

**HON. ALANNAH MACTIERNAN MLA
MINISTER FOR PLANNING AND INFRASTRUCTURE**

In accordance with Section 66 of the Financial Administration and Audit Act 1985, I hereby submit for your information and presentation to Parliament, the Annual Report of the Eastern Goldfields Transport Board for the financial year ended 30 June 2003.

**GEOFF HORSLEY
CHAIRMAN**

EASTERN GOLDFIELDS TRANSPORT BOARD

ANNUAL REPORT 2002 - 2003

Eastern Goldfields Transport Board
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The Eastern Goldfields Transport Board, trading under the name of Goldenlines Bus Service, operated public bus services in and adjacent to the City of Kalgoorlie-Boulder.

TABLE OF CONTENTS

	Page
Legislation	2
Statement of Compliance	3
Corporate Objectives	4-5
Business Plan	6
Customer Service Charter	7
Membership of the Board	8
Administration and Staffing	9
Operations	10
Equipment	11
Human Resources	12
Finance	13
Fares	14
Auditor General Report (Financial Statements)	15
Certification of Financial Statements	16
Financial Statements	17-30
Auditor General Report (Performance Indicators)	31
Certification of Performance Indicators	32
Performance Indicators	33-34

LEGISLATION

The Eastern Goldfields Transport Board was formed in 1947 taking over the operations of the privately owned The Kalgoorlie Electric Tramways Ltd.

It is authorized by the Eastern Goldfields Transport Board Act 1984.

By Section 5 of the Act, the Board is a body corporate. Section 6 of the Act stipulates that the Board shall consist of three to six members appointed by the Minister for Transport.

Section 18 empowers the Board to operate services for the carriage of passengers and luggage within the City of Kalgoorlie-Boulder, and in any adjoining municipal districts, and to operate charter services. The Board is subject to the directions of the Minister for Transport in the performance of its functions.

The Director General of Transport is responsible, under Section 15B(j) of the Transport Co-ordination Act 1966, to advise the Minister for Transport on the administration of the Eastern Goldfields Transport Act 1984.

STATEMENT OF COMPLIANCE WITH RELEVANT WRITTEN LAW**Enabling Legislation**

The activities of the Eastern Goldfields Transport Board are authorized by the Eastern Goldfields Transport Board Act 1984. For a brief summary of the Act refer to page 2.

Legislation Impacting on Board's Activities

The performance of its functions of office complies with the following relevant written law –

- Financial Administration and Audit Act 1985,
- Public and Bank Holidays Act 1972,
- Equal Opportunity Act 1984,
- Government Employees Superannuation Act 1987,
- Occupational Safety and Welfare Act 1984,
- Workers Compensation and Assistance Act 1981,
- Industrial Relations Act 1979,
- Radio Communications Act 1992,
- Transport Co-ordination Act 1966,
- The Explosives & Dangerous Goods Act 1961,
- Motor Vehicle (3rd Party Insurance) Act 1943,
- Road Traffic Act 1974 and Vehicle Standards Regulations 1977,
- Public Sector Management Act 1994

At the date of signing we are not aware of any circumstances which would render the particulars included in the statement inaccurate.

**Principal Accounting
Officer**

**Chairman
E.G.T.B**

**Member
E.G.T.B.**

CORPORATE OBJECTIVES

1. Corporate Objectives

- 1.1** To provide public passenger transport services to satisfy reasonable community needs in and adjacent to the City of Kalgoorlie-Boulder at least cost.
- 1.2** To market such other additional passenger services within the serviced community as may be financially viable.

2. Community Service

2.1 Markets

Community service markets (ie clients) will consist of:-

- a) **The Needy**
The principal users will be people who are not able to operate or have access to personal transport.
- b) **The Choosy**
This consists of people who use public transport by choice, that is, to suit their own convenience.

2.2 Level of Service and Pricing

The level of service and price/subsidy* basis is judgmental and will vary with the two types of clientele.

Market	Level of Service	Price	*Subsidy
Needy	A reasonably acceptable level of service to the community.	Affordable.	Acceptable to stake holders.
Choosy	A level of service convenient to user needs.	Attractive against any alternative.	As low as practical.

* It should be noted that in reasonably affluent countries it is always necessary to subsidize urban transport to some degree.

2.3 Strategy Considerations

With a City of the dispersed nature of Kalgoorlie-Boulder and the comparative affluence of its population, it is clear few people will use Goldenlines services by choice, even if such services were free, ubiquitous and frequent.

Community expectations would require that the level of service, price and subsidy should be determined by the Needy clientele. It would not be acceptable for the more affluent to dictate price and service.

Most of the Needy clientele are students and pensioners and these are subject to fare subsidy.

In effect therefore a compromise is demanded between an acceptable level of service and affordable price to the Needy and an acceptable subsidy level to the stakeholders (State Government and City of Kalgoorlie-Boulder).

Such compromise is facilitated by internal efficiency and cost effectiveness.

3. Additional Services

3.1 The principal markets are: -

- Transport of personnel for industry.
- Bus hire and charters.

3.2 Level of Service and Pricing (Charter & Contract Services)

This market is subject to normal commercial rules in that competition exists. The level of service and price must satisfy the client and be competitive, and additionally the price must at least fully recover cost.

3.3 Strategy Considerations

The maximum level of viable external contract is important to reducing the subsidy needed for community services. The ability to share resources (in particular, mechanical and administrative) and equipment substantially improves efficiency.

The Board thus seeks all opportunities to obtain financially viable additional markets and retain existing markets, the loss of which would materially increase Goldenlines annual loss.

BUSINESS PLAN

1. Strategic Objectives

1.1 Core Service

To fulfil the transport needs of the community (ie to transport those in need of transport services, particularly those who cannot drive or cannot afford to drive).

1.2 Non-Core Service

To expand services into other sectors of passenger transport industry including charters and tourism.

2. Marketing Strategy

Opportunities to substantially increase non-core service including tourism are being pursued, but opportunities are limited.

3. Capital Strategy

3.1 A replacement plan of the generally over-age fleet is progressing.

3.2 Investigations into the relocation of the Board's premises at a more suitable and efficient site is progressing.

4. Human Resources Strategy

4.1 The Manager is involved in Certificate of Transport Management.

4.2 Enhancement of drivers' skills in hand.

CUSTOMER SERVICE CHARTER

1. COMMITMENTS

- 1.1 To provide a reasonable level of public passenger transport to Needy customers at an affordable price.
- 1.2 To offer charter services which are attractive to clients and financially viable.
- 1.3 To minimize the level of subsidy necessary in respect to subsidized services (ie to Needy customers).

2. VALUES

- 2.1 To provide safe, clean, comfortable, regular and on-time passenger transport at an affordable price.
- 2.2 To promulgate information on our services and to respond to requests accurately, courteously and expediently.

3. SERVICES

- 3.1 Regular town services designed to service Needy individuals in the City of Kalgoorlie-Boulder, and other individuals who find such services attractive.
- 3.2 Regular school services to schools in the City of Kalgoorlie-Boulder and between Kalgoorlie-Kambalda and Kalgoorlie-Coolgardie.
- 3.3 Contracted services for companies for the transport of their employees.
- 3.4 Charter services for industrial, mining and professional bodies, schools, sporting, charitable and social clubs or associations, both within the City and elsewhere in the State.

MEMBERSHIP OF THE BOARD

The membership of the Board at 1 July 2002 was –

Mr. G. Horsley (Chairman)
Mr. D. Krepp (Acting Chairman)
Mr. P. Robson (Member)
Mr. G. Ballardie (Member)
Ms. A. Kent (Member)

This Board met on 7 occasions during the year.

OPERATIONS

The Board operated the following bus passenger services during the year.

- Kalgoorlie-Boulder regular services.
- School special services in Kalgoorlie-Boulder and in Kambalda.
- Public and school services between Kalgoorlie-Kambalda and Kalgoorlie-Coolgardie.
- A contract service for Paddington Gold Pty Ltd transporting staff to and from Minesite.
- A contract service for Black Swan Nickel transporting staff to and from Black Swan and Silver Swan worksites.
- A contract service for Kundana Gold Mines transporting staff to and from minesite.
- A contract service for Bulong Nickel Operations transporting staff to and from minesite.
- A contract service for Sons of Gwalia – Carosue Dam.
- A contract service for MacMahon Contractors – Carosue Dam.
- Sundry mining contracts
- Bus charters according to demand.

WORKLOAD INDICATORS

	96/97	97/98	98/99	99/00	00/01	01/02	02/03
Passenger Journey	395k	445k	405k	474k	462k	684k	718
Bus Kilometres	471k	583k	541k	656k	1029k	1103k	1148
Extended Charters	170	171	152	183	162	152	139
Local Charters	1136	1301	1605	1341	1753	1150	1449

Passenger numbers –

	1999/00	2000/01	2001/02	2002/03
Students	212k	174k	180k	180k
Pensioners	22k	26k	30k	28k
Adults & Children	25k	24k	18k	17k
Charters & Contracts	215k	238k	456k	493k
TOTAL	474k	462k	684k	718k

*Estimated

k = thousands

EQUIPMENT

List of current fleet as at 30 June 2003.

NO	MAKE	MODEL	AGE (Years)
16	M.A.N.	SL200	25
17	M.A.N.	SL200	24
26	SCANIA	K82	19
27	SCANIA	N112	17
28	SCANIA	N112	17
29	SCANIA	K92	17
30	SCANIA	K92	17
31	SCANIA	K92	17
32	SCANIA	K92	16
33	SCANIA	K92	17
34	SCANIA	K92	17
35	M.A.N	SL240	25
36	M.A.N.	SL240	25
37	M.A.N.	SL240	25
38	M.A.N.	SL240	25
39	NISSAN	CMF89H	4
40	NISSAN	JP251	4
41	NISSAN	JP251	4
42	NISSAN	JP251	4
43	NISSAN	JP251	4
44	NISSAN	JP251	4
45	MERCEDES	OH1627	2
46	MERCEDES	OH1627	2

HUMAN RESOURCES

Staff Relations

Consequential to the Structure Efficiency implementation, the Board operates an Enterprise Consultative Committee consisting of management and employee representatives.

Additionally regular meetings between management and staff have continued which has addressed operational, industrial safety and welfare matters.

Industrial Safety

There has been minimal time lost due to accidents over the year.

Equal Opportunity

The Board is an equal opportunity employer.

All positions are filled on the basis of ability and qualification only.

Public Sector Standards

1. In the administration of Eastern Goldfields Transport Board I have complied with the Public Sector Standard in Human Resource Management and the Western Australian Public Sector Code of Ethics.
2. I have put in place procedures designed to ensure such compliance and conducted appropriate internal assessments to ensure that the statement made in 1 is correct.
3. The applications made for breach of standards review and the corresponding outcomes were for 2002/03 –
 - Number lodged – Nil
 - Number of breaches found – Nil
 - Numbers still under review – Nil

G. Brown
Manager

FINANCE

Under Regulations made under Section 27(1) of the Eastern Goldfields Transport Board Act 1984, from the commencement of the 1988-89 financial year, the City of Kalgoorlie-Boulder is to contribute \$80,000 per annum, indexed to the Consumer Price Index or 35 percent of the deficit (excluding provision for depreciation of assets directly funded by Government), whichever is the lesser, toward the losses of the Board. The State Government is to contribute to the remainder of the loss.

Comparative results compared with last year were:

	Actual 2002-03	Actual 2001-02
Revenue	1,452,023	1,362,460
Expenditure	2,164,770	2,111,427
Operating Loss	712,747	748,967

While there was an increase in revenue over the previous year, expenditure increased more substantially principally due to depreciation, cost of fuel and repairs and maintenance.

FARES

	ADULT	PENSIONER	CHILD	STUDENT
Kalgoorlie-Boulder	\$	\$	\$	\$
1 Section	1.10	.50	.50	.80
1 Zone	1.90	.80	.80	
Kalgoorlie-Kambalda	7.80	3.10	3.10	
Kalgoorlie-Coolgardie	5.30	2.10	2.10	

- 1) A “multi rider” ticket book at a discount of 10 tickets for \$6.80 is available. (95/96)
- 2) A “multi rider” ticket book at a discount of 10 tickets for \$6.80 became available for Pensioners in July 1998.
- 3) A “multi rider” ticket book at a discount of 10 tickets for \$14.45 became available for Adults in July 1998. Price changed to \$16.15 this year.

**EASTERN GOLDFIELDS TRANSPORT BOARD
CERTIFICATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

The accompanying Financial Statements of the Eastern Goldfields Transport Board have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2003 and the financial position as at 30 June 2003.

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

Principal Accounting Officer

Date:

Chairman

Date:

Board Member

Date:

**EASTERN GOLDFIELDS TRANSPORT BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

1 Significant Accounting Policies

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

a. General Statement

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

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

- i) The financial statements are prepared in accordance with the Financial Administration and Audit Act 1985.
- ii) Subject to the exceptions noted in the paragraph below dealing with the valuation of fixed assets, the accounts have been drawn up on the basis of historical cost principles.
- iii) The statements have been prepared on the accrual basis.

b. Valuation of Fixed Assets

Certain fixed assets have been re-valued from time to time as shown in the financial statements. Increments have been taken to the asset revaluation reserve. Decrements have been either offset against previous increments relating to the same class of assets or charged against profits.

Other assets are brought to account at cost.

Revaluation of Non-Current Assets

- The Land and Buildings (including Manager's Residence) were re-valued by RC Lunt & Associates Licensed Valuer on June 7 1995.

- The omnibuses were re-valued by the officers of the Board as at 1 July 1993.

c Depreciation and Amortisation of Fixed Assets

Depreciation has been calculated according to the following rates –

Buildings	2.5 – 15%
Plant and Equipment	5 – 40%
Motor Vehicles	22.5%

**EASTERN GOLDFIELDS TRANSPORT BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

Property, plant and equipment, other than freehold land, are depreciated or amortized over their estimated useful lives using the diminishing value method.

d. Inventories

Stocks are valued on a first in first out basis at the lower of cost and net realizable value with provision being made for obsolescence where considered necessary.

e. Employee Benefits

i) Provision for Annual and Long Service Leave.

Provision is made for the organization's liability for employee benefits arising from services rendered by employees to reporting date. Employee entitlements expected to be settled within one year together with benefits arising from wages and salaries and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value.

ii) Superannuation

Contributions are made to the State superannuation funds, which exist to provide benefits for employees and their dependents on retirement, disability or death.

The liability for superannuation charges under the Government Employees Superannuation Act is extinguished by quarterly payment of employer contributions to the Government Employees Superannuation Board.

The note disclosure required by paragraph 6.10 of ASSB 1028 (being the employees share of the difference between employee's accrued superannuation benefits and the attributable net market value of the plan assets) has not been provided due to the Government Employees Superannuation Board being unable to supply agency specific data.

f. Payables

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

g. Accrued Salaries

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

**EASTERN GOLDFIELDS TRANSPORT BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

h. Receivables

All trade debtors are recognized at the amounts receivable as they are due for settlement in no more than 30 days. Collectibility of debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where some doubt as to collection exists.

i. Revenue recognition policy for bus fares (user charges)

Revenue from the sale of goods and disposal of other assets and the rendering of services, is recognized when the Board has passed control of the goods or other assets or delivery of the service to the customer.

j. Comparative Figures

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

k. Financial Instruments

Credit Risk Exposures

The credit risk on financial assets of the Board which have been recognised on the Statement of Financial Position, is generally the carrying amount, net of any provision or doubtful debt.

Net Fair Value of Financial Assets and Liabilities

The net fair value of financial assets and financial liabilities of the Board approximates their carrying value.

l. Segment Reporting

The Board operates in the transport industry in the Goldfields region.

m. Rounding of amounts

Amounts in the financial statements have been rounded to the nearest dollar.

**EASTERN GOLDFIELDS TRANSPORT BOARD
CERTIFICATION OF PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2003**

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Eastern Goldfields Transport Board's performance, and fairly represent the performance of the Eastern Goldfields Transport Board for the financial year ended 30 June 2003.

Principal Accounting Officer
Date:

Chairman
Date:

Board Member
Date:

**EASTERN GOLDFIELDS TRANSPORT BOARD
PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2003**

1. INTRODUCTION

The outcome of the Eastern Goldfields Transport Board is –

To provide public passenger transport services to satisfy reasonable community needs in and adjacent to the City of Kalgoorlie Boulder.

To market such other additional passenger services within the serviced community as may be financially viable.

The primary or key objective of the Board is the satisfaction of reasonable community needs for public passenger transport; although the efficient performance of this objective is dependent on the exercise of the second objective.

The primary (community service) market will consist of –

- The Needy – that is people who are not able to operate or have access to personal transport. Such will consist of infants, juveniles, infirm aged, physically and mentally handicapped and those too poor to afford personal transport. By far the most numerous of this category are students.
- The Choosy – who use public transport by choice; that is to suit their own convenience.

With a city of the dispersed nature of Kalgoorlie-Boulder and the comparative affluence of its population, it is clear few people will use public passenger services by choice, even if such services were free, ubiquitous and frequent. Thus it is appropriate to measure the Board's effectiveness in respect to its' transportation of the Needy. It's efficiency however is appropriately measured over total operations, since individual operations are synergistic.

**EASTERN GOLDFIELDS TRANSPORT BOARD
PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2003**

2.EFFECTIVENESS INDICATORS

As indicated above, the primary purpose of the Board is to provide public transport services in satisfaction of reasonable community need. Those needful of transport are essentially those unable to operate or have access to personal transport, that is infants, juveniles (particularly students) the handicapped and the aged.

To date the Board has been unable to accurately measure the number and distribution of people needful of public transport in the area of its operations. This is because the Board has no research resources and being in a deficit situation must limit its expenditure in respect to consultancy.

3.EFFICIENCY INDICATORS

The following indicators apply to the Board's total operations. It is not possible to segregate expenditure in respect to various business segments and hence examine the efficiencies thereof.

Year	Cost Recovery (1)	\$ Cost/bus km (2)	Bus km/ \$ Capital (3)	Bus km/FTE staff (4)
1996-97	57%	2.74	0.38	26.2k
1997-98	72%	2.29	0.57	32.4k
1998-99	67%	2.35	0.57	30.9k
1999-00	64%	2.32	0.37	34.5k
2000-01	68%	1.79	0.48	49.0k
2001-02	62%	1.93	0.59	44.1k
2002-03	65%	1.87	0.71	45.9k

- (1) Traffic Revenue/Expenditure (excluding abnormal).
- (2) Expenditure excluding abnormal/bus kilometres operated.
- (3) Bus kilometres operated/Value Non-Current assets.
- (4) Bus kilometres operated/Full time equivalent staff employed.