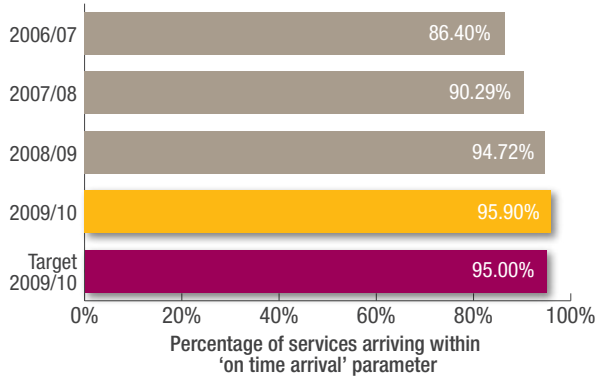
Operation	'On-time arrival' parameter
Country Passenger Rail and Road Coach Services	
Transwa Rail	
Prospector	15 minutes
Australind	10 minutes
AvonLink	10 minutes
MerredinLink	10 minutes
Road Coaches	10 minutes

Regional school bus services

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

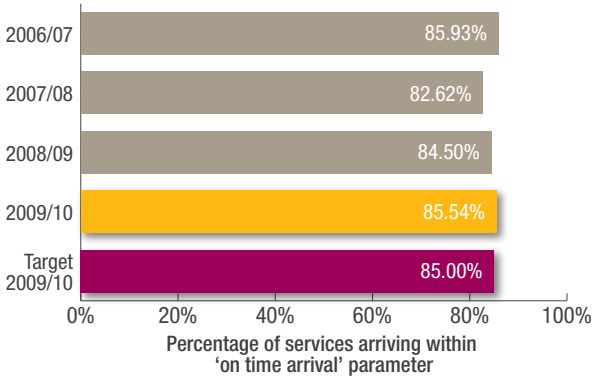
The 'on-time arrival' measure demonstrates the extent to which the PTA meets its service reliability standards.

Transperth Train Services



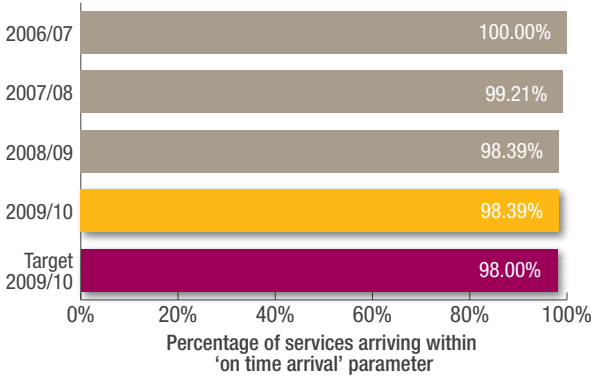
The 2009/10 'on-time arrival' of Transperth Trains exceeded the target and 2008/09 by 0.95% and 1.25% respectively due to a reduction in electrical and operations faults. When compared to previous years there has been a continuous improvement to 95.90% this year.

Transperth Bus Services



The 2009/10 'on-time arrival' of buses continued strongly with the result being 1.23% above 2008/09 and 0.64% above target.

Transperth Ferry Services

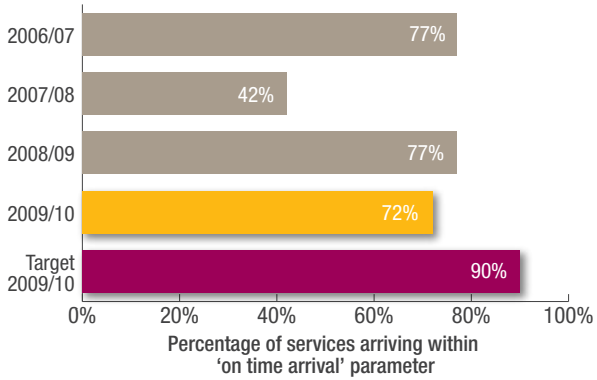


The high level of reliability of the ferry service continued to be maintained and was marginally above the target by 0.40%. In 2009/10, out of a sample of 124 trips, one trip ran early and one did not run.

Transwa Rail Services

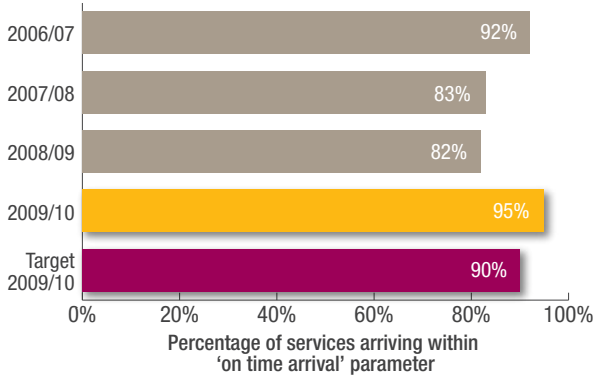
Indicators of the 'on-time arrival' performance for Transwa rail services are reported separately for each service.

a. Prospector



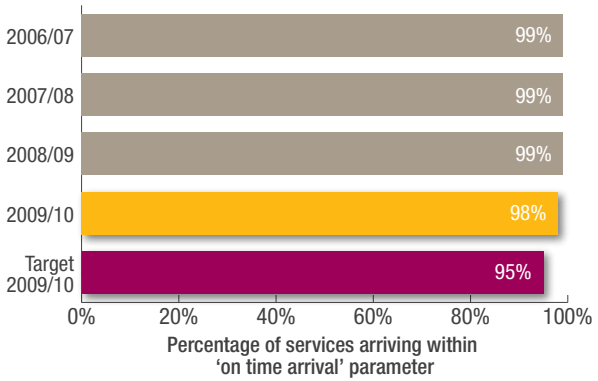
The on-time performance for 2009/10 was 6.49% below 2008/09 and 20.00% lower than target as a result of disruptions in services due to track works, and train crossing delays due to increased traffic.

b. Australind



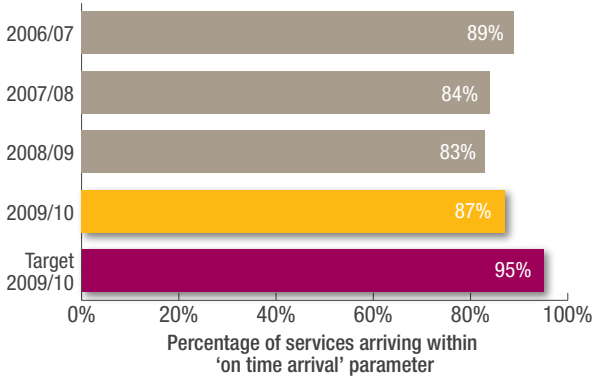
The on-time performance for 2009/10 recorded a significant improvement being 15.85% above 2008/09 and 5.56% above target. This improvement is due to the completion of resleepering and other track works on the Perth to Bunbury railway in May 2009.

c. AvonLink



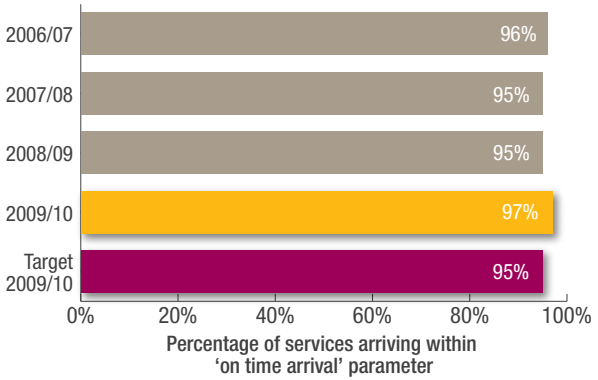
The on-time performance of the AvonLink continued at high levels in 2009/10 and was above the target by 3.16%.

d. MerredinLink



The 2009/10 on-time performance for the MerredinLink improved by 4.82% above 2008/09. Delays caused by crossing delays due to increased traffic and late running of the Prospector services resulted in the service being 8.42% below target.

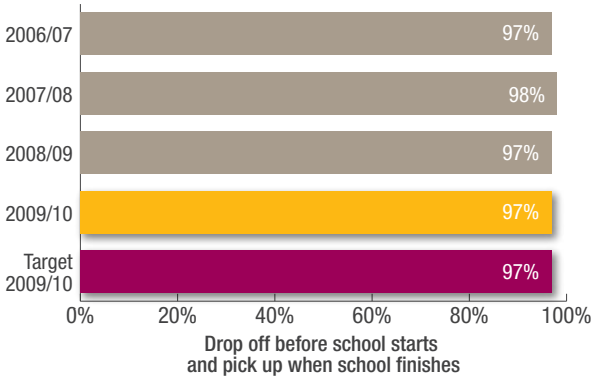
Transwa Road Coach Services



The 2009/10 on-time arrival for the Road Coach services was 2.11% above the target and previous year's results.

Regional School Bus Services

This effectiveness indicator measures school bus timetable reliability for rural mainstream services and Special Education School buses operating in the metropolitan area. The on-time arrival parameter is to arrive at school no less than 10 minutes before school starts and departing within 10 minutes of school ending.



The 2009/10 result indicates that on-time arrivals are within the target range. In 2009/10, 888 Mainstream and Education Support services were monitored for on time running of which 864 were within the time standard. This equates to a 97.30% compliance rate. The number of observations was within the acceptable limit of sampling error rate.

This effectiveness indicator is calculated using a random sample which ties in with the School Bus Service inspection program.

The table shows four year performance to 30 June 2010:

Year	Number of observations for compliance with 'on-time' arrival	Observations that were compliant
2006/07	1,086	1,048
2007/08	1,046	1,022
2008/09	1,030	1,001
2009/10	888	864

The error rate of ± 3.05% is within the ± 5% tolerance level.

4. Level of Overall Customer Satisfaction

The proportion of patrons who expressed overall satisfaction with their public transport service level, measures the public perception of the organisation's performance in providing a high-quality and attractive public transport service.

The measure for Transperth services is derived from an extensive annual survey conducted by independent pollsters. The survey, known as the 'Passenger Satisfaction Monitor' (PSM), provides 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 station amenities. The information is used by Transperth to develop strategies for improving service performance and infrastructure.

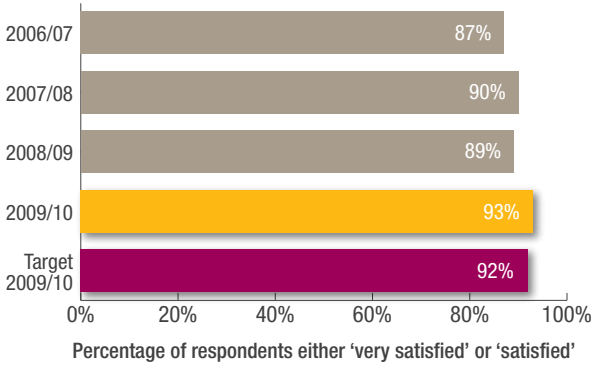
The pollsters interview a large sample of passengers in lengthy face-to-face surveys. Interviewers are assigned to various services and transit station locations over a four week period covering the working week and weekend. This is the most comprehensive public transport survey of passengers in Australia.

Transperth Train Services

For the rail PSM, a total of 1003 train 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 trains at least once per fortnight.

The sample error estimates were within ± 3% - 4% at the 95% confidence level.



Overall satisfaction levels in 2009/10 increased significantly to a new all time high result of 93%. The result in 2009/10 has been driven by significant improvements in overall levels of satisfaction for both the Armadale and Midland lines (Armadale 81% in 2008/09 to 92% in 2009/10; Midland 86% in 2008/09 to 92% in 2009/10). The 2009/10 result was a 4.49% improvement over 2008/09 and 1.09% above target.

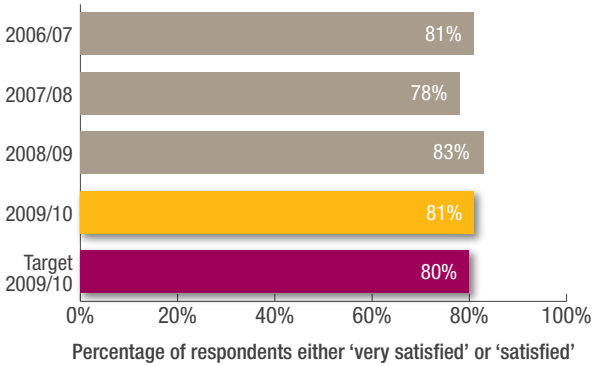
The expressed levels of dissatisfaction remained relatively low with the main reasons related to crowding issues, cost of fares, service frequency, insufficient carriages, bus feeder and off-peak services.

Transperth Bus Services

For the Transperth bus PSM, a total of 3,067 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
- Patrons who travel on bus at least once per fortnight.

The sample error estimates were within ± 2% - 3% at the 95% confidence level.



The 2009/10 PSM showed that customer satisfaction with the overall level of service on Transperth bus services was 1.25% above target but 2.41% below the result achieved in 2008/09. In historical context, the 2009/10 results are consistent with those of the past nine years.

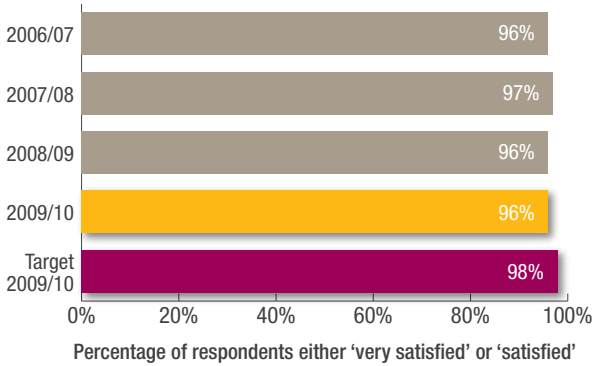
In 2009/10, significantly higher satisfaction levels were recorded for Belmont, Fremantle/Cockburn and the Perth and Fremantle CAT services. Southern Coast and Swan Transit achieved significant lower dissatisfaction results. The main reasons for dissatisfaction in 2009/10 were insufficient off-peak/weekend services, punctuality, bus frequency and connecting services.

Transperth Ferry Services

For the ferry PSM, a total of 203 ferry patrons were surveyed. The overall sample comprised of:

- Adults aged 18 years or over resident within the Perth Metropolitan area, (i.e. Patrons who were users of Transperth Ferry services and used it more than once a fortnight for Perth residents)
- Patrons who were users of Transperth Ferry services whilst visiting for non-residents to Perth.
- School students were excluded from the sample.

The sample error estimates were within ± 10% at the 95% confidence level.



Customer satisfaction with the overall level of service on Transperth ferry services was 2.04% below target but remained high at 96% with no change from the previous year. In 2009/10, none of the respondents indicated that they were dissatisfied at the overall level.

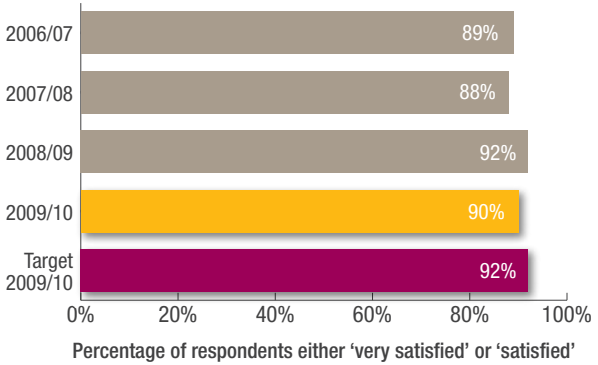
Ferry users recorded high levels of satisfaction for all service characteristics. The key factors affecting the level of satisfaction were cost of fares, ferry frequency and personal safety at night on-board and at the jetty.

Transwa Train and Road Coach Services

An independent passenger satisfaction survey is undertaken annually for each service: Australind, Prospector, AvonLink, MerredinLink and Road Coaches.

In 2009/10, a total of 893 country services patrons were surveyed via a self-completion questionnaire.

The sample error estimates were within ± 3% - 5% at the 95% confidence level.



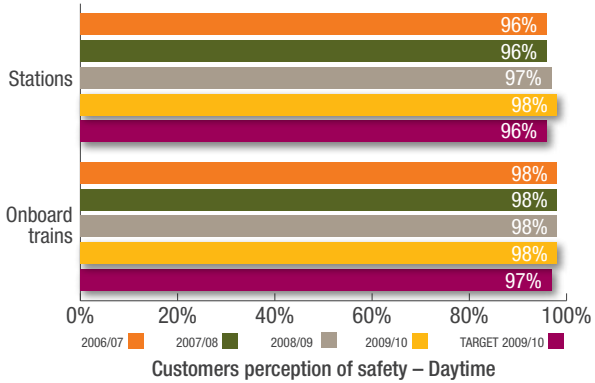
Despite a small decrease of 2.17% in overall satisfaction in 2009/10, 9 in 10 Transwa patrons remain satisfied with Transwa's services overall. In 2009/10, the result for the AvonLink indicated a notable decrease by 10.64% overall satisfaction and a 18% increase in dissatisfaction with fares.

5. Customer Perception of Safety

Safety perceptions are an important factor in the public deciding whether to use public transport. The PTA is continuing to invest 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.

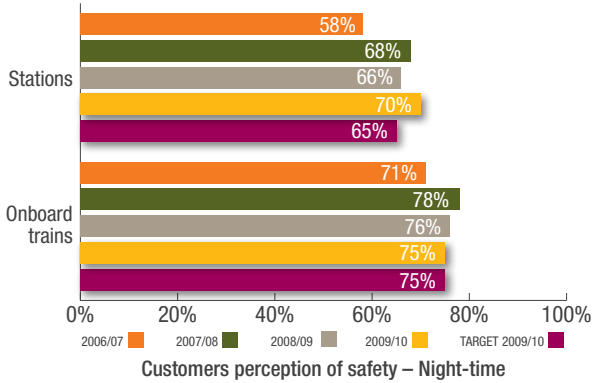
Customer perceptions of safety are measured through data gathered in the Passenger Satisfaction Monitor (PSM) which distinguishes between on-train and on-bus and at stations, at night and during the day for the Transperth train and bus services.

Transperth Train Services



Customers perception of safety – Daytime

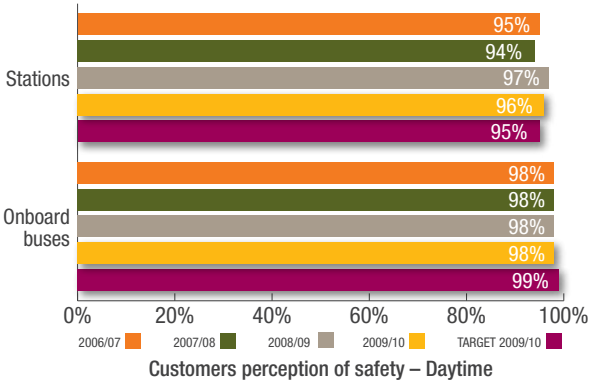
The results for 2009/10 showed that the daytime passenger perception of safety at train stations and on-board trains remained very high at 98% and were above targets. The customers' perception of safety at the stations was slightly higher than those of the previous years while on-board trains during the day remained unchanged at 98%.



Customers perception of safety – Night-time

The customer perception of safety at train stations recorded an increase of 6.06% over 2008/09 and 7.69% above target. The 2009/10 results for on-board trains at night time were on target but slightly below the results for 2008/09.

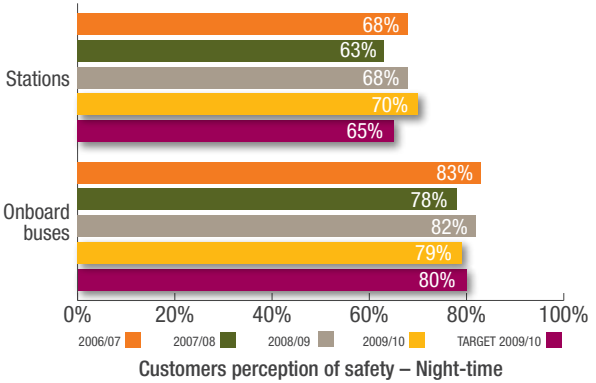
Transperth Bus Services



Customers perception of safety – Daytime

In 2009/10 the proportion of bus passengers who always or usually felt safe at bus stations/interchanges in the daytime exceeded the target by 1.05% but fell 1.03% short of the level achieved in 2008/09.

The proportion of bus passengers who always or usually felt safe on-board buses in the daytime remained very high at 98% in 2009/10, although the result was marginally (1.01%) below the target.



Customers perception of safety – Night-time

In 2009/10, the proportion of bus passengers who always or usually felt safe at bus stations/interchanges at night-time continued to improve and exceeded the target by 7.69% and the previous year's result by 2.94%.

The proportion of bus passengers who always or usually felt safe on-board buses at night-time showed a 3.66% decrease from 2008/09 and was 1.25% below the target.

6. Level of Notifiable Occurrences

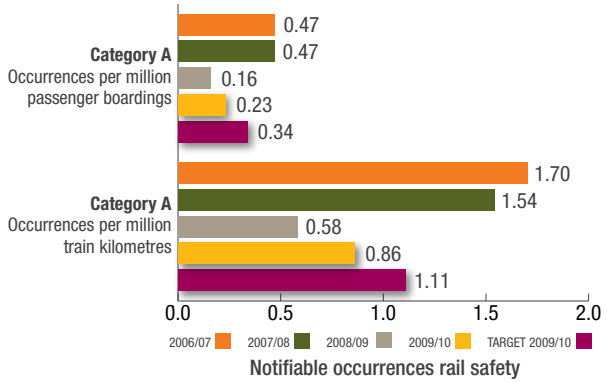
Rail Safety

Railway safety incidents are recorded and notified to the Office of 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' (incidents that may have the potential to cause a serious accident) and Australian Standard "Railway Safety Management" 4292 - 2006. Notifiable occurrences reporting is a legislated requirement under the Rail Safety Act 1998 for the accredited owner and operator of a rail system and therefore form part of the PTA's safety management system. These arrangements do not cover bus operations.

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 rate of incidents indicates that sound safety procedures and risk management procedures/controls exist and are operating effectively throughout the rail system.

The benchmark values for Category 'A' and Category 'B' incidents are calculated on the projected estimations of the number of future passenger boardings and train kilometres.

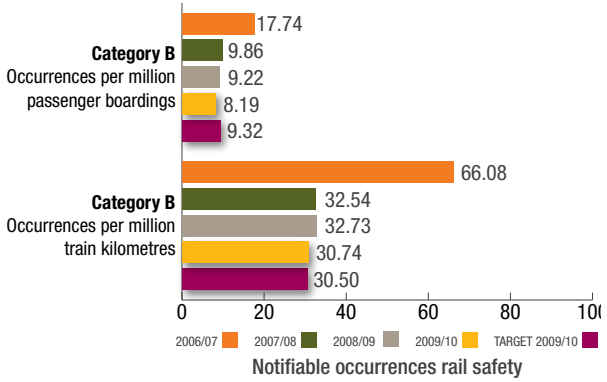
Category 'A' incidents per million passenger boardings were significantly lower than the target by 32.35%. The KPIs were calculated based on 13 Category 'A' incidents, total train kilometres of 15.092 million and 56.643 million boardings in 2009/10.



Category 'A' notifiable incidents increased by 44.44% from 9 in 2008/09 compared to 13 in 2009/10 which includes suicides.

Category 'A' occurrences per million train kilometres were 22.52% below the target and 48.28% above the previous year's result.

However when excluding suicides and attempted suicides, there were 6 Category 'A' notifiable incidents compared to 4 in the previous year.

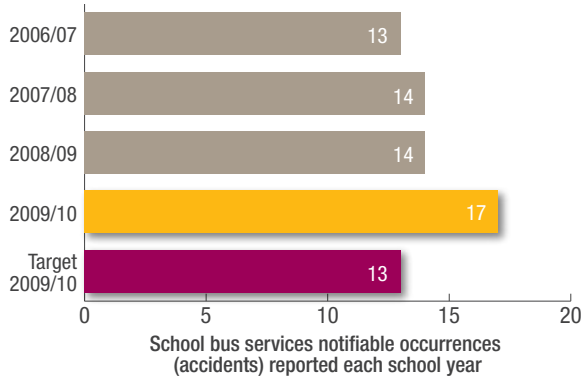


There were 464 Category 'B' notifiable incidents for the year 2009/10 compared to 507 in 2008/09. In 2009/10, Category 'B' incidents per million passenger boardings and per million train kilometres reduced by 11.17% and 6.08% respectively when compared to 2008/09. This is attributed to the effective Safety Management Systems and a review of Transperth Train Operations conducted in 2009 on the Mandurah Line/Joondalup Line where some of the off- peak services were reduced.

Regional School Bus Services Safety

Accidents attributable to all causes are notified to the School Bus Team Leader Vehicle Inspector in the PTA. The measure for the notifiable occurrences is expressed as the number of accidents (major and minor) reported during the school year.

A low number of occurrences indicate that effective safety management procedures and controls exist and are being adhered to by school bus contractors and drivers throughout the regional school bus fleet.



Overall, there were 17 'on-road' school bus accidents in 2009/10, comprising of 8 major and 9 minor accidents. Approximately 65% of the accident cases occurred through no fault of the school bus driver. No fatalities were recorded.

Of the 17 accidents, 9 occurred in the country area and 8 in metropolitan Perth.

As part of an ongoing campaign to educate school bus contractors and drivers about the relative risks associated with accidents, measures such as the implementation of the Safety Management plan for each school bus service are an effective means of improving and maintaining safety standards. This action is expected to assist in reducing the number of notifiable occurrences.


TRANSPERTH

Efficiency indicators

The PTA's effectiveness in providing a cost efficient public transport system is measured using the following key efficiency indicators:

1. Average cost per passenger kilometre
2. Average cost per 1,000 place kilometres
3. Total passenger place kilometres (millions)
4. Average cost per contracted kilometre

Note: Due to the abolition of the Capital User Charge (CUC) in 2007/08, the costs for calculating the efficiency indicators from 2007/08 exclude CUC compared to 2006/2007, when CUC was included. A comparison graph excluding CUC for the 2006/07 is provided.

1. Average Cost per Passenger Kilometre

This indicator measures the cost efficiency of providing passenger services, expressed as the cost of carrying one passenger one kilometre.

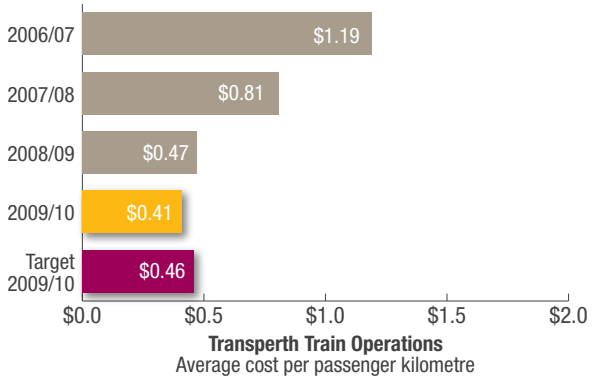
Transperth

Passenger kilometres are calculated by multiplying the number of initial boardings by the average trip length. Until 2007/08, average trip lengths for bus and train were estimated using the zonal distribution of fare-paying boardings. The 2008/09 average cost targets for bus and train were based on passenger kilometres calculated on this method. However, the zonal distribution of journeys provided only a rough estimate of average trip length because the previous ticketing system did not identify start and finish details for journeys. It also did not report on transfers and therefore understated passenger kilometres. During 2008/09, Transperth began using SmartRider tag-on/tag-off data, which records the average trip length for SmartRider users on bus and train, to calculate SmartRider passenger kilometres on each mode. The same average trip length was applied to cash fare-paying passengers on bus and train to calculate passenger kilometres for cash passengers. The average trip length on ferry is the distance across the river which is 1.38 kilometres.

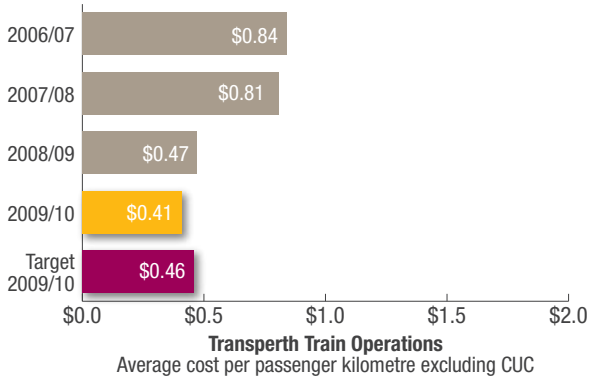
The indicator measures the cost efficiency of the services, i.e. the trend in the cost of carrying one passenger over one kilometre. A declining trend indicates that the resources used to provide the services are being utilised in a cost efficient manner.

Transperth Train Services

In calculating train efficiency indicators for 2008/09, operating expenses mainly related to rail related transfers of assets to local government have been included as part of Transperth Train Services total costs.



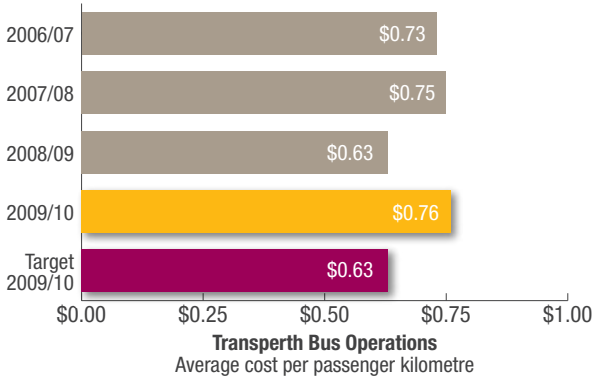
Note: Due to the abolition of the Capital User Charge (CUC) in 2007/08, the costs for calculating the indicator from 2007/08 exclude CUC compared to 2006/07 where CUC was included.



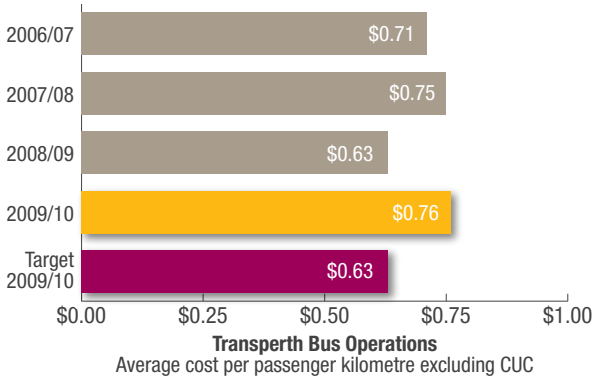
Note: For comparison purposes, CUC has been excluded from 2006/07.

In 2009/10, the average total cost per passenger kilometre on train was 9.79% below target and 12.43% below the previous year's result. The target was based on projected passenger kilometres of 787.758 million and budgeted total costs of $368.5 million. While total costs for the year were 0.83% ($0.51 million) above budget, passenger kilometres for the period were 895.387 million, 13.66% above target and 16.64% more than in the previous year. The average trip length for the year was 17.69 kilometres which significantly increased the annual passenger kilometres out-turn. The calculation of projected passenger kilometres was based on an overall average trip length of 15.83 kilometres. Therefore, the projected total cost per passenger kilometres was based on a low estimate of passenger kilometres.

Transperth Bus Services



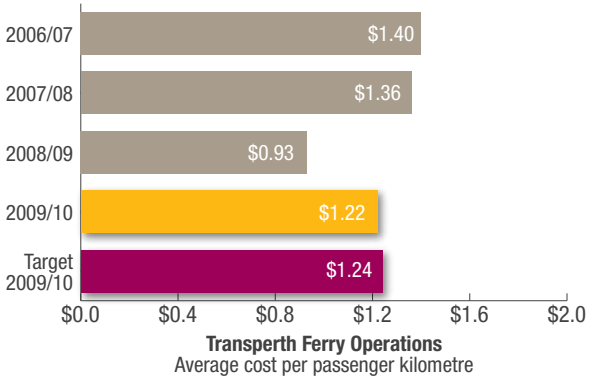
Note: Due to the abolition of the Capital User Charge (CUC) in 2007/08, the costs for calculating the indicator from 2007/08 exclude CUC compared to 2006/07 where CUC was included.



Note: For comparison purposes, CUC has been excluded from 2006/07.

In 2009/10, average total cost per passenger kilometre on bus was 20.83% above the target and exceeded the 2008/09 result by 21.55%. The target was based on projected passenger kilometres of 488.479 million and budgeted total costs of $307.3 million. While total costs for the year were 0.36% ($1.157 million) above budget, passenger kilometres were 418.835 million, 14.26% below target and 13.58% less than in the previous year. The average trip length for the year was 5.6 kilometres which resulted in the annual passenger kilometre out-turn being significantly less than projected. The calculation of projected passenger kilometre was based on an overall average trip length of 6.59km. The projected total cost per passenger kilometre was based on a high estimate of passenger kilometres.

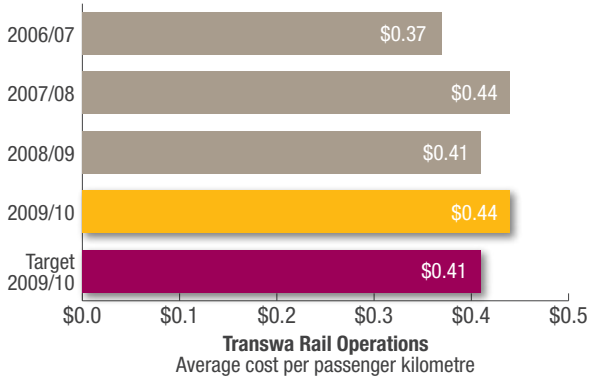
Transperth Ferry Services



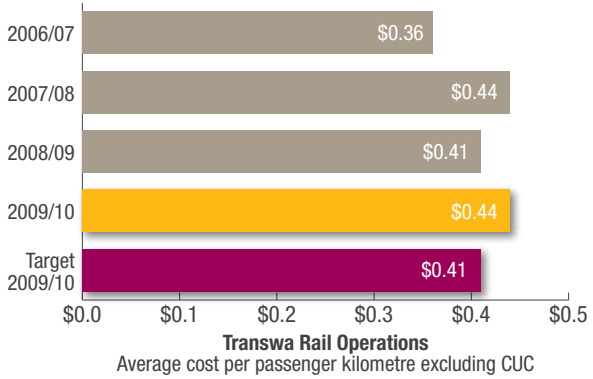
Note: Due to the abolition of the Capital User Charge (CUC) in 2007/08, the costs for calculating the indicator from 2007/08 exclude CUC compared to 2006/07 where CUC was included.

In 2009/10, the average total cost per passenger kilometre on ferry was 1.40% below target and exceeded the previous year's result by 31.23%. The target was based on projected passenger kilometres of 657,000 and budgeted total costs of $819,000. The passenger kilometre out-turn was 640,492, 2.51% below target due to passenger boardings being less than expected, while total costs, which included expenditure of $74,240 on refurbishment of the Shelly Taylor Smith, were 10.30% above budget.

Transwa Rail Services



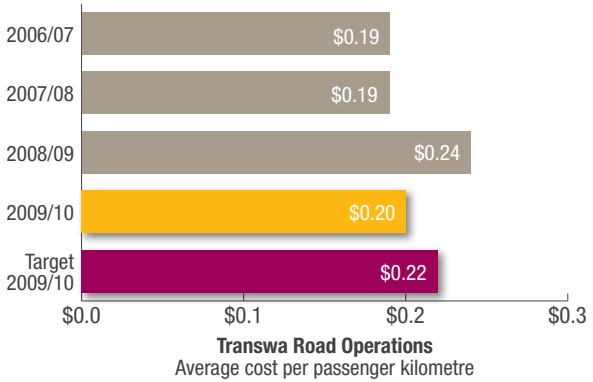
Note: Due to the abolition of the Capital User Charge (CUC) in 2007/08, the costs for calculating the indicator from 2007/08 exclude CUC compared to 2006/07 where CUC was included.



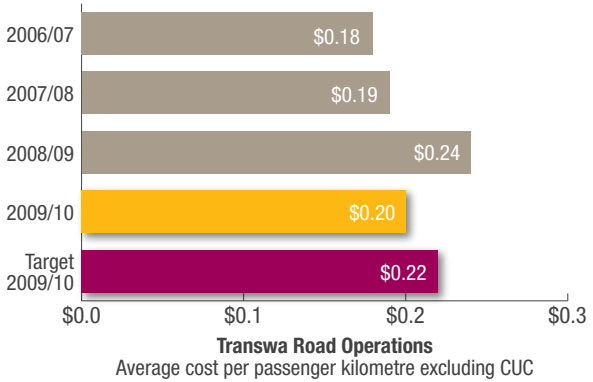
Note: For comparison purposes, CUC has been excluded from 2006/07.

The 2009/10 result was above the target by 7.52% and the 2008/09 result by 6.56%. The average cost per passenger kilometre was higher in 2009/10 than the previous year due to an increase in total costs of 1.49% and a 4.76% reduction in passenger kilometres from 75.516 million in 2008/09 to 71.923 million in 2009/10 due to lower patronage.

Transwa Road Coach Services



Note: Due to the abolition of the Capital User Charge (CUC) in 2007/08, the costs for calculating the indicator from 2007/08 exclude CUC compared to 2006/07 where CUC was included.



Note: For comparison purposes, CUC has been excluded from 2006/07.

The average cost per passenger kilometre in 2009/10 was lower than the target and the 2008/09 result by 10.42% and 18.09% respectively due to lower capital and operating costs. This was mainly due to the revision of the economic life of the Road Coaches from 7 to 12 years. The total cost for 2009/10 decreased by 22.83% from 17.163 million in 2008/09 to 13.244 million.

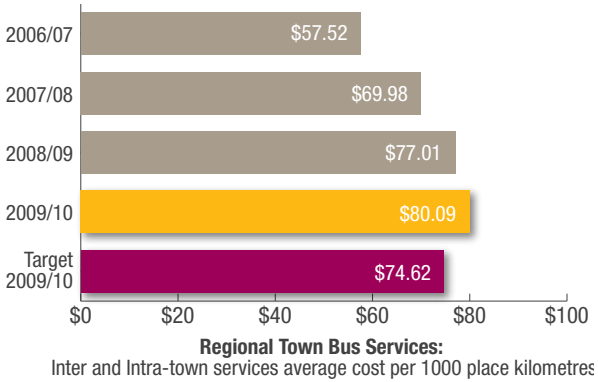
2. Average Cost per 1000 Place Kilometres

Note: This efficiency indicator was not audited in 2006/07.

This indicator measures the cost efficiency of providing the service per 1000 place kilometres and it is calculated for each mode by dividing total cost by place kilometres and multiplying by 1,000. Place kilometres are calculated by multiplying the average fleet capacity by the service kilometres.

Regional Bus Services

Intra-Town and Inter-Town Services



In 2009/10, the average cost per 1,000 place kilometre for Intra-town and Inter-town Bus services was 4% higher than in 2008/09 and 7.32% above the target. Service kilometres for 2009/10 recorded a 0.6% increase from 2.786 million in 2008/09 to 2.803 million kilometres. As a result, total passenger place kilometres increased by 4.32% from 182.649 million in 2008/09 to 190.547 million in 2009/10. Total cost also increased by 8.49% from $14.065 million in 2008/09 to $15.260 million due to the additional costs incurred by Intra-town and Inter-town bus services.

3. Total Passenger Place Kilometres (millions)

Note: This performance indicator was not audited in 2006/07.

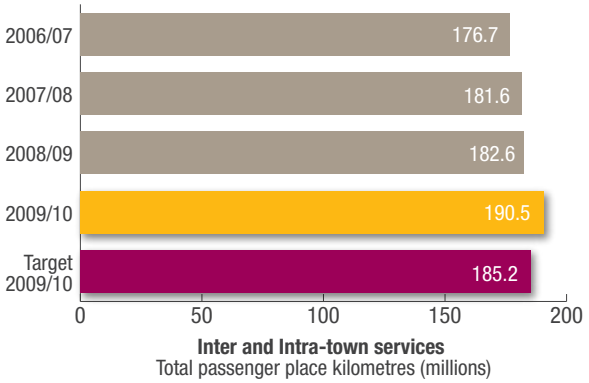
This efficiency indicator measures the total number of passengers that can be carried for the service kilometres.

It is calculated for each mode of transport by multiplying the average fleet capacity by the service kilometres and this represents the capacity provided on each mode.

The service kilometres for most intra-town services are calculated using the Transperth Route Information System (TRIS).

Regional Bus Services

Intra-Town and Inter-Town Services



Inter and Intra-town services
Total passenger place kilometres (millions)

In 2009/10, total passenger place kilometres for Intra-town and Inter-town bus services were 2.89% above the target and 4.32% above the previous year's result due to a 4.64% increase in total passengers from 2.363 million in 2008/09 to 2.473 million passengers.

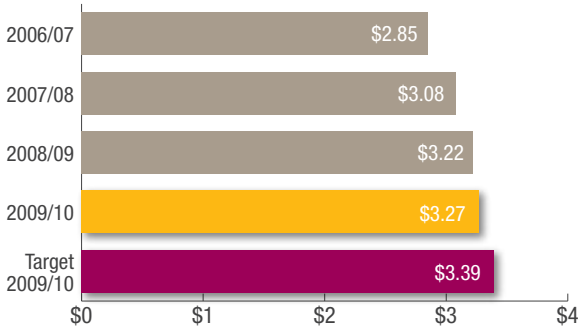
4. Average Cost per Contracted Kilometres

Note: This efficiency indicator was not audited in the previous year 2008/09.

Regional School Bus Services

The cost of administering school bus services on a kilometre basis.

It is calculated by dividing the total cost of school bus contracts and operating expenses by the total contracted kilometres.



Regional School Bus Services:
Average cost per contracted kilometre

In 2009/10, contract kilometres and total costs increased by 3.05% and 4.84% respectively when compared to 2008/09. As a result, the average cost per contracted kilometre is 3.54% below the target and 1.55% higher than the previous year's result.

The cost per contracted kilometre is impacted by the program for the installation of seat belts on contracted school buses, the adjustments to service days in 2009/10 (195 services days compared to 193 in 2008/09).

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

Effectiveness Indicator

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.

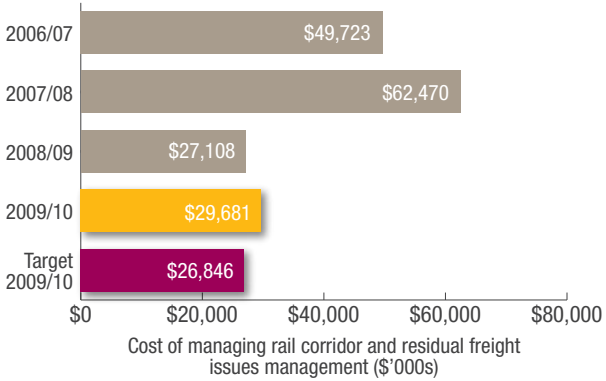
WestNet Rail manages and operates the rail freight infrastructure under the terms of the Railway Infrastructure Lease. Under the Lease, WestNet Rail is the 'accredited owner' of the infrastructure as defined in the Rail Safety Act 1998. WestNet Rail's holding company Australian Railroad Group was acquired during the year by a Babcock and Brown Company. WestNet Rail retains all of its legal responsibilities under the lease agreement.

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.

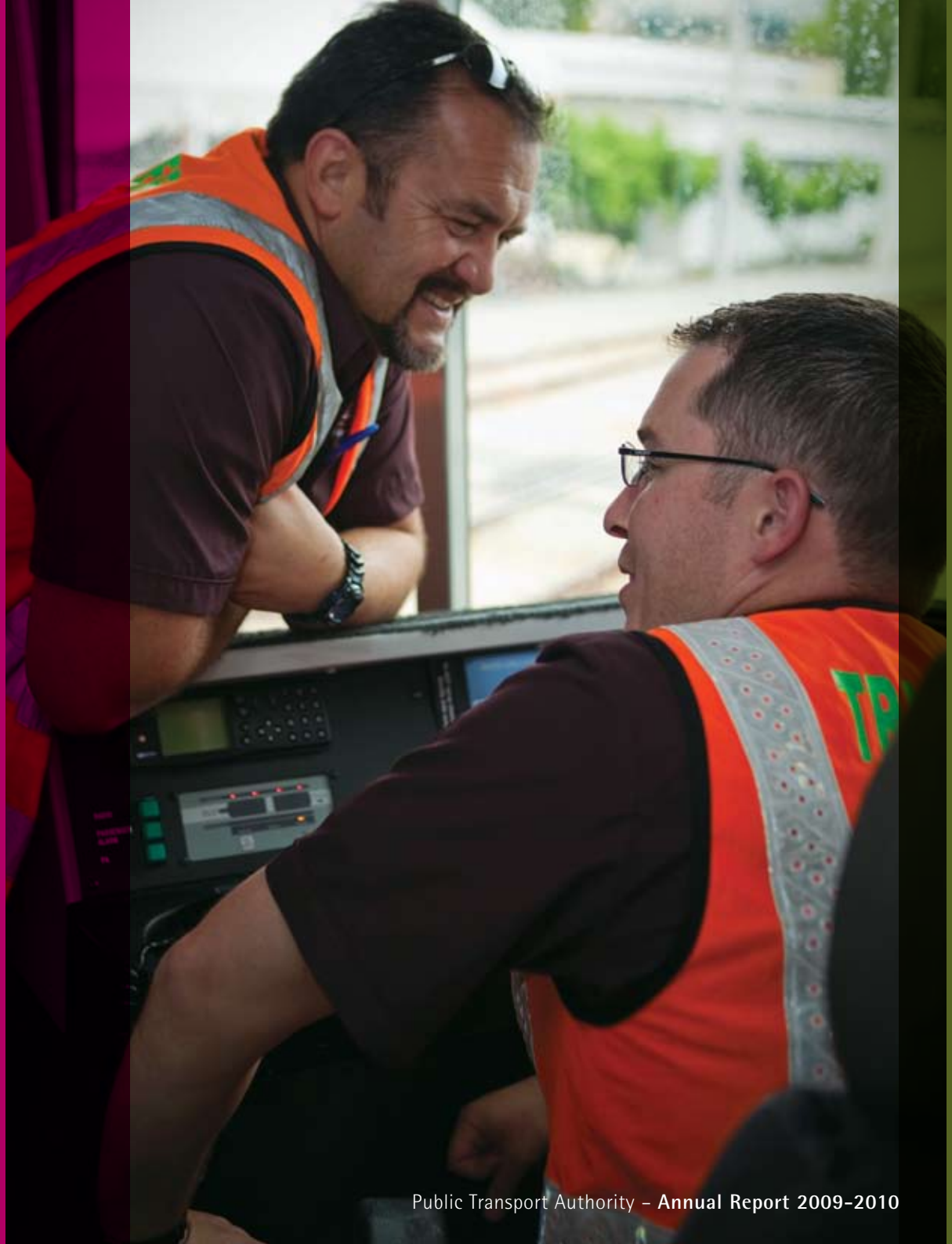
The results of this inspection did not indicate any cause for concern and confirmed that the rail corridor and infrastructure was being satisfactorily maintained.

Cost Efficiency

The cost efficiency for the management of the long-term lease of the rail freight infrastructure to WestNet Rail is monitored using the total cost of managing the rail corridor and residual freight issues.



The cost of managing the rail corridor and residual freight issues in 2009/10 was higher than target and the previous year's result by 10.56% and 9.49% respectively. The increase being due to additional costs associated with revaluating the freight network and the assessment of the grain freight network.



Financial Statements

for the year ended 30 June 2010

2010 Financial Statements Index

Certification of Financial Statements

for the year ended 30 June 2010

The accompanying financial statements of the Public Transport Authority of Western Australia have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2010 and the financial position as at 30 June 2010.

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

Reece Waldock

Accountable Authority

1 September 2010

Kevin Kirk

A/Chief Financial Officer

1 September 2010

Statement of Comprehensive Income

for the year ended
30 June 2010

	Note	2010 $000	2009 $000
COST OF SERVICES			
Expenses			
Employee benefits expense	6	120,158	110,226
Supplies and services	7	192,278	176,289
Depreciation and amortisation expense	8	159,026	156,128
Finance costs	9	56,587	55,593
Grants and subsidies	10	326,098	313,610
Energy and fuel		15,269	13,835
Land rationalisation expense		781	2,751
Loss on disposal of non-current assets	18	152	831
Other expenses	11	12,344	10,555
Total cost of services		**882,693**	**839,818**
Income			
Revenue			
User charges and fees	12	152,026	149,200
Land rationalisation lease revenue	13	83	83
Operating lease revenue	14	5,383	5,383
Commonwealth grants and contributions	15	416	286
Interest revenue	16	977	1,835
Other revenue	17	38,889	29,603
Total revenue		**197,774**	**186,390**
Total income other than income from State Government		**197,774**	**186,390**
NET COST OF SERVICES		**684,919**	**653,428**
INCOME FROM STATE GOVERNMENT	19		
Service appropriation		695,997	647,706
Resources received free of charge		1,197	710
Contribution – other government agencies		4,380	1,007
Total income from State Government		**701,574**	**649,423**
SURPLUS/(DEFICIT) FOR THE PERIOD		**16,655**	**(4,005)**
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus	33	1,131,656	25,227
Total other comprehensive income		**1,131,656**	**25,227**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**1,148,311**	**21,222**

Refer to note 42 'Schedule of income and expense by service'.

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2010

	Note	2010 $000	2009 $000
ASSETS			
Current Assets			
Cash and cash equivalents	34	54,055	61,237
Inventories	20	13,751	17,035
Receivables	21	18,515	22,662
		86,321	**100,934**
Non-current assets classified as held for sale	26	12,591	0
Total Current Assets		**98,912**	**100,934**
Non-Current Assets			
Amounts receivable for services	22	741,100	578,793
Infrastructure, property, plant, equipment and vehicles	24	5,128,102	4,007,793
Intangible assets	25	4,619	694
Total Non-Current Assets		**5,873,821**	**4,587,280**
TOTAL ASSETS		**5,972,733**	**4,688,214**
LIABILITIES			
Current Liabilities			
Payables	28	81,935	80,974
Borrowings	29	79,651	59,886
Provisions	30	23,547	23,299
Other current liabilities	31	1,879	2,180
Deferred income operating lease	32	5,466	5,466
Total Current Liabilities		**192,478**	**171,805**
Non-Current Liabilities			
Borrowings	29	1,081,299	1,016,749
Provisions	30	7,205	6,791
Deferred income operating lease	32	214,721	220,187
Total Non-Current Liabilities		**1,303,225**	**1,243,727**
Total Liabilities		**1,495,703**	**1,415,532**
NET ASSETS		**4,477,030**	**3,272,682**
EQUITY	33		
Contributed equity		2,414,434	2,358,397
Reserves		1,951,771	820,115
Accumulated surplus		110,825	94,170
TOTAL EQUITY		**4,477,030**	**3,272,682**

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

Statement of Changes in Equity

for the year ended 30 June 2010

	Note	Contributed equity $000	Reserves $000	Accumulated surplus/ (deficit) $000	Total equity $000
Balance at 1 July 2008	33	**2,233,737**	**794,888**	**98,175**	**3,126,800**
Total comprehensive income for the year		0	25,227	(4,005)	21,222
Transactions with owners in their capacity as owners:					
Capital appropriations		124,660	0	0	124,660
Other contributions by owners		0	0	0	0
Distributions to owners		0	0	0	0
Total		**124,660**	**0**	**0**	**124,660**
Balance at 30 June 2009		**2,358,397**	**820,115**	**94,170**	**3,272,682**
Balance at 1 July 2009		**2,358,397**	**820,115**	**94,170**	**3,272,682**
Total comprehensive income for the year		0	1,131,656	16,655	1,148,311
Transactions with owners in their capacity as owners:					
Capital appropriations		58,501	0	0	58,501
Other contributions by owners		1,103	0	0	1,103
Distributions to owners		(3,567)	0	0	(3,567)
Total		**56,037**	**0**	**0**	**56,037**
Balance at 30 June 2010		**2,414,434**	**1,951,771**	**110,825**	**4,477,030**

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2010

	Note	2010 $000	2009 $000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		533,690	498,727
Capital appropriation – land sale proceeds and expenses		0	4,847
Capital appropriation – other government agencies		4,373	1,077
Capital appropriation New MetroRail		940	30,871
Holding account drawdown		0	1,000
Capital appropriation – other		57,561	48,963
Net cash provided by State Government		**596,564**	**585,485**
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(118,516)	(109,234)
Supplies and services		(216,627)	(199,712)
Finance costs		(51,133)	(57,059)
Grants and subsidies		(320,554)	(296,366)
GST payments on purchases		(68,737)	(75,264)
Other payments		(8,127)	(8,427)
Receipts			
User charges and fees: Transwa		11,024	10,155
User charges and fees: Transperth train operations and buses		156,071	154,556
Commonwealth grants and contributions		416	286
Other receipts		22,308	14,122
Interest received		1,047	1,915
GST receipts on sales		18,444	17,725
GST receipts from taxation authority		52,456	57,553
Net cash (used in) operating activities	34	**(521,928)**	**(489,750)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current physical assets		492	913
Purchase of non-current physical assets PTA		(166,121)	(191,867)
Purchase of non-current physical assets New MetroRail		(504)	(71,305)
Net cash used in investing activities		**(166,133)**	**(262,259)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		155,000	409,728
Repayment of borrowings		(70,299)	(236,194)
Other repayments		(386)	(375)
Net cash provided by financing activities		**84,315**	**173,159**
Net increase/(decrease) in cash and cash equivalents		(7,182)	6,635
Cash and cash equivalents at the beginning of the period		61,237	54,602
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	34	**54,055**	**61,237**

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

1 Australian Accounting Standards

General

The Public Transport Authority of Western Australia's (PTA) financial statements for the year ended 30 June 2010 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

The PTA has adopted any applicable, new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The PTA cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements. No Australian Accounting Standards that have been issued or amended, but not yet operative, have been early adopted by the PTA for the annual reporting period ended 30 June 2010.

2 Summary of significant accounting policies

a) General statement

The financial statements constitute general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board 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 Management Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land, buildings, rollingstock, vessels, buses and infrastructure which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000).

The judgements that have been made in the process of applying the PTA's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in note 3 'Judgements made by management in applying accounting policies'.

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed at note 4 'Key sources of estimation uncertainty'.

c) Reporting entity

The PTA is the reporting entity and there are no other related or affiliated bodies.

d) Contributed equity

AASB Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 Contributions by Owners made to Wholly-Owned Public Sector Entities and have been credited directly to Contributed Equity.

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal. (See note 33 'Equity').

e) Income

Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Sale of goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably.

Provision of services

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion of the transaction, 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) MultiRider fares collected by contractors delivering bus services to PTA in WA's regional areas are accounted for at the time the contract for services invoice is approved for payment. Unused MultiRider travel entitlements are not recognised as liabilities in the financial statements.

Interest

Revenue is recognised as the interest accrues.

Lease income

Lease income from operating leases is recognised as income on a straight-line basis over the term of the lease. (See note 14 'Operating lease revenue' and 32 'Deferred income – operating leases').

Service appropriations

Service appropriations are recognised as revenues at nominal value in the period in which the PTA gains control of the appropriated funds, which is at the time those funds are deposited into PTA's bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury. (See note 19 'Income from State Government').

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when PTA obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners 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.

Infringements

Infringements are recorded on a cash basis.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non current assets and some revaluations of non current assets.

f) Borrowing costs

All borrowing costs are recognised as expenses in the period in which they are incurred. (See note 3 'Judgement made by management in applying accounting policies').

g) Infrastructure, property, plant and equipment and vehicles

Capitalisation/Expensing of assets

Items of infrastructure, property, plant and equipment and vehicles costing $5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of infrastructure, property, plant and equipment and vehicles costing less than $5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of infrastructure, property, plant and equipment and vehicles are initially recognised at cost.

For items of infrastructure, property, plant and equipment and vehicles acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land, buildings, urban rail system and bus infrastructure, rollingstock, vessels and buses and the cost model for plant and equipment and motor vehicles. Land is carried at fair value and accumulated impairment losses. Buildings, urban rail system, freight network infrastructure and bus infrastructure are carried at fair value less accumulated depreciation and accumulated impairment losses. Plant and equipment and motor vehicles are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Where market-based evidence is not available, the fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Where the fair value of buildings is dependent on using the depreciated replacement cost basis, the gross carrying amount and the accumulated depreciation are restated proportionately.

The revaluation of land controlled by the PTA including metropolitan and regional corridor land, not subject to commercial lease, is provided independently on an annual basis by Landgate (Valuation Services) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of reporting period.

Land and buildings which are commercially leased are independently valued at fair value based on the capitalised value of current leases. Independent valuations are provided annually.

Buildings, bus infrastructure, rollingstock, vessels and buses have been revalued at fair value using depreciated replacement cost by independent valuers, engineering and management professionals. Valuations are provided every 3 to 5 years.

Urban rail system infrastructure and freight network infrastructure are revalued, at least once every five years, to its fair value based on depreciated replacement cost, as the assets are specialised and a market value does not exist. When infrastructure is revalued, the accumulated depreciation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Construction in progress is recognised at cost.

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated useful life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment and infrastructure, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

Asset revaluation surplus

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets as described in note 24 'Infrastructure, Property, Plant, Equipment and Vehicles'.

Depreciation

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.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method, using rates which are reviewed annually. Expected useful lives for each class of depreciable asset are:

Class of Asset	Useful Life
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

Assets under construction are not depreciated until they are available for use.

h) Intangible assets

Capitalisation/Expensing of assets

Acquisitions of intangible assets costing $5,000 or more are capitalised and internally generated intangible assets costing $5,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight-line basis using rates which are reviewed annually. All intangible assets

controlled by the PTA have a finite useful life and zero residual value. The expected useful lives for each class of intangible asset are:

Class of Intangible asset	Useful Life
Software*	3 to 5 years
Website costs	3 to 5 years

** Software that is not integral to the operation of related hardware.*

i) Computer software

Software that is an integral part of the related hardware is treated as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than $5,000 is expensed in the year of acquisition.

ii) Website costs

Costs in relation to websites controlled by PTA are charged as expenses in the period in which they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised or amortised. Generally, costs in relation to feasibility studies during the planning phase of a website, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a website, to the extent that they represent probable future economic benefits that can be reliably measured, are capitalised.

i) Non-current assets (or disposal groups) classified as held for sale

Non-current assets (or disposal groups) held for sale are recognised at lower of carrying amount and fair value less costs to sell and are presented separately from other assets in the Statement of Financial Position. Assets classified as held for sale are not depreciated or amortised.

j) Impairment of assets

Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the PTA is a not for profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Where applicable, intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to the depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairments at the end of each reporting period.

Refer to note 27 'Impairment of Assets' for the outcome of impairment reviews and testing.

k) Leases

The 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 Comprehensive Income over the lease term as this is representative of the pattern of benefits to be derived from the leased assets.

l) 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 of Western Australia (PTA) and Westnet Rail Pty Ltd. The lease rentals were fully prepaid on 17 December 2000, and credited to deferred operating lease revenue. 133 grain receival sites were leased for a 99 year period in two tranches in 2003 and 2004. The rental for sites was prepaid and credited to deferred income operating lease. (See note 2(e)).

m) Financial instruments

In addition to cash and cash equivalents, the PTA has two categories of financial instruments:

- Loans and receivables; and
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
- Amounts receivable for services
- Receivables

Financial Liabilities

- Payables
- Other current liabilities
- Western Australian Treasury Corporation (WATC) loans
- Commonwealth loans

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

When a foreign exchange contract (FEC) is entered into, no amount is recognised through the Statement of Comprehensive Income or the Statement of Financial Position. When the FEC are utilised, the differences between the prevailing spot rate and the original or revised FEC rate are recognised through the Statement of Comprehensive Income.

At the end of reporting period the fair value change in the remaining FEC balance is recognised in the Statement of Comprehensive Income creating a derivative asset or liability. This is calculated by comparing the original FEC rate and the current forward rate.

n) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents (and restricted cash and cash equivalents) assets comprise of cash on hand.

o) Accrued salaries

Accrued salaries (refer to note 28 'Payables') represent the amount due to staff but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The PTA considers the carrying amount of accrued salaries to be equivalent to its net fair value.

p) Amounts receivable for services (Holding account)

The PTA receives funding on an accrual basis that recognises the full annual cash and non cash cost of services. The appropriations are paid partly in cash and partly as an asset (Holding Account receivable) that is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

q) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate to each particular class of inventory. Inventory recorded using the inventory control system is valued at the weighted average cost and the remainder is valued on a first in first out basis.

Inventories not held for resale are valued at cost unless they are no longer required, in which case they are valued at net realisable value. (See note 20 'Inventories').

r) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment).

The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that PTA will not be able to collect the debts. The carrying amount is equivalent to fair value as they are generally settled within 30 days. (See note 2(m) 'Financial Instruments' and note 21 'Receivables').

s) Payables

Payables are recognised at the amounts payable when PTA becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value as they are generally settled within 30 days. (See note 2(m) 'Financial Instruments' and note 28 'Payables').

t) Borrowings

All loans payable are initially recorded at cost, being the fair value of the net proceeds received. Subsequent measurement is at amortised cost using the effective interest rate method. (See note 2(m) 'Financial Instruments' and note 29 'Borrowings').

u) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of reporting period. (See note 30 'Provisions').

(i) Provisions - employee benefits

Annual leave and long service leave

The liability for annual and long service leave expected to be settled within 12 months after the end of reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the reporting period is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the end of the reporting period.

The expected future payments are discounted using valuation factors based on employees' age at the end of the reporting period. These factors were provided as a result of an actuarial assessment of PTA's long service leave provision and would be used to discount future expected payments between valuations.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the PTA does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Sick leave

Liabilities for sick leave are recognised when it is probable that sick leave paid in the future will be greater than the entitlement that will accrue in the future.

Past history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income for this leave as it is taken.

Deferred leave

The provision for deferred leave relates to Public Service employees who have entered into an agreement to self-fund an additional twelve months leave in the fifth year of the agreement. The provision recognises the value of salary set aside for employees to be used in the fifth year. This liability is measured on the same basis as annual leave. Deferred leave is reported as a non-current provision until the fifth year.

Purchased leave

The provision for purchased leave relates to Public Service employees who have entered into an agreement to self-fund up to an additional eight weeks leave per calendar year. The provision recognises the value of salary set aside for employees and is measured at the nominal amounts expected to be paid when the liabilities are settled. This liability is measured on the same basis as annual leave.

Superannuation

The Government Employees Superannuation Board (GESB) in accordance with legislative requirements administers public sector superannuation arrangements in Western Australia.

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members, or the Gold State Superannuation (GSS)

Scheme, a defined benefit lump sum scheme now also closed to new members.

The PTA has no liabilities under the Pension or the GSS Schemes. The liabilities for the unfunded Pension Scheme and the unfunded GSS Scheme transfer benefits due to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS Scheme obligations are funded by concurrent contributions made by the PTA to the GESB. The concurrently funded part of the GSS Scheme is a defined contribution scheme as these contributions extinguish all liabilities in respect of the concurrently funded GSS Scheme obligations.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension or the GSS Schemes became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. The PTA makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS schemes. See also note 2(v) 'Superannuation expense'.

(ii) Provisions - other

Employment on-costs

Employment on-costs, including payroll tax and workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other Expenses' and are not included as part of the PTA's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'. (See note 6 'Employee benefits expense', 11 'Other expenses' and 30 'Provisions').

Public liability

Provision is made for all outstanding public liability claims before 1 July 2005 worth less than $1 million. The amount of the provision is the estimated outstanding value of the claims at the end of reporting period.

Workers' compensation

Provision is made for all outstanding claims from periods before 1 July 1997 and any previous years fund contribution assessments based on claims experience. The amount of the provision is the estimated outstanding value of claims plus any actuarial assessments of the previous years adjusted fund contribution as at the end of reporting period.

Contaminated sites

Provision is recognised for the sites that are classified as contaminated – remediation required or possibly contaminated – investigation required, and where the PTA has a liability in respect of investigation or remediation expenses. Estimates are based on the present value of expected future cash outflows.

v) Superannuation expense

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the West State Superannuation Scheme (WSS), and the GESB Super Scheme (GESBS).

The GSS Scheme is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the PTA to GESB extinguishes the PTA's obligations to the related superannuation liability.

w) Resources received free of charge or for nominal cost

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

Where assets or services are received from another State Government agency, these are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

x) Comparative figures

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

y) Foreign currency translation

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

3 Judgement made by management in applying accounting policies

The judgements that have been made in the process of applying accounting policies that have the most significant effect on the amounts recognised in the financial statements include:

Borrowing Costs

– The PTA has made a determination to expense all borrowing costs associated with the construction of capital projects as allowed by the alternative accounting treatment under AASB 123 Borrowing Costs.

4 Key sources of estimation uncertainty

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Discount rates used in estimating provisions

The PTA undertook an actuarial assessment of its long service leave provision and is using employees' age based factors for discounting its expected future payments between valuations. These factors incorporate a series of assumptions like demographics, salary inflation, and market yields on commonwealth government bonds. Fluctuations in any of the assumptions used to calculate these factors may impact the provision for annual and long service leave.

Estimating useful life of key assets

The useful lives are estimated having regard to such factors as asset maintenance, rate of technical and commercial obsolescence, and asset usage. The useful lives of key assets are reviewed annually.

Depreciated replacement cost of railway infrastructure assets

The Building Cost Index from the Department of Treasury and Finance has been applied in a model developed by the PTA for measuring the current replacement cost of the urban railway infrastructure.

The remaining useful life of the freight network infrastructure assets has been assessed by experienced independent engineering and valuation professionals based on a review of information pertaining to age, history, site assessment observation and condition. The PTA has assumed no residual value on life expired freight network infrastructure assets.

Contingencies

The PTA is unable to assess the outcome of the classification process for 42 possible contaminated sites. Possible remediation costs associated with these sites might have an impact on the provision for contaminated sites.

See note 36 'Contingent liabilities and contingent assets' for more details.

5 Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The PTA has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2009 that impacted the PTA.

AASB 101	*Presentation of Financial Statements* (September 2007). This Standard has been revised and introduces a number of terminology changes as well as changes to the structure of the Statement of Changes in Equity and the Statement of Comprehensive Income. It is now a requirement that owner changes in equity be presented separately from non-owner changes in equity. There is no financial impact resulting from the application of this revised Standard.
AASB 2007-10	*Further Amendments to Australian Accounting Standards arising from AASB 101*. This Standard changes the term 'general purpose financial report' to 'general purpose financial statements', where appropriate in Australian Accounting Standards and the Framework to better align with IFRS terminology. There is no financial impact resulting from the application of this Standard.
AASB 2008-13	*Amendments to Australian Accounting Standard arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110].* This Standard amends AASB 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the classification, presentation and measurement of non-current assets held for distribution to owners in their capacity as owners. The PTA does not expect any financial impact when the Standard is first applied prospectively.
AASB 2009-2	*Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments AASB 4, AASB 7, AASB 1023 & AASB 1038.* This Standard amends AASB 7 and will require enhanced disclosures about fair value measurements and liquidity risk with respect to financial instruments. There is no financial impact resulting from the application of this Standard.

Future impact of Australian Accounting Standards not yet operative

The PTA cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements. Consequently, the PTA has not applied early any following Australian Accounting Standards that have been issued that may impact the PTA. Where applicable, the PTA plans to apply these Australian Accounting Standards from their application date.

AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]. The amendment to AASB 7 requires modification to the disclosure of categories of financial assets. The PTA does not expect any financial impact when the Standard is first applied. The disclosure of categories of financial assets in the notes will change. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2013.
AASB 1053	Application of Tiers of Australian Accounting Standards This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. This Standard does not have any financial impact on the PTA. However, it may affect disclosures in the financial statements of the PTA if the reduced disclosure requirements apply. DTF has not yet determined the application or the potential impact of the new Standard for agencies. The Standard is required to be applied to annual reporting periods beginning on or after 1 July 2013.
AASB 2010-2	Amendments to the Australian Accounting Standards arising from Reduced Disclosure Requirements This Standard makes amendments to many Australian Accounting Standards, including interpretations, to introduce reduced disclosure requirements into these pronouncements for application by certain types of entities. The Standard is not expected to have any financial impact on the PTA. However, this Standard may reduce some note disclosures in the financial statements of the PTA. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies. The Standard is required to be applied to annual reporting periods beginning on or after 1 July 2013.

	2010 $000	2009 $000
6 Employee benefits expense		
Wages and salaries (i)	97,978	91,001
Superannuation – defined contribution plans (ii)	9,692	8,389
Long service leave (iii)	3,261	2,882
Annual leave (iii)	9,227	7,954
	120,158	**110,226**

(i) Includes the value of the fringe benefit to the employee plus the fringe benefit tax component.

(ii) Defined contribution plans include West State, Gold State and GESB Super Scheme (contributions paid).

(iii) Includes a superannuation contribution component.

Employment on-costs such as workers' compensation insurance and payroll tax are included at note 11 'Other Expenses'. The employment on-cost liability is included at note 30 'Provisions'.

7 Supplies and services		
Contractors	135,400	127,463
Materials	21,189	17,988
Consumables	11,013	7,797
Travel	7,870	10,211
Communications	1,306	1,471
Other	15,500	11,359
	192,278	**176,289**
8 Depreciation and amortisation expense		
Depreciation		
Buildings	4,621	2,781
Freight network infrastructure	6,667	6,665
Rollingstock	29,047	26,682
Railway infrastructure	84,498	89,408
Plant, equipment and motor vehicles	3,929	2,023
Bus infrastructure	5,595	5,498
Vessels	65	9
Buses	23,353	22,814
Total depreciation	**157,775**	**155,880**
Amortisation		
Intangible assets	1,251	248
Total amortisation	**1,251**	**248**
Total depreciation and amortisation	**159,026**	**156,128**

	2010 $000	2009 $000

9 Finance costs

Interest expense on Western Australian Treasury Corporation (WATC) loans	56,408	55,390
Interest expense on Commonwealth loans	179	203
	56,587	**55,593**

10 Grants and subsidies expense

Bus operators	210,945	197,240
Ferry services	720	607
Regional bus services	13,151	12,079
Student fare concessions	3,069	2,771
School bus services	90,315	84,294
Rail Corridor and Freight Issues Management	5,169	0
Grants to local government	2,729	16,619
	326,098	**313,610**

11 Other expenses

Employment on-costs (i)	169	328
Payroll tax	6,617	5,733
Workers' compensation	4,358	3,778
Doubtful debts	3	6
Notional charges for services provided by government agencies mainly Landgate	1,197	710
	12,344	**10,555**

(i) Includes workers' compensation insurance and payroll tax relating to annual and long service leave. The corresponding liability is included at note 30 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

12 User charges and fees

Transperth system revenue	139,171	136,615
School bus services revenue	2,596	2,440
Country passenger operations revenue	10,259	10,145
	152,026	**149,200**

	2010 $000	2009 $000

13 Land rationalisation lease revenue

Rental income from land rationalisation	**83**	**83**

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 32 'Deferred income – operating leases').

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 32 'Deferred income – operating leases').

14 Operating lease revenue

Rental income from Freight network infrastructure	**5,383**	**5,383**

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 of Western Australia (PTA) and Westnet Rail Pty Ltd. The lease rentals were fully prepaid on 17 December 2000, and credited to deferred operating lease revenue.

15 Commonwealth grants and contributions

Chamber of Commerce and Industry – Employfast	12	21
National Partnership Agreement - concessions for pensioners and seniors card holders	404	265
	416	**286**

16 Interest revenue

Interest revenue	**977**	**1,835**

Interest revenue is received quarterly from Department of Treasury and Finance calculated on the daily balance held on the interest bearing bank account.

17 Other revenue

Rents and leases	10,597	9,650
Advertising income	3,204	3,288
Parking and infringements	5,025	4,363
External works	5,372	5,070
Marketing	2,740	2,836
SmartRider card sales	861	977
Net change in fair value of financial assets designated at fair value through profit and loss	(1,162)	1,552
Contribution from local government	1,202	0
Proceed from settlement of insurance claims	6,823	0
Reversal of provision for contaminated sites	1,029	0
Contribution from a major supplier	950	0
Miscellaneous	2,248	1,867
	38,889	**29,603**

	2010 $000	2009 $000
18 Net loss on disposal of non-current assets		
Cost of disposal of non-current assets		
Buses	660	1,350
Other	21	348
Proceeds from disposal of non-current assets		
Buses	529	827
Other	0	40
Net loss	**(152)**	**(831)**
19 Income from State Government		
Appropriation received during the year:		
Service appropriations (i)	695,997	647,706
Resources received free of charge (ii)		
Determined on the basis of the following estimates provided by agencies:		
Landgate	1,185	710
Department of Attorney General	12	0
	1,197	**710**
Contribution - other government agencies		
Department of Transport – funding for CAT bus replacement and new CAT depot	992	992
Department of State Development – Oakajee port and rail project	788	0
Department of Planning – Mirrabooka bus station	2,600	0
Heritage Council of WA – grant for refurbishment of Boulder Subway	0	15
	4,380	1,007
	701,574	**649,423**

(i) Service appropriations are accrual amounts reflecting the net 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 cost, the PTA recognises revenues equivalent to the fair value of the assets and/or the fair value of those services that can be reliably measured and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable. The exception occurs where the contribution of assets or services are in the nature of contributions by owners, in which case the PTA makes the adjustment direct to equity.

	2010 $000	2009 $000

20 Inventories

Current

Inventories not held for resale:		
Maintenance spares - at cost	13,751	17,035
	13,751	**17,035**

21 Receivables

Current

Receivables	4,187	3,781
Allowance for impairment of receivables	(14)	(19)
Accrued revenue	5,417	5,261
GST receivable	7,664	9,825
Other receivables – external works	337	1,700
	17,591	**20,548**
Prepayments	924	2,114
	18,515	**22,662**

Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of year	19	14
Doubtful debts expense recognised in the Statement of Comprehensive Income	3	6
Reversal of provision	(3)	0
Amount recovered during the year	(5)	(1)
Balance at end of year	**14**	**19**

22 Amounts receivable for services

Non-current	**741,100**	**578,793**

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.

	2010 $000	2009 $000

23 Act of Grace payments

Nil Act of Grace payment made pursuant to authorisations given under Section 80(1) of the Financial Management Act 2006. (2009: 1 payment)	**0**	**5**

24 Infrastructure, property, plant, equipment and vehicles

	2010 Cost $000	2010 At Fair Value $000	2010 Accumulated depreciation $000	2010 Carrying amount as at 30 June 2010 $000	2009 Cost $000	2009 At Fair Value $000	2009 Accumulated depreciation $000	2009 Carrying amount as at 30 June 2009 $000
Owned Assets:								
Land (i)	0	342,771	0	342,771	0	338,785	0	338,785
Buildings (ii)	0	204,873	89,241	115,632	0	128,623	67,913	60,710
Freight Network Infrastructure (iii)	0	5,084,088	3,710,930	1,373,158	0	303,218	37,122	266,096
Rollingstock (ii)	0	980,844	337,588	643,256	0	894,410	315,958	578,452
Railway infrastructure (iv)	0	2,901,948	776,451	2,125,497	0	2,925,422	708,751	2,216,671
Plant, equipment and motor vehicles	36,414	0	9,960	26,454	28,224	0	6,075	22,149
Bus infrastructure (ii)	0	225,285	95,561	129,724	0	193,796	88,551	105,245
Vessels (ii)	0	3,200	1,691	1,509	0	2,403	1,159	1,244
Buses (ii)	0	641,986	340,019	301,967	0	579,480	319,121	260,359
Construction in progress (v)	68,134	0	0	68,134	158,082	0	0	158,082
TOTAL	**104,548**	**10,384,995**	**5,361,441**	**5,128,102**	**186,306**	**5,366,137**	**1,544,650**	**4,007,793**

(i) Land controlled by the PTA has been revalued as at 1 July 2009 by Landgate (Valuation Services) and Burgess Rawson. The valuations were performed during the year ended 30 June 2010 and recognised at 30 June 2010. The fair value was determined by reference to market values. See note 2(g).

To ensure the valuations provided by Valuation Services were compliant at 30 June 2010 with the fair value requirements under AASB 116, Valuation Services provided the Department of Treasury and Finance (DTF) with information that tracked the general movement in the market value of land and in building construction costs from the 1 July 2009 (the date of valuation) to 30 June 2010. DTF reviewed the information and determined that the valuations provided by Valuation Services (as at 1 July 2009) were compliant with fair value requirements for 30 June 2010 reporting without further adjustment by reference to market values based on existing use.

Land and buildings which are commercially leased were independently valued on the capitalised value of current lease by Burgess Rawson. The valuations were performed during the year ended 30 June 2010 and recognised at 30 June 2010.

(ii) Buildings, rollingstock, bus infrastructure, vessels and buses were valued by independent valuers, engineering and management professionals as at 30 June 2010 at depreciated replacement cost.

(iii) Freight Network Infrastructure was revalued as at 30 June 2010 at depreciated replacement cost. A model has been developed using independent third party audited information, engineering and independent valuers. The PTA has changed its valuation methodology from market value to depreciated replacement cost. As a reliable market value does not exist for the freight network infrastructure the effect and disclosure on the current and future periods cannot be determined.

(iv) Railway infrastructure was last revalued on 30 June 2008. Railway infrastructure has been revalued by PTA's management professionals and third party vendors. The methodology adopted has been depreciated replacement cost with a modern equivalent asset capable of delivering the same service potential.

(v) 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 $000	Transfers $000	Revaluation Increments $000	Disposals $000	Depreciation $000	Carrying amount at the end of the year $000
2010							
Owned Assets:							
Land	338,785	0	(12,591)	16,577	0	0	342,771
Buildings	60,710	0	59,282	261	0	(4,621)	115,632
Freight Network Infrastructure	266,096	0	17,052	1,096,677	0	(6,667)	1,373,158
Rollingstock	578,452	0	83,971	9,880	0	(29,047)	643,256
Railway infrastructure	2,216,671	648	(7,319)	0	(5)	(84,498)	2,125,497
Plant, equipment and motor vehicles	22,149	293	7,943	0	(2)	(3,929)	26,454
Bus infrastructure	105,245	315	24,039	5,734	(14)	(5,595)	129,724
Vessels	1,244	0	83	247	0	(65)	1,509
Buses	260,359	0	63,341	2,280	(660)	(23,353)	301,967
Construction in progress	158,082	168,093	(258,041)	0	0	0	68,134
TOTAL	**4,007,793**	**169,349**	**(22,240)**	**1,131,656**	**(681)**	**(157,775)**	**5,128,102**
2009							
Owned Assets:							
Land	306,476	4,782	1,283	26,244	0	0	338,785
Buildings	59,911	265	3,315	0	0	(2,781)	60,710
Freight Network Infrastructure	270,427	0	2,334	0	0	(6,665)	266,096
Rollingstock	571,835	0	33,299	0	0	(26,682)	578,452
Railway infrastructure	2,127,148	453	179,553	(1,017)	(58)	(89,408)	2,216,671
Plant, equipment and motor vehicles	6,092	112	17,971	0	(3)	(2,023)	22,149
Bus infrastructure	99,228	1,958	9,840	0	(283)	(5,498)	105,245
Vessels	0	1,253	0	0	0	(9)	1,244
Buses	233,280	0	51,242	0	(1,349)	(22,814)	260,359
Construction in progress	182,212	234,950	(259,080)	0	0	0	158,082
TOTAL	**3,856,609**	**243,773**	**39,757**	**25,227**	**(1,693)**	**(155,880)**	**4,007,793**

	2010 $000	2009 $000

25 Intangible assets

Software - at cost	8,465	3,380
Accumulated amortisation	(3,846)	(2,686)
	4,619	**694**
Reconciliations:		
Carrying amount at start of the year	694	279
Additions and transfers in	5,176	668
Amortisation expense and disposal	(1,251)	(253)
Carrying amount at end of the year	**4,619**	**694**

26 Non-current assets classified as held for sale

Freehold land		
Opening balance	0	0
Assets reclassified as held for sale	12,591	0
Closing balance	**12,591**	**0**

The Public Transport Authority holds land surplus to its operational requirements. Various properties have been identified as land for future sales. The PTA anticipates that all the freehold land in the closing balance will be disposed of in the next reporting period. See also note 2(i) non-current assets (or disposal groups) classified as held for sale.

27 Impairment of assets

There are no indications of impairment of property, plant and equipment, infrastructure and intangible assets at 30 June 2010.

PTA held no goodwill or intangible assets with an indefinite useful life during the reporting period and at the end of reporting period there were no intangible assets not yet available for use.

28 Payables

Current		
Trade payables	2,164	11,109
Accrued operational expenses	59,448	54,393
Accrued salaries	3,167	4,127
Accrued interest	15,787	10,333
Other payables	1,369	1,012
	81,935	**80,974**

	2010 $000	2009 $000

29 Borrowings

Current		
Western Australian Treasury Corporation loans (i)	79,262	59,499
Commonwealth loans	389	387
	79,651	**59,886**
Non-Current		
Western Australian Treasury Corporation loans (i)	1,078,967	1,014,028
Commonwealth loans	2,332	2,721
	1,081,299	**1,016,749**

(i) The non-current amount includes an amount that will be due and payable during the year 2010/11 which will be refinanced rather than repaid and therefore is not recognised as current borrowings.

30 Provisions

Current

Employee benefits provision		
Annual leave (i)	11,533	10,614
Long service leave (ii)	7,460	6,736
	18,993	**17,350**
Other provisions		
Public liability provision	131	778
Workers' compensation	2,426	1,506
Contaminated sites	660	2,455
Employment on-costs (iii)	1,337	1,210
	4,554	**5,949**
	23,547	**23,299**

Non-Current

Employee benefits provision		
Long service leave (ii)	6,361	5,743
Deferred salary scheme	68	51
	6,429	**5,794**
Other provisions		
Contaminated sites	350	614
Employment on-costs (iii)	426	383
	776	**997**
	7,205	**6,791**

	2010 $000	2009 $000
(i) Annual leave has been classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of liabilities will occur as follows:		
Within 12 months of the end of the reporting period	7,830	6,784
More than 12 months after the reporting period	3,703	3,830
	11,533	**10,614**
(ii) Long service leave liability has been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:		
Within 12 months of the end of the reporting period	1,532	1,183
More than 12 months after the reporting period	12,289	11,296
	13,821	**12,479**

(iii) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including payroll tax and workers' compensation premiums. The provision is the present value of expected future payments. The associated expense is included under note 11 'Other expenses'.

Movements in other provisions

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

Public liability provision		
Carrying amount at the start of the year	778	663
Additional provisions recognised	(629)	118
Payments/other sacrifices of economic benefit	(18)	(3)
Carrying amount at the end of the year	**131**	**778**
Workers' compensation provisions		
Carrying amount at the start of the year	1,506	472
Additional provisions recognised	4,396	3,777
Payments/other sacrifices of economic benefit	(3,476)	(2,743)
Carrying amount at the end of the year	**2,426**	**1,506**
Employment on-cost provision		
Carrying amount at the start of the year	1,593	1,265
Additional provisions recognised	1,029	1,035
Payments/other sacrifices of economic benefit	(859)	(707)
Carrying amount at the end of the year	**1,763**	**1,593**

	2010 $000	2009 $000
Contaminated sites provision		
Carrying amount at the start of the year	3,069	1,976
Additional provisions recognised	(711)	3,081
Payments/other sacrifices of economic benefit	(1,348)	(1,988)
Carrying amount at the end of the year	**1,010**	**3,069**

Provision has been established to cover for the costs related to 15 contaminated sites.

31 Other current liabilities

Contractors' deposits	1,749	1,930
Payments held in suspense	130	250
	1,879	**2,180**

32 Deferred income – operating leases

Current:		
Freight network infrastructure prepaid operating lease	5,383	5,383
Co-operative Bulk Handling 99 year lease	83	83
	5,466	**5,466**
Non-Current:		
Freight network infrastructure prepaid operating lease	207,236	212,619
Co-operative Bulk Handling 99 year lease	7,485	7,568
	214,721	**220,187**
	220,187	**225,653**

33 Equity

Equity represents the residual interest in the net assets of the PTA. The Government holds the equity interest in the PTA on behalf of the community. The asset revaluation surplus represents that portion of equity resulting from the revaluation of the non-current assets.

	2010 $000	2009 $000
Contributed equity		
Balance at start of year	2,358,397	2,233,737
Contributions by owners		
Capital appropriations	58,501	84,683
Transfer of net assets from other agencies		
Eastern Goldfields Transport Board	0	7,371
Main Roads WA	1,103	32,606
Total contributions by owners	**59,604**	**124,660**
Distributions to owners		
Transfer of net assets to other agencies		
Main Roads WA	(3,567)	0
Total distributions to owners	**(3,567)**	**0**
Balance at end of year	**2,414,434**	**2,358,397**
Reserves		
Asset revaluation surplus		
Balance at start of year	820,115	794,888
Net revaluation increments/(decrements):		
Land	16,577	26,244
Building	261	0
Buses	2,280	0
Bus infrastructure	5,734	0
Rollingstock	9,880	0
Vessels	247	0
Rail infrastructure	0	(1,017)
Freight network infrastructure	1,096,677	0
Balance at end of year	**1,951,771**	**820,115**
Accumulated surplus		
Balance at start of year	94,170	98,175
Result for the period	16,655	(4,005)
Balance at end of year	**110,825**	**94,170**

	2010 $000	2009 $000

34 Notes to the Statement of Cash Flows

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 and cash equivalents	54,055	61,237

Financing facilities

The PTA has a short-term liquidity facility of $200 million (2008/09: $200 million) with the Western Australian Treasury Corporation.

Amounts drawn from this facility at June 30	30,000	14,907

Reconciliation of net cost of services to net cash flows used in operating activities

Net cost of services	(684,919)	(653,428)
Non cash items:		
Depreciation and amortisation expense	159,026	156,128
Loss on sale of property, plant and equipment	152	831
Resources received free of charge	1,197	710
Transfer of assets to Local Government	882	11,613
(Increase)/ decrease in assets:		
Current receivables	1,986	71
Current inventories	3,284	(5,782)
Other current assets	0	14,343
Increase/ (decrease) in liabilities:		
Current payables	(593)	(927)
Current provisions	248	4,822
Other current liabilities	(301)	(12,752)
Non-current provisions	414	732
Non-current deferred operating lease revenue	(5,466)	(5,466)
Change in GST receivables/payments	2,162	(645)
Net cash used in operating activities	**(521,928)**	**(489,750)**

35 Commitments

	2010 $000	2009 $000
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within one year	50,504	131,284
Later than one year and not later than five years	27,346	109,744
Later than five years	2,500	80
	80,350	**241,108**
The capital commitments include amounts for:		
Railway Infrastructure	31,704	27,652
Bus Infrastructure	10,605	15,721
Railcars - Transperth Train Operations	4,877	51,350
Plant, equipment and motor vehicles	0	4,878
Buses	24,606	132,637
Land and Buildings	8,558	8,870
	80,350	**241,108**
Non-cancellable operating lease commitments:		
Commitments for minimum lease payments are payable as follows:		
Within one year	787	1,010
Later than one year and not later than five years	321	410
	1,108	**1,420**
Other expenditure commitments contracted for at the reporting date but not recognised as liabilities, are payable as follows:		
Within one year	439,515	384,343
Later than one year and not later than five years	1,268,093	1,400,382
Later than five years	1,169,512	949,342
	2,877,120	**2,734,067**
The other expenditure commitments include amounts for:		
Land and buildings maintenance	6,674	55,337
Transperth train operations	183,619	359,906
Railway infrastructure	48,868	67,507
Railcars and road coaches - Transwa	32,876	15,180
Buses and support services	1,139,241	708,820
School bus services	1,460,658	1,516,517
Miscellaneous	5,184	10,800
	2,877,120	**2,734,067**

The commitments are all inclusive of GST.

36 Contingent liabilities and contingent assets

Contingent liabilities

In addition to the liabilities included in the financial statements, there are the following contingent liabilities:

Contaminated sites

Under the Contaminated Sites Act 2003, the PTA is required to report known and suspected contaminated sites to the Department of Environment and Conservation (DEC). In accordance with the Act, DEC classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as contaminated – remediation required or possibly contaminated – investigation required, the PTA may have a liability in respect of investigation or remediation expenses.

During the year, the PTA reported 4 known or suspected contaminated sites to DEC (a total of 57 sites). Three sites previously reported have been classified contaminated – remediation required, one site as contaminated – restricted use, 15 sites as possibly contaminated – investigation required, and three sites as remediated for restricted use. A provision has been recognised to cover the cost of investigation and remediation of the 15 sites. The PTA is unable to assess the outcome of the classification process for the remaining 42 sites, and accordingly, it is not practicable to estimate the potential financial effect or to identify the uncertainties relating to the amount or timing of any outflows. Whilst there is no possibility of reimbursement of any future expenses that may be incurred in the remediation of these sites, the PTA may apply for funding from the Contaminated Sites Management Account to undertake further investigative work or to meet remediation costs that may be required.

37 Remuneration of members of the accountable authority and senior officers

Remuneration of members of the accountable authority

The number of members of the accountable authority, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

$	2010	2009
400,001 - 410,000	1	1

	$000	$000
The total remuneration of the members of the accountable authority	**403**	**406**

The total remuneration includes the superannuation expense incurred by the PTA in respect of the member of the accountable authority.

Remuneration of senior officers

The number of senior officers, other than senior officers reported as members of the accountable authority, whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year fall within the following bands are:

$	2010	2009
120,001 - 130,000	1	1
130,001 - 140,000	0	1
140,001 - 150,000	1	0
150,001 - 160,000	0	1
160,001 - 170,000	0	2
170,001 - 180,000	3	3
180,001 - 190,000	3	1
190,001 - 200,000	3	0
	11	9

	$000	$000
The total remuneration of senior officers	**1,946**	**1,466**

The total remuneration includes the superannuation expense incurred by the PTA in respect of senior officers other than the senior officers reported as member of the accountable authority.

38 Financial instruments

a) Financial risk management objectives and policies

Financial instruments held by the PTA are cash and cash equivalents, foreign exchange forward contracts, borrowings, receivables and payables. The PTA has limited exposure to financial risks. The PTA's overall risk management program focuses on managing the risks identified below.

Credit risk

The PTA trades only with recognised, creditworthy third parties. The PTA has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the PTA's exposure to bad debt is minimal. There are no significant concentrations of credit risk.

Liquidity risk

The PTA has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

The PTA has a short-term liquidity facility of $200 million on which it can draw down to fund temporary cash shortfall. The PTA is currently in a net current liability position but can convert its short term borrowings at any time as approval from the Western Australian Treasury Corporation (WATC) has been obtained. As such, this does not pose a liquidity risk to the PTA.

Cash flow interest rate risk

The PTA's exposure to market risk for changes in interest relates primarily to the long-term debt obligations. The PTA's borrowings are all obtained through Western Australian Treasury Corporation (WATC) and are at fixed rates with varying maturities. The risk is managed by WATC through portfolio diversification and variation in maturity dates. The PTA earns interest on the daily balance of its bank account.

Foreign exchange risk

The PTA was exposed to foreign exchange risk arising from currency exposure to the Euro during the year. Forward contracts transacted with WATC were used to manage these risks. The purpose of the foreign currency contracts was to protect against the risk that eventual dollar outflows in respect of purchases in foreign currency might be adversely affected by changes in exchange rates.

	2010 $000	2009 $000

b) Categories of financial instruments

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are as follows:

Financial assets		
Cash and cash equivalents	54,055	61,237
Amounts receivable for services	741,100	578,793
Receivables (i)	9,927	10,723
Financial liabilities		
Payables	81,935	80,974
Other current liabilities	1,879	2,180
Western Australian Treasury Corporation (WATC) loans	1,158,229	1,073,527
Commonwealth loans	2,721	3,108

(i) The amount of receivables excludes GST recoverable from ATO (statutory receivable) and prepayments.

c) Financial instrument disclosures

Credit risk and interest rates exposures

The following table discloses the PTA's maximum exposure to credit risk, interest rate exposures and the ageing analysis of financial assets. The PTA's maximum exposure to credit risk at the end of reporting period is the carrying amount of the financial assets as shown below. The table discloses the ageing of financial asset that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the PTA.

The PTA does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

Interest rate exposures and ageing analysis of financial assets (i)

			Interest rate exposure				Past due but not impaired					
Financial Assets	Note	Weighted average effective interest rate %	Carrying Amount $000	Fixed interest rate $000	Variable interest rate (ii) $000	Non-interest bearing $000	Up to 3 months $000	3-12 months $000	1-2 years $000	2-5 years $000	more than 5 years $000	Impaired financial assets $000
2010												
Cash and cash equivalents	34	4.17	54,055	0	54,055	0	0	0	0	0	0	0
Receivables (i)	21		9,927	0	0	9,927	462	0	0	0	0	0
Amounts receivable for services	22		741,100	0	0	741,100	0	0	0	0	0	0
			805,082	**0**	**54,055**	**751,027**	**462**	**0**	**0**	**0**	**0**	**0**
2009												
Cash and cash equivalents	34	5.5	61,237	0	61,237	0	0	0	0	0	0	0
Receivables (i)	21		10,723	0	0	10,723	614	19	1	0	0	0
Amounts receivable for services	22		578,793	0	0	578,793	0	0	0	0	0	0
			650,753	**0**	**61,237**	**589,516**	**614**	**19**	**1**	**0**	**0**	**0**

(i) The amount of receivables excludes GST recoverable from ATO (statutory receivable) and prepayments.

(ii) Variable interest rates represent the most recently determined rate applicable to the instrument at the end of reporting period.

Liquidity risk

The following table details the contractual maturity analysis for financial liabilities. The contractual maturity amounts are representative of the undiscounted amounts at the end of reporting period. The table includes interest and principal cash flows. An adjustment has been made where material.

Interest rate exposures and maturity analysis of financial liabilities

			Interest rate exposure						Maturity date				
Financial Liabilities	Note	Weighted average effective interest rate %	Carrying Amount	Fixed interest rate	Variable interest rate (ii)	Non-interest bearing	adjustment for discounting	Total Nominal Amount	Up to 3 months	3-12 months	1-2 years	2-5 years	more than 5 years
			$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
2010													
Payables	28		81,935	0	0	81,935	0	0	0	0	0	0	0
Other current liabilities	31		1,879	0	0	1,879	0	0	0	0	0	0	0
WATC Loans (iii)	29	5.37	1,158,229	1,158,229	0	0	(629,865)	1,788,094	158,665	138,683	106,589	306,423	1,077,734
Commonwealth Loans	29	5.93	2,721	2,721	0	0	(802)	3,523	0	547	502	1,327	1,147
			1,244,764	**1,160,950**	**0**	**83,814**	**(630,667)**	**1,791,617**	**158,665**	**139,230**	**107,091**	**307,750**	**1,078,881**
2009													
Payables	28		80,974	0	0	80,974	0	0	0	0	0	0	0
Other current liabilities	31		2,180	0	0	2,180	0	0	0	0	0	0	0
WATC Loans (iii)	29	4.81	1,073,527	1,073,527	0	0	(546,836)	1,620,363	44,827	231,771	89,696	265,453	988,616
Commonwealth Loans	29	5.93	3,108	3,108	0	0	(983)	4,091	0	567	547	1,429	1,548
			1,159,789	**1,076,635**	**0**	**83,154**	**(547,819)**	**1,624,454**	**44,827**	**232,338**	**90,243**	**266,882**	**990,164**

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

(ii) Variable interest rates represent the most recently determined rate applicable to the instrument at the end of reporting period.

(iii) The principal repayment of the WATC loans is based on a 25 year repayment schedule.

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the PTA's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

		-100 basis points		+100 basis points	
2010	Carrying amount $000	Surplus $000	Equity $000	Surplus $000	Equity $000
Financial Assets					
Cash and cash equivalents	54,055	(541)	(541)	541	541
Total increase/(decrease)		**(541)**	**(541)**	**541**	**541**

		-100 basis points		+100 basis points	
2009	Carrying amount $000	Surplus $000	Equity $000	Surplus $000	Equity $000
Financial Assets					
Cash and cash equivalents	61,237	(612)	(612)	612	612
Total increase/(decrease)		**(612)**	**(612)**	**612**	**612**

Fair values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

39 Supplementary financial information

	2010 $000	2009 $000
Write offs		
Public property written-off (i)	384	479
Revenue written off	1	1
	385	**480**
Losses through theft, defaults and other causes		
Losses of public moneys and public and other property through theft or default	**0**	**3**
Gifts of Public Property		
Gifts of Public Property provided by the PTA	**0**	**6**

(i) During the financial year $383,825 (2009: $478,915) was written off the PTA's asset register and $501 (2009: $803) of bad debts were written off.

40 Events occurring after the end of reporting period

The PTA has not identified any material events after the end of reporting period that would require adjustment or disclosure to be made.

41 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 million.

	2010 Actual $000	2010 Estimate $000	Variance $000
Income	197,774	168,826	28,948
Cost of Services	882,693	866,141	(16,552)
Net Cost of Services	684,919	697,315	12,396

Revenue

Revenue was $28.9 million (17.1%) above the estimate. The positive variations include:

- Proceeds received from settlement of actions or claims by PTA - $6.8 million;
- Increased revenue from external works recoveries of $5.2 million;
- Increased revenue from fares of $3.9 million;
- Increased rental revenue of $2.9 million;
- Increased service contribution revenue of $2.1 million received from various funding agreements with City Councils, Universities, etc;
- Increased infringement revenue of $1.9 million;
- Increased service contribution revenue of $1.2 million due to joint ticketing of various sporting and entertainment events;
- Contribution from a major supplier towards a fire suppression installation on gas buses $1.0 million; and
- Reversal of provision for contaminated sites $1.0 million.

Total cost of services

Cost of services for the year was $16.5million (1.9%) above the estimate.

There were several significant positive and negative variations that contributed to this overall variation. These variations include:

- Increased costs related to external works $5.2 million;
- Grant to Main Roads WA and Department of Transport for the Grain Freight Stage 1 program $5.2 million;
- Settlement of legal costs payable pursuant to court decision on rise and fall calculation on a major contract - $3.7 million;
- Increased Transperth bus costs of $2.4 million mainly due to increased fuel costs;
- Voluntary severance of $2.1 million for employees leaving the public sector;
- Increased grant to local government of $2.0 million due to transfer of roads and associated infrastructure controlled by local government; and
- Notional charge for services provided by Landgate $1.2 million;

Offset by:

- Lower depreciation of $6.4 million due to the timing of the capital works program.

b) Significant variances between actual and prior year actual

	2010 Actual $000	2009 Actual $000	Variance $000
Income			
Other revenue	38,889	29,603	9,286
User charges and fees	152,026	149,200	2,826
Expenses			
Employee benefits expense	120,158	110,226	9,932
Supplies and services	192,278	176,289	15,989
Depreciation and amortisation expense	159,026	156,128	2,898
Grants and subsidies expense	326,098	313,610	12,488
Energy and fuel	15,269	13,835	1,434
Land rationalisation expense	781	2,751	(1,970)
Other expenses	12,344	10,555	1,789

Other revenue

Increased other revenue mainly due to proceeds from settlement of insurance claims and contributions from local government (mainly for the Mirrabooka bus station), infringements and rental income.

User charges and fees

Increase is mainly due to fare increase based on CPI of 3.9%.

Employee benefit expense

Increased employee benefit expense due to filling of vacant positions mainly transit officers which were previously occupied by contractors, voluntary severance for employees leaving the public sector and new Enterprise Bargaining Agreements.

Supplies and services

- Settlement of legal costs payable pursuant to court decision on rise and fall calculation on a major contract - $3.7 million;
- Increased rail maintenance on the Midland line $2.8 million;
- Increased security costs of $2.2 million for Transperth Bus services;
- Increased maintenance costs of 'B' series railcars $2.0 million;
- Increased maintenance costs of 'A' series railcars of $1.6 million;
- Increased planned bus refurbishment costs $1.4 million; and
- Increased external works cost $0.9 million.

Depreciation and amortisation expense

Increased depreciation of $2.9 million is mainly due to addition of assets during the year.

Grants and subsidies expense

Increased Grants and subsidies expense of $12.5 million are mainly due to:

- $13.7 million increase for the Transperth bus operators mainly due to increase in fuel and labour costs;
- $6.0 million increase in School bus services mainly due to increase in fuel and labour costs including additional costs of providing seatbelts;
- $5.2 million grant to Main Roads WA and Department of Transport for the Grain Freight Stage 1 program;

Offset by:

- Decrease of $13.9 million in grants for road infrastructure transferred to local government.

Energy and fuel

Increased energy costs mainly due to an increase in electricity tariffs.

Land rationalisation expense

Decrease in land rationalisation costs due to lower land rationalisation activity.

Other expenses

Increase due to increased payroll tax, increased workers' compensation claims (mainly due to mesothelioma) and increased services received free of charge.

42 Schedule of income and expenses by service

	Metropolitan and regional passenger services		Country passenger rail and road coach services		Regional School Bus Services		Rail corridor and Residual Freight Issues		Total	
	2010 $000	2009 $000	2010 $000	2009 $000	2010 $000	2009 $000	2010 $000	2009 $000	2010 $000	2009 $000
COST OF SERVICES										
Expenses										
Employee benefits expenses	102,091	90,642	12,731	12,227	3,896	5,228	1,440	2,129	120,158	110,226
Supplies and services	160,589	142,530	20,933	22,337	2,344	3,292	8,412	8,130	192,278	176,289
Depreciation and amortisation expense	145,948	139,714	5,819	7,034	592	62	6,667	9,318	159,026	156,128
Finance costs	49,581	48,245	3,480	3,925	-	-	3,526	3,423	56,587	55,593
Grants and subsidies	226,417	225,313	-	-	93,384	87,065	6,297	1,232	326,098	313,610
Energy and fuel	13,447	11,229	1,822	2,605	-	1	-	-	15,269	13,835
Land rationalisation expense	-	-	-	-	-	-	781	2,751	781	2,751
Loss on disposal of non-current assets	150	826	-	5	2	-	-	-	152	831
Other expenses	8,578	8,779	1,001	1,103	207	548	2,558	125	12,344	10,555
Total cost of services	**706,801**	**667,278**	**45,786**	**49,236**	**100,425**	**96,196**	**29,681**	**27,108**	**882,693**	**839,818**
Income										
User charges and fees	139,252	136,615	10,259	10,145	2,515	2,440	-	-	152,026	149,200
Land rationalisation lease income	-	-	-	-	-	-	83	83	83	83
Operating lease revenue	-	-	-	-	-	-	5,383	5,383	5,383	5,383
Commonwealth grants and contributions	321	286	83	-	-	-	12	-	416	286
Interest revenue	-	-	-	-	-	-	977	1,835	977	1,835
Other revenue	23,063	15,512	26	28	81	9	15,719	14,054	38,889	29,603
Total income other than income from State Government	**162,636**	**152,413**	**10,368**	**10,173**	**2,596**	**2,449**	**22,174**	**21,355**	**197,774**	**186,390**
NET COST OF SERVICES	**544,165**	**514,865**	**35,418**	**39,063**	**97,829**	**93,747**	**7,507**	**5,753**	**684,919**	**653,428**
INCOME FROM STATE GOVERNMENT										
Service appropriation	544,854	516,515	36,831	36,488	97,875	94,703	16,437	-	695,997	647,706
Resources received free of charge	-	-	-	-	-	-	1,197	710	1,197	710
Contributions - other government agencies	3,592	1,007	-	-	-	-	788	-	4,380	1,007
Total income from State Government	**548,446**	**517,522**	**36,831**	**36,488**	**97,875**	**94,703**	**18,422**	**710**	**701,574**	**649,423**
Surplus/(deficit) for the period	**4,281**	**2,657**	**1,413**	**(2,575)**	**46**	**956**	**10,915**	**(5,043)**	**16,655**	**(4,005)**

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.

	2010 $000	2009 $000

43 Remuneration of auditor

Remuneration payable to the Auditor General in respect of the audit for the current financial year is as follows:

Auditing the accounts, financial statements and performance indicators	149	143

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