Public Transport Authority

annual report 2008-2009

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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 2009. The report has been prepared in accordance with the provisions of the *Financial Management Act 2006.*

Reece Waldock
Chief Executive Officer

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 2009, the PTA had 1377 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's purpose

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

The PTA's aim

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

The PTA's values

The people of the PTA:

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

In this report, the PTA fulfils its reporting obligation by identifying the relevant strategic outcomes and the contribution the PTA has made to them in 2008/09 through:

- operational reports which show the effectiveness and efficiency of the PTA's transport services – see pages 12-50.
- compliance reports – see pages 56-61.
- audited key performance indicators report – see pages 79-99.
- audited financial report – see pages 101-139.

Measuring effectiveness and efficiency

To make its contribution to the Government's vision for Western Australia, the PTA has targetted 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

The PTA's 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. Its indicators of success in achieving the second of these outcomes 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. It operates 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 for specific PTA business.

PTA achievements

The PTA's major achievements in 2008/09 were:

- Public transport boardings on the Transperth system continued to record excellent growth. Total boardings increased 18.4 per cent to 128.784 million, while fare-paying boardings rose 12.1 per cent to 76.467 million.
- On 4 April 2009, WA seniors, aged and disability pensioners were allowed free travel on weekdays from 9am to 3.30pm and all day Saturdays, Sundays and public holidays. During the first three months, this resulted in approximately 1.6 million boardings.
- The installation of the Recording and Passenger Information Dissemination (RAPID) system on all A-series trains was completed. RAPID increases the number of railcar security cameras, provides passenger information displays in railcars, bright LED destination indicators and improved message announcements.
- The PTA took delivery of the first nine railcars (three 3-car sets) of the 45 B-series railcars on order. As a result, timetables for the Joondalup, Mandurah, Midland and Fremantle lines were amended from 28 June 2009.
- Following the extension of the rail network in 2007/08, train service kilometres increased a further 19.7 per cent to 14.531 million.

- Total capacity provided on the train network continued to increase, with an increase of 22.6 per cent to 5641.3 million place kilometres.
- Transperth bus service improvements during the year included – the introduction of Route 79 (linking Wellington Street Bus Station (WSBS) and QEII – via the Esplanade Busport and UWA), Route 407 (linking Glendalough Station and the Herdsman Business Park) and improved evening peak and peak shoulder services on local feeder buses serving the Joondalup Line.
- Transperth opened the new Welshpool bus depot (1 July 2008), and purchased the Beckenham bus depot (1 March 2009).
- Total service kilometres operated by the Transperth bus network increased by 2.1 per cent. In the five-year period to 30 June 2009, bus service kilometres have increased by seven per cent.
- On 3 May 2009, a new Transperth ferry – the *MV Phillip Pendal* – commenced service. The new vessel replaced the *MV Countess II* and becomes Transperth primary vessel.
- The Transwa Passenger Satisfaction Monitor (PSM) continued to show excellent overall satisfaction levels for Transwa trains: Prospector (96 per cent); Australind (92 per cent) and AvonLink (94 per cent).
- The annual rail safety compliance audit conducted by the Office of Rail Safety (ORS) identified two non-compliances and 24 observations. All issues identified at audit were addressed and closed out by 20 March 2009.
- The PTA's graduate recruitment program continued to attract high-calibre applicants and 11 graduates were recruited in 2008/09.
- The PTA has been one of the first Centre for Excellence and Innovation in Infrastructure Delivery (CEIID) agencies to implement the Project Management Framework, value management and procurement options guidelines in order to improve the planning and delivery of infrastructure projects.

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chief executive officer's overview

Whatever business you are in, it seems like every year there is a new method of analysis, a new way of measuring your success or failure, and the public transport business isn't all that different.

But when you strip away the buzzwords and all the fancy calculations, there's a fairly basic yardstick by which public transport operators can be measured: How many people did you carry? On that most fundamental of bases, we did extraordinarily well in 2008/09.

Total boardings across our system went up more than 18 per cent to almost 129 million.

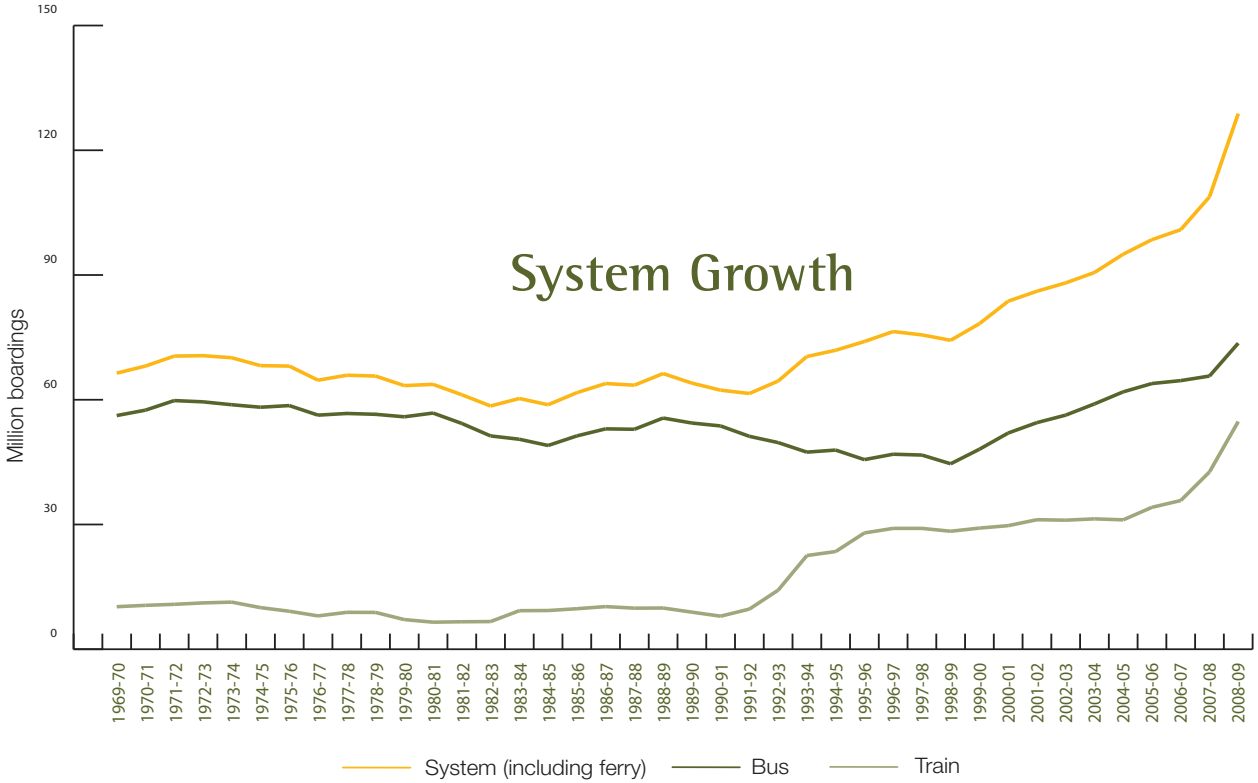
This record-breaking increase reflects a full-year contribution from the new Mandurah Line and was foreshadowed last year (2007/08) with a 7.8 per cent increase (to 108.8 million), which had the benefit of the first six months of Mandurah patronage. The Mandurah influence is immediately evident when you look at a modal breakdown of our latest increase – ferry patronage went up 4.3 per cent, bus patronage 12 per cent and train patronage 28.4 per cent.

Not only have we never seen a patronage total of that magnitude (it was only three years ago that we topped 100 million for the first time) but the 18.4 per cent rate of increase is extraordinary for an industry in which double-digit growth is virtually unheard of. Even discounting the one-off "Mandurah" effect, the underlying growth is 9.8 per cent, something that has not been seen since the 50s. After that post-war boom, patronage stayed in the mid-60s (million) through the 1960s, 70s, 80s and into the 90s. It bounced as high as 70.6 million in 1972/73 and bottomed out around 58 million in 1982/83 (when the Fremantle Line was closed). In 1991/92 it was 61.4 million. And then it took off … having been effectively flat for about 30 years, patronage more than doubled in the following 17 years with a virtually unbroken string of increases (there were very minor reversals in 1998 and 1999).

This is a major achievement in a city which has one of the world's highest levels of car dependence, and one of the lowest levels of urban population density – neither of which is conducive to a high level of public transport use. What's more, the trend has been gathering pace over the past few years. In the eight years to 2005, growth was 2.8 per cent; in the past four years it virtually trebled to 7.9 per cent. This mirrors growth in some of the other Australian capitals (Melbourne and Brisbane), which signifies that we are seeing a new phenomenon in Australia: there is a fundamental behavioural change in how people embrace public transport, and the community understanding that public transport is a vital component in making cities work properly. Interestingly, this is not reflected all around the world. Though there are pockets of good growth, some of the more mature markets are slowing down or even slipping backwards.

That we have been able to achieve this remarkable growth, to successfully absorb the pressures and meet the challenges that come with such sustained expansion, is a real testament to the consistently high levels of professionalism and dedication of our people. From the planners who map out our path for years ahead, to the engineers and project managers who turn the vision into reality and the maintenance people who keep everything running smoothly; from the admin people in our back-offices to the drivers, customer service and security people who make up our front-line, it has been yet another outstanding performance across the board. Reflecting their efforts, customer satisfaction has remained very high at a time when the level of demand might easily have created problems. According to our Passenger Satisfaction Monitor, the comprehensive annual survey of our patrons which is carried out for us by an independent researcher, the overall level of customer satisfaction this year was at record (Transwa: 92 per cent) or near-record (Transperth: 85.4 per cent) levels.

Having said that, I should point out that there were some well-documented growing pains. In last year's overview, I noted that the Mandurah Line was in danger of becoming a victim of its own success as peak-hour services approached capacity and car parks began to fill up earlier and earlier.
This proved to be the case across the system, but particularly on the Mandurah and Joondalup lines, the north-south



Transperth Total Boardings

spine of our urban system. This year we made inroads into both aspects of this two-fold problem.

- Over the next couple of years, $51 million will be invested in expanding car parking on the Joondalup and Mandurah lines by 3000 bays. The first tranche of this program was delivered in 2008/09 with work being completed to expand capacity at Greenwood (Stage 1), Edgewater and Murdoch. Further progress can be expected in the current financial year at Whitfords, Greenwood (Stage 2), Cockburn, Warnbro, Rockingham and Mandurah.
- Meanwhile, the extra railcars that we ordered several years ago have started to come on-stream. In September 2006, recognising that demand was expanding at a rate faster than had been anticipated during the planning stages of the Mandurah Line, the PTA ordered a further 45 B-series railcars (15 three-car train sets) on top of the 93 (31 three-car sets) being acquired as part of the New MetroRail (NMR) project. The first of the new trains, which are manufactured in Maryborough, arrived in Perth late in 2008. We are taking the opportunity to enhance the railcars' communication system and, by balance date, we had three sets in operation. The others will arrive periodically through until late 2010, by which time we will have increased our urban rail system's capacity by about 25 per cent.

Backing up the increase in railcar capacity, we pressed for accelerated deliveries of the Euro 4 Compressed Natural Gas (CNG) buses which are replacing the diesels in Transperth's bus fleet. More than 80 were acquired this year, with about 150 more expected over the next two years. We continued the trial of different Euro 5 CNG articulated buses with the acquisition of an Iveco to join the Scania and MAN models which went into service in the first half of 2008. These buses, which have a capacity of 120, are the first we have bought since the last of our 96-passenger diesel articulated buses arrived in 1989.

Feedback from drivers, technicians and passengers during this three-vehicle trial will help Transperth identify a suitable model to replace its 90-odd articulated vehicles, some of which are approaching 30 years old.

We continue to lead the nation in the integration of our systems and services, and are recognised by the national press and various national and international industry and lobby groups as a world leader in this regard. This acknowledges that a single agency is responsible for the provision of all road, rail and ferry passenger public transport services in urban and regional areas, as well as the provision and management of all related ticketing, zoning, track and infrastructure. The synergies and efficiencies of this model helped us in a number of areas: we lead the country in such key performance indicators as timetable reliability and controlling operating costs.

The on-time running of our services improved almost across the board – Transperth buses were at more than 84 per cent, trains almost at 95 per cent and ferries better than 98 per cent. Transwa's road coaches (95 per cent), AvonLink (99 per cent) and trackwork-affected Australind (82 per cent) were all at or better than target, though the Prospector (77 per cent) and MerredinLink (83 per cent) were affected by speed restrictions around culverts and work sites. These figures should improve in the current year following the completion of two major programs of track upgrade work.

Based on data from our nation-leading SmartRider electronic ticketing system, Transperth's system-wide cost per passenger kilometre dropped slightly to 53.3c. The Transwa figures edged higher (24c for road coaches and 41c for trains) as a result of an increased maintenance spend and the cost of contract coaches as replacements for the Australind during track upgrade work. As we move away from car dominance and continue to increase the relative population densities in our cities, public transport will become more effective and efficient to further meet the needs of our community. We are now looking at undertaking benchmarking against Hong Kong's MTR in the search for further improvement.

In the year under review it would have been easy for the PTA to lose some impetus, given the previous commitment to and focus on NMR and the Mandurah Line. This was not the case, as was evidenced by the wide range of accomplishments and achievements across the breadth of the organisation.

While these are discussed in detail in the relevant sections of this report, some highlights are listed below.

- SmartRider continues to be an outstanding success. In 2008/09, with SmartRider users making up more than 66 per cent of our Perth customer base, the system was introduced on public transport services in Geraldton, with the prospect of going into other regional areas in the current financial year.
- The Geraldton achievement was due in no small part to the regional bus replacement program. This four-year program, which started in 2007/08, involves the transfer of low-floor (accessible), air conditioned buses and other more modern vehicles from Perth into regional areas so that regional town services can operate with a modern fleet. This year, 16 diesels were phased out of the Transperth fleet, taking the total that have been reallocated regional towns to 22.
- We also phased out the *MV Countess II*, the older of our two ferries, following the May 2009 launch of the fully-accessible *MV Phillip Pendal*. This vessel replaced the *MV Shelley Taylor-Smith* as our primary ferry.
- The RAPID program to upgrade the technology on our older, A-series railcars was completed. This has significantly improved the level of security, information display and customer service.
- New stations were built at Victoria Park and Kelmscott, while the platforms at the Loch Street and Grant Street stations were expanded to make them able to take four-car trains.

One of the more significant developments was the introduction of free off-peak travel. In April 2009, all WA Seniors, plus aged and disability pensioners became entitled to free travel between 9am and 3.30pm on weekdays, and all day on Saturdays, Sundays and public holidays. Previously, only WA Seniors could access free travel, which was limited to Sundays and public holidays. This new government initiative has been enormously successful, almost doubling patronage by this demographic in the off peak, greatly enhancing our ability to draw new customers into our system, and providing a wonderful travel option for this very deserving group. In a further development, it was announced just before balance date that, from 1 July 2009, WA would be joining the national reciprocal public transport scheme under which seniors from each state are able

to access concession fares on public transport systems across the country.

A year ago I said that we were on the brink of a public transport revolution. Though the global financial crisis has slowed the previously-frenetic pace of growth in WA, my opinion remains the same. It is significant that, for the first time, the Federal Government is supporting initiatives fundamental to the provision of infrastructure at a level needed to make our cities work efficiently. Meanwhile, the State Government has asked the PTA to prepare a 20-year plan to allow it to better understand how to develop the city, to identify key priorities and how they can best be addressed. An independent panel has been commissioned to provide this information and will report by the end of the year.

It is not appropriate to pre-empt that report but we already know that, while the population base will increase by 33 per cent over that period, demand for public transport is expected to double. We also know that WA is in the enviable position of being able to expand the passenger capacity of our rail network – which will continue to provide the major spine of our mass transit system – by 100-150 per cent without the need for major new infrastructure other than rollingstock.

Our industry is facing an exciting period of change and growth, and the PTA is looking forward to the challenge

Reece Waldock
Chief Executive Officer

transperth

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

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

Transperth bus and ferry services are provided under commercial contract arrangements, while Transperth train services are provided by the PTA's Transperth Train Operations (TTO) division.

Passenger information is provided through information offices and a call centre. The Perth Station information office is operated by TTO, while all other Transperth information offices are operated by Transperth contractor Serco.

Transperth

Objectives and outcomes

OBJECTIVE	OUTCOME
Continue the installation of the Recording and Passenger Information Dissemination System (RAPID).	Installation completed.
Continue work on the underfloor railcar wheel lathe at Nowergup Depot.	All work on the wheel lathe and associated infrastructure completed.
Encourage the use of public transport for special events.	Major events are now typically joint-ticketed.
Continue to pursue patronage growth, high passenger satisfaction, and a high level of on-time running.	Continuing the trend of the past nine years, fare-paying boardings on the Transperth system increased by 12.1 per cent while total boardings rose 18.4 per cent. The level of overall customer satisfaction with Transperth (averaged over all modes) increased to 85.4 per cent from 82.4 per cent in 2008. On-time running (OTR) on both bus and train services recorded a significant improvement.

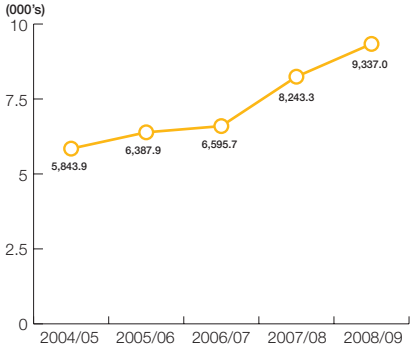
Key service measures

Patronage and services provided

Transperth System: Patronage (millions)

Patronage on the Transperth system continued to record excellent growth. Total boardings increased 18.4 per cent from 108.794 million in 2007/08 (when the Mandurah Line was in operation for fractionally more than six months) to 128.784 million. Fare-paying boardings rose 12.1 per cent from 68.231 million to 76.467 million.

From 4 April 2009, WA seniors and aged and disability pensioners were allowed free travel on weekdays from 9am to 3.30pm and all day Saturdays. The previous free travel entitlement on Sundays and public holidays, which had applied only to WA seniors, was also extended to aged and disability pensioners. During the three months to end-June 2009, this free travel entitlement resulted in approximately 1.6 million total boardings.



Transperth System:
Passenger place kilometres (millions)

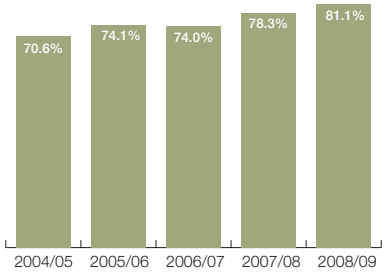
Passenger place kilometres also increased substantially. This metric is based on service kilometres and the average capacity of the fleet, and represents the total passenger carrying capacity provided by the Transperth bus, train and ferry network.

Following an increase of 25 per cent from 6595.7 million to 8243.3 million in 2007/08, total system passenger place kilometres recorded a further increase of 13.3 per cent to 9337.0 million in 2008/09. In the five-year period from 2004/05 total capacity provided on the Transperth system has jumped by nearly 60 per cent.

This substantial increase was almost entirely due to the expansion of the Transperth train network. The extension of the rail network to Clarkson and Thornlie, the introduction into service of three-car 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 more than doubling from 2293.6 million in 2004/05 to 4600.8 million in 2007/08. In 2008/09, following the introduction of new services and an increase in service kilometres, train passenger place kilometres recorded a further increase of 22.6 per cent to 5641.3 million.

The contribution of the bus network to growth in system passenger carrying capacity was relatively modest. In 2008/09, bus passenger place kilometres increased by 1.5 per cent.

Access to public transport



Proportion of property street addresses in the Perth public transport area within 500m of a Transperth stop providing an acceptable service level

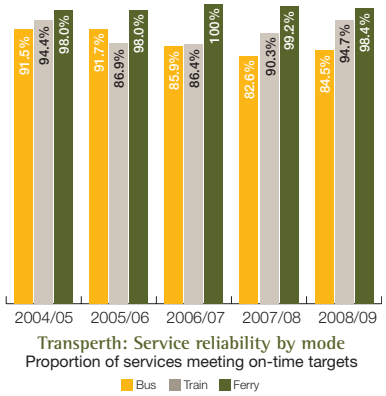
The above graph shows that a very high proportion of property street addresses (PSAs) in Perth are within walking distance (500m) of a Transperth stop providing an acceptable service level (ASL). An ASL is defined as a service every 20 minutes or less in the peak flow direction during the peak, and at least hourly throughout the core of the day.

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

The proportion of PSAs within 500m of a stop providing an ASL remained static between 2005 and 2007, and then increased by 5.8 per cent to 78.3 per cent in 2007/08 and a further 3.6 per cent to 81.1 per cent in 2008/09. Over the five-year period between 2005 and 2009, the proportion of PSAs with access to Transperth facilities providing an ASL increased by nearly 15 per cent. This improvement reflects the expansion of the feeder bus network in the southern suburbs following the introduction of the Mandurah Line.

The number of Transperth boarding points (bus stops and train stations) with an ASL, recorded an increase of 8.7 per cent in 2008/09 to 7279.

Reliability

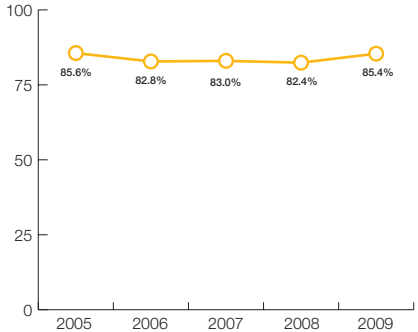


Transperth: Service reliability by mode
Proportion of services meeting on-time targets

Reliability of Transperth bus and ferry services (OTR or on-time running) is monitored for bus and ferry services by using the GPS reporter functionality of the SmartRider system, and for trains is recorded through the train control system. These technology-based methods allow more precise data-gathering than the physical checks previously used for buses and ferries, and the manual observations and recordings by train control staff.

In 2008/09, both bus and train recorded significant improvements in service reliability while there was a small reduction in ferry OTR.

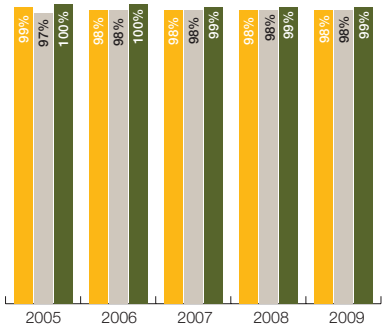
Passenger satisfaction



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 with various aspects of Transperth services. The above graph shows the proportion of respondents who expressed overall satisfaction with the level of service on Transperth bus, train and ferry services, calculated as a weighted average across all modes. Following a relatively static level of satisfaction between 2006 and 2008, a significant improvement was recorded in 2009 when 85.4 per cent of users across the system expressed overall satisfaction with the level of service provided on Transperth services.

Passenger safety perceptions

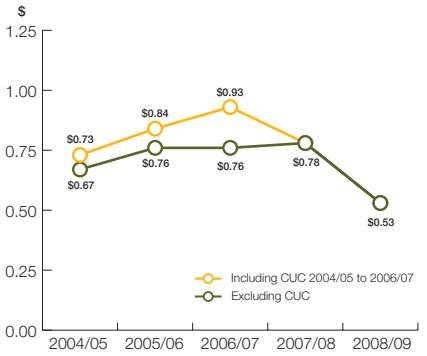


Transperth: Passenger safety perceptions
Proportion of respondents who generally feel safe on-board during the day

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, on board buses, trains and ferries, and at bus and train stations and ferry jetties. The graph shows that nearly all passengers feel safe aboard Transperth buses, trains and ferries during the day.

Efficiency



Transperth System: Total cost per passenger kilometre

Passenger kilometres: 2007/08 based on average trip length derived from the zonal distribution of tickets; 2008/09 average trip length based on SmartRider tag-on/tag-off data
CUC: Capital User Charge (now abolished)

Passenger kilometres are calculated by multiplying the number of initial boardings by the average trip length. Because of a change in the method of determining average trip length, which resulted in a significant increase in passenger kilometres, total cost per passenger kilometre fell 31.8 per cent, from $0.78 to $0.53.

Until 2007/08, the average trip length for bus and train was calculated using the zonal distribution of ticket sales. However, this method provided only a rough estimate of average trip length because the previous ticketing system did not identify start and finish details for each trip. It also did not report on transfers and therefore understated passenger kilometres.

In 2008/09, a more precise basis was used to determine the average trip length for bus and train based on SmartRider data. SmartRider users are required to tag on and tag off when boarding and alighting from a Transperth vehicle. This process accurately shows the length of each journey leg for SmartRider users, including free travel for which the use of a SmartRider is required (e.g. free travel by seniors/pensioners, PTA free pass), and transfers. This data is used to calculate the average trip length on bus and train per initial boarding and per transfer.

Passenger kilometres for SmartRider users is the sum of SmartRider initial boardings multiplied by the average trip length for initial boardings and the SmartRider transfer boardings multiplied by the average trip length for transfers. Assuming that the behaviour of cash passengers mirrors that of SmartRider passengers, the average trip lengths calculated for SmartRider initial boardings and transfers were applied to cash initial boardings on bus and train (cash fare-paying boardings plus free passes recorded on bus ticket issuing machines), and cash transfers to calculate passenger kilometres for cash passengers.

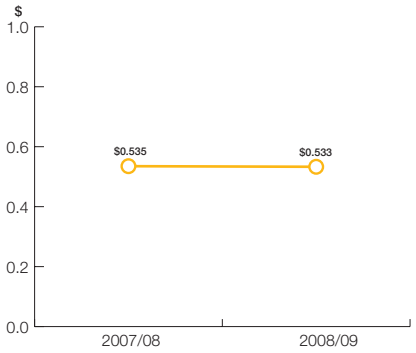
Estimated trip lengths were applied to boardings on Free Transit Zone (FTZ) services in Perth and to boardings on Central Area Transit (CAT) services in Perth, Fremantle and Joondalup to calculate passenger kilometres for boardings on these services.

In 2007/08, system-wide passenger kilometres based on average trip length derived from the zonal distribution of tickets amounted to 728.2 million compared to 622.2 million in 2006/07, an increase of 17 per cent. This increase was due to the extension of the rail network to Mandurah and consequent increase in train trip length and initial boardings (during the latter part of the year).

However, based on the more accurate trip data now available (using average trip length derived from SmartRider tags), passenger kilometres were actually 1064.7 million in 2007/08, rising 17.7 per cent to 1252.9 million in 2008/09. Of total passenger kilometres in 2007/08, bus accounted for 47.4 per cent, train for 52.5 per cent and ferry for 0.1 per cent. In 2008/09, bus passenger kilometres fell four per cent from 504.6 million in 2007/08, to 484.6 million and the bus share of total passenger kilometres declined to 38.7 per cent. Train passenger kilometres increased 37.2 per cent from 559.5 million to 767.6 million and trains' share of total passenger kilometres increased to 61.3 per cent.

The reduction in the bus share of total passenger kilometres in 2008/09 reflects the loss of long-distance trips in the southern suburbs following the introduction of the Mandurah Line. These bus trips were replaced by short feeder trips to train stations, which accounts for about 30 per cent of total boardings on the Mandurah Line. Many passengers in the southern suburbs can now either walk to the station or use Park 'n' Ride. The higher share of passenger kilometres that trains accounted for in 2008/09 resulted from the increase in fare-paying boardings due to the Mandurah Line and, given the longer distances on this line, an increase in the average trip length on the train network.

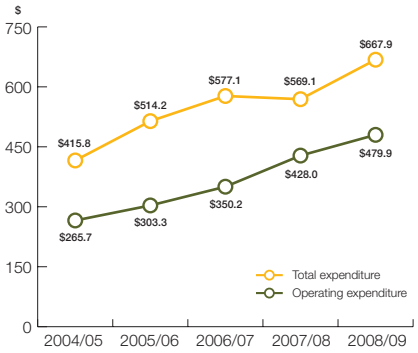
The following graph shows average cost per passenger kilometre for 2007/08 and 2008/09 using passenger kilometres based on average trip length derived from SmartRider data.



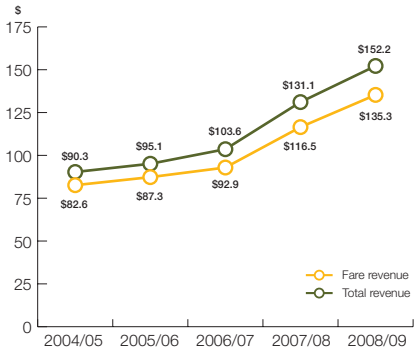
Transperth System: Cost per passenger kilometre 2007/08 and 2008/09
Passenger kilometres for both years based on SmartRider tag-on/tag-off data

While passenger kilometres (based on SmartRider data) increased by 17.7 per cent in 2008/09, total costs rose 17.4 per cent. Consequently, the average cost per passenger kilometre fell marginally by 0.3 per cent from $0.535 to $0.533.

Expenditure and revenue



Transperth System: Expenditure ($millions)



Transperth System: Revenue ($millions)

In 2008/09, total expenditure increased by 17.4 per cent to $667.9 million from $569.1 million while operating expenditure (i.e. excluding interest and depreciation) increased 12.1 per cent to $479.9 million from $428 million. Across the modes, bus total costs increased by 11.5 per cent and operating costs by 12.7 per cent, train total costs increased 22.9 per cent and operating costs by 11.6 per cent and ferry operating costs increased by 4.2 per cent while total costs fell by 19.6 per cent due to interest and depreciation. The system total cost increased in 2008/09 for several reasons.

- Annual interest and depreciation on train services increased by 46.9 per cent resulting in system capital charges recording an increase of 33.2 per cent. Bus capital charges rose 5.7 per cent.
- Bus driver wages rose 9.7 per cent.
- The full-year impact of operations on the Mandurah Line.
- Higher fuel and energy costs

System-wide revenue continued to record significant growth. In 2008/09, fare revenue and total revenue increased by 16.1 per cent. This growth in revenue followed respective increases of 25.4 per cent and 26.6 per cent in fare-paying revenue and total revenue in 2007/08.

Fare revenue includes funding for the Perth CAT service and contributions for specific bus services paid to Transperth in lieu of fares, while total revenue takes into account, in addition to fare revenue, such income as advertising, rent, infringements etc. The increase in fare revenue was due to the significant growth in system fare-paying boardings (12.1 per cent) and higher fares (an overall average increase of 2.7 per cent compared to 2007/08).

Review of performance

Service reliability

In January 2007, Transperth changed its method of gathering data to measure service reliability. More precise technology-based methods replaced the staff-based assessments used previously and this resulted in a significant impact on outcomes in 2007/08. The results for 2008/09 show a marked improvement over 2007/08.

Trains

The target for TTO in 2008/09 was for 95 per cent of services to arrive within four minutes of the scheduled time. The result was 94.7 per cent of services meeting the target compared with 90.3 per cent in 2007/08.

In 2007/08 considerable service delays were caused by work on the Mandurah Line. Following the completion of this work, TTO was able to achieve a significant improvement in train service reliability in 2008/09. It should be noted that up to 2006/07, the on-time target for train operations was for 95 per cent of trains to arrive within three minutes of the scheduled time. The target was changed in 2007/08 to take account of longer rail services with increased journey times, and also to ensure consistency in reliability measures across Transperth's train operations and other Australian rail operators.

Buses

The service reliability target for Transperth buses is to never depart from 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.

Since 2007/08 Transperth has used the GPS reporter functionality of the SmartRider system to monitor bus reliability. Monitoring is based on a random sample of one per cent of trips in each of the bus contract areas (a substantial number, given that there are more than 10,000 bus trips on a typical weekday). The use of this precise measure provides an accurate picture of bus on-time performance. No other public transport jurisdiction in Australia has the technology and capacity to provide this precise level of automated checking of bus services.

In 2008/09, Transperth buses moved close to achieving the reliability target of 85 per cent when 84.5 per cent of services operated within the four-minute tolerance period, compared with 82.6 per cent in 2007/08. The improved performance was helped by the completion of Mandurah Line works, which eased general traffic congestion as well as works-related congestion and helped to avoid delays. Additionally, a significant number of bus services in the Canning, Fremantle-Cockburn and Rockingham-Mandurah contract areas have now become feeder services to train stations and operate in suburban areas rather than as CBD-centric routes, again reducing the congestion impact.

Ferries

The target for Transperth ferries is for services to arrive within three minutes of the scheduled time. In 2008/09, using GPS tracking to run the checks, 98.4 per cent of services met the reliability target, compared with 99.2 per cent in 2007/08. This reduction in the level of reliability was due to two trips out of the 124 trips checked during the year being late.

Trends in patronage

Patronage on the Transperth system increased for the tenth year in succession. The exceptional growth rate on the train network following the start of services on the Mandurah Line continued in 2008/09.

Total boardings (comprising fare-paying boardings, free travel and transfers) on the Transperth system increased 18.4 per cent, from 108.794 million in 2007/08, to 128.784 million. Initial boardings (which exclude transfers) increased by 13.5 per cent to 91.456 million, while fare-paying boardings (which exclude free travel and transfers) increased 12.1 per cent to 76.467 million. The rates of increase achieved in 2008/09 significantly exceeded those of 2007/08, when total boardings increased by 7.8 per cent, initial boardings by 8.5 per cent, and fare-paying boardings by 10.1 per cent.

The significant impact of the Mandurah Line can be seen in a like-for-like comparison of patronage during the six-month period January to June in 2008 and 2009. During this period, system-wide total boardings increased by 9.8 per cent, initial boardings by 7.6 per cent and fare-paying boardings by 3.9 per cent.

All cash and SmartRider fare-paying boardings are recorded accurately on the Transperth ticketing system. During 2008/09, on average, passengers using SmartRider accounted for 66.1 per cent of passenger boardings compared with 61.9 per cent in 2007/08. In addition, the SmartRider system allows transfers to be accurately recorded and this data provides a model of passenger behaviour to estimate transfers for cash passengers.

In longer-term trend analysis, over the period 2004/05 to 2008/09, total boardings on the Transperth system increased by 35.6 per cent, while fare-paying boardings rose 33.2 per cent. During this period, total boardings on buses increased at an average annual rate of 4.4 per cent, and on trains at an average annual rate of 13.8 per cent. The average annual rate of increase in fare-paying boardings during the period was 2.8 per cent for bus and 14.8 per cent for train. Patronage on the Transperth ferry service, which had achieved significant gains in 2005/06 and 2006/07, fell sharply in 2007/08 with total boardings declining by 15 per cent and fare-paying boardings by five per cent. In 2008/09, total boardings on ferry increased by 4.3 per cent (due to more accurate recording of transfers) while fare-paying boardings fell 4.6 per cent.

Total capacity provided on the Transperth system expressed in terms of passenger place kilometres continued to increase. In 2008/09, Transperth provided total capacity amounting to 9337 million passenger place kilometres compared with 8243.3 million in 2007/08.

On a per-capita basis, public transport usage within the Perth metropolitan area (including the City of Mandurah) increased from 49.7 initial boardings per capita in 2007/08 to 54 initial boardings per capita in 2008/09, an 8.7 per cent increase compared with an increase of 4.5 per cent in the estimated population.

Marketing of the service

In 2008/09, the Transperth team successfully undertook the following initiatives:

- The 136213 SMS service, a new service which allows passengers to SMS their stop number to 13 62 13 and receive the next few services departing from that stop, was launched. SmartRider balances can also be checked using this service.
- Two new services were introduced – Route 79 to QEII Medical Centre and the University of Western Australia, and Route 407 between Herdsman Business Park and Glendalough Station – and improvements made to shoulder-of-the-peak bus services in the northern suburbs.
- The community education team continued to deliver *Get on Board* presentations to a broad range of community groups, including seniors, people with disabilities, migrants and school children, to help them understand how the Transperth system works, and to encourage the use of public transport.
- An awareness campaign was run to provide WA Seniors and aged and disability pensioners information on their new free travel entitlements.
- The team continued to work with major sporting organisations as well as event organisers, to ensure that adequate public transport services are planned and funded when developing special events throughout the Perth metropolitan region.
- A large-scale information exercise was carried out to ensure that existing users of Transperth services were aware of the changes on 28 June 2009, to accommodate the removal of W pattern services on the Joondalup and Mandurah Lines in off-peak periods, as well as changes to Fremantle and Midland Line services.

Disability access

Transperth aims to provide universal access to its bus, train and ferry system, so that the wider community (including people with disabilities and parents with prams) can access services and facilities. In 2008/09, further progress was made towards achieving this objective, as reflected below.

Trains

All Transperth trains are universally accessible. The key accessibility issue for train services is whether access to the train 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 to people with disabilities and parents with prams. At the other stations, passengers are assisted by PTA customer service staff when required.

	INDEPENDENT ACCESS*	PARTIAL ACCESS**	LIMITED ACCESS **	TOTAL STATIONS
2004/05	15	31	12	58
2005/06	16	31	12	59
2006/07	23	26	10	59
2007/08	34	25	10	69#
2008/09	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 in 2008/09.*

Buses

Transperth continued its long-term program of increasing the number of accessible buses in its fleet with the purchase of 82 new low-floor accessible Compressed Natural Gas (CNG) powered buses as part of the Daimler Chrysler bus supply agreement. As at 30 June 2009, the number of accessible buses was 774 out of a total fleet of 1134 (68.3 per cent) compared with 686 out of a total fleet of 1124 buses (61 per cent) at 30 June 2008.

Preference is given to operating accessible buses whenever possible so that in off-peak periods most of the buses in service are accessible. During peak periods, when service demand is high, both accessible and non-accessible buses are fully committed. Accessible buses accounted for 76.6 per cent of service kilometres in 2008/09, up from 70.8 per cent in 2007/08.

During the year, 16 diesel low-floor buses were transferred to regional towns as 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 16 buses, 16 new CNG buses were procured for the Transperth fleet. The buses transferred to regional towns in 2008/09 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 the year, 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 *MV Shelley Taylor-Smith*, an accessible vessel. The second ferry used for limited services, the *MV Countess II*, was replaced by a new accessible ferry, the *MV Phillip Pendal*, on 3 May 2009. This new vessel will now become the primary vessel for Transperth ferry services. The two jetties used for Transperth ferry services during the year – 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. Service coverage is measured in terms of the proportion of PSAs within the Perth Public Transport Area that are less than 500m from a Transperth stop (bus, train, or ferry) providing an ASL.

In 2008/09, the proportion of PSAs within 500m of an ASL stop rose 3.6 per cent to 81.1 per cent compared with 78.3 per cent in 2007/08. The number of stops with an ASL increased 8.7 per cent from 6698 to 7279.

Passenger satisfaction

Transperth's annual customer survey, the PSM, showed that in 2009, on a system-wide basis, 85.4 per cent of survey respondents expressed overall satisfaction with the level of service compared with 82.4 per cent in 2008. (Details of passenger satisfaction with train, bus and ferry services are included in individual mode reports.)

SmartRider project and system ticketing

While other major Australian cities are moving towards a smartcard-based ticketing product, Transperth's SmartRider ticketing system continues to improve on its success. In June 2009, SmartRider accounted for 68.7 per cent of fare-paying boardings on bus, 72.1 per cent on train, and 31.8 per cent on ferry compared with 65.1 per cent, 68.3 per cent, 32.3 per cent respectively in June 2008.

On an annual basis in 2008/09, SmartRider accounted for an average of 66.1 per cent of fare-paying boardings for the system as a whole, with the share in each mode as follows – bus 65.4 per cent, train 67.3 per cent, and ferry 30 per cent.

During the year, SmartRider was introduced on public transport services in Geraldton, approximately 400km north of Perth, making it the first regional town in Australia to have access to a smartcard-based ticketing product. Residents of Geraldton and Perth can now use their SmartRider when using public transport in these areas.

SmartRider is also used to provide access to off-peak free travel for WA seniors and aged and disability pensioners. This entitlement, which came into effect on 4 April 2009, allows eligible passengers free travel on weekdays from 9am to 3.30 pm, and all day on weekends and public holidays. The introduction of this free travel entitlement marks another first for Western Australia.

Transperth also completed installation of the state-of-the-art cash ticket vending machines (TVMs) at all train stations and ferry terminals, providing occasional users with a cash ticket alternative if they do not have a SmartRider.

Transperth can now boast of having the most successful integrated ticketing system in Australia.

Transperth trains

Description of services

The TTO division operates an electrified suburban train system with more than 1040 services on an average weekday, and more than 6640 weekly services.

At 30 June 2009, the system covered 173.1km of track with 70 stations on five lines, and a fleet of 198 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

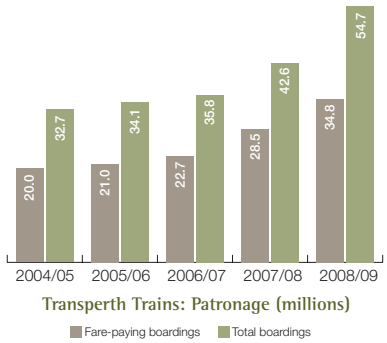
- The significant increase in train service kilometres following the extension of the rail network, continued in 2008/09. In 2007/08, train service kilometres increased by 44.4 per cent following the start of services on the Mandurah Line in December 2007. In 2008/09, the full-year impact of the new line was seen when train service kilometres increased a further 19.7 per cent to 14.531 million from 12.138 million in 2007/08.
- Similarly, total capacity provided on the train network continued to increase. Following the 53.4 per cent increase in passenger place kilometres (to 4600.8 million) in 2007/08 when the Mandurah Line started services, a further increase of 22.6 per cent to 5641.3 million was recorded.
- The installation of the RAPID system on all A-series trains was completed during the year. RAPID, which incorporates the latest in digital technology, increases the number of railcar security cameras, provides passenger information displays in railcars, bright LED destination indicators, and improved message announcements.
- The installation of the new touch-screen TVMs was completed in July 2008. All machines accept coins and some also accept banknotes and EFTPOS debit cards, providing passengers more payment options for cash fares.
- The PTA took delivery of the first nine railcars (three 3-car sets) of the 45 B-series railcars on order. The timetables for the Joondalup, Mandurah, Midland and Fremantle lines were amended from 28 June 2009 to accommodate the new railcars. Issues relating to a new internal communications system delayed the first railcar sets (six railcars) entering into service but the third 3-car set was delivered slightly ahead of schedule. The delay was due to the design and commissioning process of the new Integrated Communications System (ICS), which is being installed on these railcars, falling behind schedule. It is anticipated that this delay will only impact on the first two railcar sets and that the remaining railcars will be delivered on time. The ICS controls all communications on the railcars including the automated message announcements, passenger information displays, CCTV and passenger emergency intercoms.
- TTO continued to recruit and train staff for the provision of customer service and security services.
- Work on the underfloor railcar wheel lathe at Nowergup Depot and associated infrastructure works was completed during the year. The wheel lathe will allow PTA to re-machine railcar wheels and brake disks in the inter-peak period and provide fast turnaround of railcars.

Cost of the service

In 2008/09, the total cost of providing Transperth train services, including annual capital charges, was $363.732 million, an increase of 22.9 per cent over the 2007/08 total cost of $296.026 million. Capital charges increased by 46.9 per cent from $94.577 million to $138.914 million.

Train operating costs (i.e excluding capital charges) increased 11.6 per cent from $201.449 million in 2007/08, to $224.818 million (including $14.516 million in expenses for the transfer of assets related to rail systems development to local government). (For comparison purposes, the 2007/08 operating cost has been adjusted to include these expenses which amounted to $19.246 million.) Excluding the expenses associated with the transfer of rail-related assets to local government, the increase in TTO operating costs was 15.4 per cent, which reflects the full-year cost of operating the Mandurah Line.

Patronage



Transperth Trains: Patronage (millions)

Patronage on Transperth train services continued to increase at a significant rate for the fifth year in succession. In 2008/09, fare-paying boardings increased by 22.3 per cent to 34.815 million while total boardings increased by 28.4 per cent to 54.750 million. The significant increases recorded in 2008/09 followed growth rates of 25.6 per cent and 19.2 per cent in fare-paying and total boardings respectively in 2007/08.

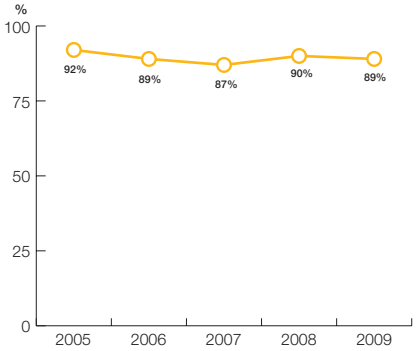
These rates of growth reflect the impact of Mandurah Line operations for six months of 2007/08. Comparing on a like-for-like basis, (i.e. Mandurah Line operations for the six-month period January to June), shows that fare-paying boardings on the train system increased 4.3 per cent from 16.444 million in 2008 to 17.156 million in 2009. Total boardings over the same period rose nine per cent from 25.119 million to 27.369 million.

Boardings per service kilometre on the train network also recorded an improvement in 2008/09. While service kilometres increased by 19.7 per cent to 14.531 million from 12.138 million in 2007/08, fare-paying and total boardings rose 22.3 per cent and 28.4 per cent respectively. Consequently, on a per service kilometre basis over the two years, fare-paying boardings were 2.396 in 2008/09 compared with 2.345 in 2007/08 while total boardings increased to 3.77 from 3.51.

An increasing number of train passengers are able to access the network though Park 'n' Ride facilities at train stations. At 30 June 2009, there were a total of 15,957 parking bays across the system (Joondalup Line 5964 bays, Mandurah Line 5633 bays, Armadale Line 2346 bays, Midland Line 1469 bays and Fremantle Line 545 bays).

Passenger satisfaction

The 2009 Transperth PSM showed that the proportion of users who expressed overall satisfaction with the train system declined marginally to 89 per cent from 90 per cent in 2008.



Transperth Trains:
Level of overall customer satisfaction

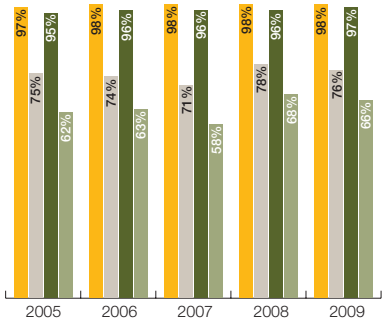
The importance rating of the key service characteristics of Transperth's train services (other than passenger safety) and the level of satisfaction/dissatisfaction for each key service characteristic are shown in the table below. In 2009, the satisfaction rating increased for "punctuality" and for "SmartRider ticketing system". While satisfaction with "speed of trip" remained unchanged at 93 per cent, there was a slight reduction in the satisfaction rating for the other key service characteristics.

SERVICE CHARACTERISTIC	IMPORTANCE RATING		SATISFACTION RATING	
	2008	**2009**	**2008**	**2009**
Cost of fares	71%	68%	67% (8%)	66% (7%)
Punctuality	63%	64%	90% (5%)	94% (2%)
Cleanliness on board	60%	64%	87% (6%)	86% (5%)
Speed of the trip	64%	60%	93% (2%)	93% (3%)
Availability of seats	55%	59%	80% (14%)	77% (17%)
Off-peak service frequency	51%	49%	87% (5%)	85% (5%)
Peak service frequency	50%	49%	82% (10%)	81% (12%)
Provision of electronic ticketing facilities/SmartRider electronic ticketing	37%	42%	90% (5%)	93% (4%)

Note: Dissatisfaction level shown in parentheses.

Passenger safety

The 2009 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 above 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 train passengers who generally feel safe on trains and at station/interchanges during the day has remained high. However, the 2009 PSM revealed that the proportion of passengers who "always" or "usually feel safe" at night declined marginally. In 2009, 76 per cent of train users generally felt safe on trains at night compared with 78 per cent in 2008 and 71 per cent in 2007. The proportion of train users who generally felt safe at stations/interchanges at night was 66 per cent in 2009, a marginal reduction from the 2008 result of 68 per cent but significantly better than the 58 per cent recorded in 2007.

The PTA is committed to ensuring that all passengers feel safe on the train network at all times. To achieve this aim, the centralised monitoring of digitised CCTV footage from all train stations via a state-of-the-art monitoring centre is carried out 24 hours a day, seven days a week.

To assist transit officers in their security and customer safety role, the PTA has the ability to issue orders to ban repeat offenders guilty of violence, graffiti, vandalism or anti-social behaviour from using public transport services.

To achieve full transit officer staffing levels, an active recruiting program continued during the year.

Major initiatives for 2009/10

- Provide operational expertise into the forward planning for the extension to the Joondalup Line, and for the Northbridge Link project
- Continue recruitment of staff to service customer needs on the system
- Continue to take delivery of and commission into service the new B-series three-car trains
- Commence the installation of the platform detection system into A-series railcar

Transperth buses

Description of services

Transperth's bus services are divided into 11 geographic contract areas, which are periodically subject to competitive tender. Currently three contractors operate the 11 contract areas

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

In 2008/09, the Transperth bus system operated 321 standard timetabled bus routes and 390 school routes. On a typical weekday this involved operating 11,458 standard service trips and 390 school service trips. Accessible buses are always used on 94 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

- Service improvements during the year:
  - Introduced Route 79 on 28 July 2008, linking WSBS and QEII via the Esplanade Busport and UWA, to cater for the growing demand associated with expansion of the QEII/UWA precinct.
  - Introduced Route 407 on 21 September 2008, linking Glendalough Station and the Herdsman Business Park. This route is jointly funded by Transperth and local business owners.
  - Introduced improved evening peak and peak shoulder services on local feeder buses serving the Joondalup Line.
- Opened the new Welshpool bus depot on 1 July 2008, and purchased the Beckenham bus depot on 1 March 2009.
- Procured the third CNG articulated bus (Iveco) involved in the evaluation trial of new low-floor CNG articulated buses.
- Total service kilometres operated by the Transperth bus network continued to increase. In 2008/09, the network covered 51.997 million service kilometres, an increase of 2.1 per cent over the 50.923 million service kilometres operated in 2007/08, which represented an increase of 1.9 per cent over the previous year. In the five-year period to 2008/09, bus service kilometres have increased by seven per cent.
- Total capacity provided by the bus network also continued to increase. In 2008/09, Transperth provided 3690.9 million passenger place kilometres compared with 3637.6 million previously, an increase of 1.5 per cent following the 1.3 per cent increase in 2007/08.
- At 30 June 2009, Transperth operated 444 CNG buses in its fleet of 1134 buses. A further 80 CNG buses are due to be delivered in 2009/10 and another 74 in 2010/11, when the current bus supply agreement concludes.
- During the year, a CNG refuelling facility was under construction at Karrinyup bus depot and is due for commissioning in September 2009.
- The safety audits of Transperth's 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 brought about improved safety management systems and safety focus by the contractors. The Lost Time Injury (LTI) rate for Transperth's contractors continues to be well below the industry standard of 3.7.
- The safety standards of Transperth's bus contractors continue to be high as reflected below:
  - Swan Transit was re-certified to AS 4801 in May 2009. Swan has a reported LTI rate of 2.3.
  - Path Transit has AS 4801 re-certification audits scheduled for July 2009 and has achieved the WorkSafe Platinum Award. Path has a reported LTI rate of 2.1.
  - Southern Coast Transit was re-certified to AS 4801 in January 2008 and has achieved the WorkSafe Platinum Award. Southern Coast has a reported LTI rate of 2.0.

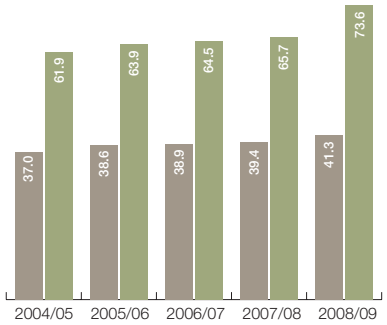
- The program to upgrade Transperth workshop facilities with a view to ensuring that maintenance of CNG-fuelled buses is carried out in a safe environment continued during the year. In addition to the installation of gas detection sensors at workshops, contractors have been provided with guidance on the requirements for safe-working procedures when carrying out maintenance on CNG buses.

Cost of the service

The total cost of operating Transperth bus services in 2008/09 was $303.532 million, 11.5 per cent more than the 2007/08 cost of $272.315 million. Operating costs increased 12.7 per cent to $254.501 million from $225.755 million.

The increase in bus operating costs was due mainly to an increase of 9.7 per cent in bus driver wages and the full-year cost impact of operating enhanced feeder services to the new Mandurah Line.

Patronage



Transperth Buses: Patronage (millions)

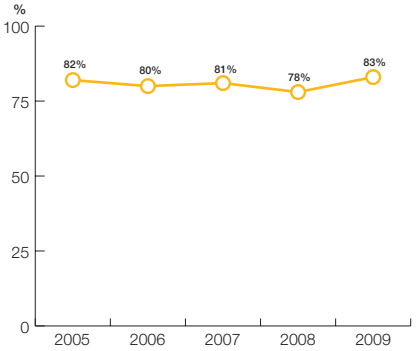
Patronage on Transperth's bus services recorded a significant increase in 2008/09. Total boardings increased by 12 per cent to 73.550 million from 65.694 million, and fare-paying boardings rose 4.8 per cent to 41.257 million from 39.361 million. The rates of growth in 2007/08 were 1.2 per cent for fare-paying boardings and 1.7 per cent for total boardings.

The increase in fare-paying boardings in 2008/09 was evenly distributed among the contract areas. However, Rockingham-Mandurah, where fare-paying boardings fell 6.4 per cent in 2007/08, recorded an increase of 14.9 per cent. In Southern River, fare-paying boardings increased by 9.3 per cent following the 7.7 per cent increase achieved in 2007/08. Fare-paying boardings in the Canning contract area continued to decline, falling 5.5 per cent following the 5.3 per cent decline in 2007/08. The popular Circle Route (a high-frequency bus service connecting major shopping centres, universities, schools and colleges) recorded an increase of five per cent compared to the small (0.4 per cent) increase in 2007/08.

Despite the recovery in the bus patronage growth rate, road congestion, particularly during peak periods, and the lack of significant bus priority measures on major roads in Perth, will continue to impact on service reliability and may affect patronage.

The significant growth in fare-paying boardings, combined with a relatively low rate of increase in service kilometres, resulted in fare-paying boardings per service kilometre rising 2.6 per cent from 0.773 in 2007/08, to 0.793. Total boardings per service kilometre increased 9.3 per cent from 1.29 to 1.41.

Passenger satisfaction



Transperth Buses:
Level of overall customer satisfaction

The 2009 Transperth PSM showed there was a significant increase in the proportion of users who expressed overall satisfaction with the bus system – 83 per cent compared with 78 per cent in 2008.

The importance rating of the key service characteristics of Transperth's bus services (other than passenger safety) and the level of satisfaction for each key service characteristic are shown in the table opposite. In 2009, users identified "number of buses at weekends" as a key service characteristic replacing "driver's manner", while the importance rating increased for "shelter provided at bus stop" and "availability of seats". The satisfaction rating for "punctuality of the bus", "cleanliness on board", "availability of seats" and "speed of trip" improved, while satisfaction declined in respect of "cost of fares" and "shelter at the bus stop". The level of dissatisfaction in regard to "number of buses at weekends" was very high at 45 per cent.

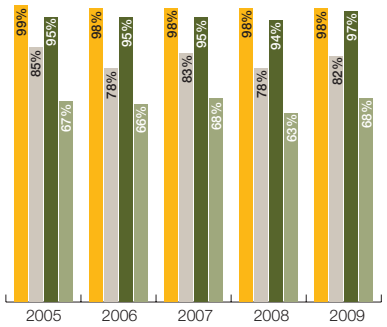
SERVICE CHARACTERISTIC	IMPORTANCE RATING		SATISFACTION RATING	
	2008	2009	2008	2009
Punctuality	71%	65%	77% (12%)	83% (8%)
Number of buses on weekdays	64%	64%	69% (20%)	69% (20%)
Cost of fares	61%	61%	70% (8%)	66% (7%)
Shelter provided at the bus stop	49%	59%	72% (20%)	71% (22%)
Cleanliness on board	53%	55%	90% (3%)	91% (3%)
Availability of seats	45%	49%	91% (5%)	92% (5%)
Speed of the trip	52%	48%	87% (5%)	92% (3%)
Number of buses on weekends		43%		38% (45%)

Note: Dissatisfaction level shown in parenthesis.

Passenger safety

In the 2009 PSM, bus users were asked: "How safe do you generally feel from personal interference or threat from other passengers?"

The following graph shows the proportion of respondents who "always" or "usually feel safe" at the specified times/locations on the bus network.



Transperth Buses: Customer perception of safety

On-board (day) · On-board (night) · At station/interchange (day) · At station/interchange (night)

The results for the past five years show that almost all bus passengers generally felt safe on buses and at station/interchanges during the day. There was a significant improvement in the proportion of users who generally felt safe at night on buses, 82 per cent in 2009 compared with 78 per cent in 2008, and at stations/interchanges, 68 per cent in 2009 compared with 63 per cent in 2008.

The security concerns expressed by passengers who use Transperth's bus services at night have been given focussed attention. While noting that most passenger security concerns are based on perception rather than actual events, Transperth focussed even further attention on improving bus system security.

Improvements in recent years include:

- Two security officers deployed from Monday to Saturday at major bus stations during core hours.
- Mobile patrols deployed on each of the three major sectors – north, south and east – on busy nights of the week.
- Centrally-monitored CCTV at all bus stations.
- CCTV on all new buses in the fleet.

Major initiatives for 2009/10

- Commence a master plan for the introduction of a rapid transit system for Perth's north-eastern corridor.
- Complete the master plan for the new underground bus station at Wellington Street.
- Complete the 20-Year Public Transport Blueprint for Perth.

Transperth ferries

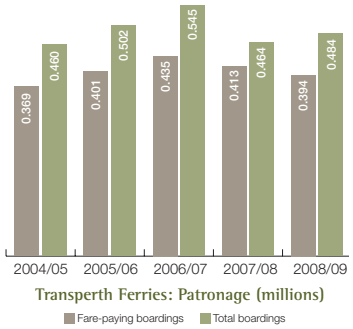
Description of services

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 Transperth ferry service has been competitively tendered since 1995, and the service is provided under contract by Captain Cook Cruises.

During the year a new ferry, the *MV Phillip Pendal*, was commissioned and commenced service on 3 May 2009. This new vessel replaced the *MV Countess II*, and operates as the primary vessel, with the *MV Shelley Taylor-Smith* now the back-up vessel.

Patronage



The ferry service represents only a very small part of the Transperth system patronage (less than 0.5 per cent). The upward trend in ferry patronage recorded in 2005/06 and 2006/07 was reversed in 2007/08 with significant reductions in both fare-paying and total boardings. This trend continued in the case of fare-paying boardings which fell 4.6 per cent in 2008/09 from 413,000 to 394,000. However, following accurate recording of transfers stemming from more modern ticketing equipment, the trend was reversed for total boardings which increased by 4.3 per cent in 2008/09 to 484,000 from 464,000.

SERVICE CHARACTERISTIC	IMPORTANCE RATING		SATISFACTION RATING	
	2008	**2009**	**2008**	**2009**
Cost of the fare	67%	77%	86% (1%)	84% (1%)
Cleanliness on board	80%	76%	96% (0%)	100%
Shelter at the jetty	55%	65%	75% (11%)	79% (18%)
Off-peak service frequency	60%	61%	78% (6%)	85% (8%)
Availability of seats	63%	60%	98% (0%)	97% (2%)
Punctuality	61%	57%	92% (1%)	100%
Speed of trip	57%	53%	97% (1%)	96% (4%)
Access to ticket purchase facilities		45%		92% (8%)

Note: Dissatisfaction level shown in parenthesis.

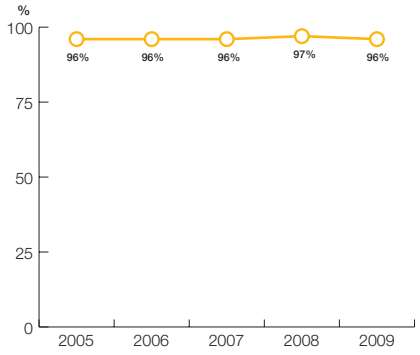
On a per-kilometre basis, ferry fare-paying boardings fell 4.3 per cent to 11.41 in 2008/09 from 11.92 in 2007/08, while total boardings per service kilometre increased by 4.6 per cent to 14.01 from 13.39 in 2007/08.

Passenger satisfaction

The 2009 PSM showed that a very high proportion of passengers continued to express satisfaction with Transperth's ferry service overall, continuing the trend over the past five years.

The importance rating of the key service characteristics of Transperth's ferry services (other than passenger safety) and the level of satisfaction for each key service characteristic are shown in the table above. In 2009, "access to ticket purchase facilities" replaced "availability of timetables" as a key service characteristic. It is noteworthy that there was 100 per cent satisfaction with "cleanliness on board" and "punctuality". The importance rating for "shelter at the jetty" increased and while the satisfaction rating for this

characteristic increased from 75 per cent to 79 per cent between 2008 and 2009, the dissatisfaction rating also increased, from 11 per cent to 18 per cent.



Transperth Ferries:
Level of overall customer satisfaction

Passenger safety

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

Transperth Ferries: Customer perception of safety

The results for the past five years show that almost all ferry passengers generally felt safe on the ferry during the day and at night and at the jetty during the day. The proportion of users who felt safe at the jetty at night increased significantly from 91 per cent in 2008 to 97 per cent in 2009.

regional town bus services

The PTA manages bus services in 14 regional towns in country WA. Seven of the towns have an intra-town bus service, while all 14 have a town school bus service. In addition, the PTA provides 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.	A standardised reporting format was introduced to maintain passenger and occupational safety records. Service audits of contractors were carried out in Bunbury, Busselton, Esperance, Karratha and Port Hedland.
Continue with a programmed approach to reviewing regional bus services.	Service levels were improved in regional towns where new suburbs have resulted in an increase in residents. Service reviews were undertaken in Albany, greater Bunbury, Busselton, Esperance, Geraldton and Karratha.
Develop solutions for regional transport problems in consultation with local communities.	The PTA purchased the Geraldton bus depot from the operator and refurbished it to a high standard. Following the purchase of the depot, 18 ex-Transperth buses were moved on-site. New bus stops were installed, complete with GPS co-ordinates to allow for the introduction of the SmartRider ticketing system in December 2008.

The year's developments

The regional bus replacement program began in 2007/08 and, under the four-year program, 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, will reduce the average age of the regional fleet to around 12 years, and improve the standard and comfort of the regional bus services. Currently there are 22 ex-Transperth low-floor accessible buses operating in regional areas.

Service review highlights during the year included:

- Albany: Due to an increase in the number of students, a review of the public school bus service was conducted, and resulted in the re-design of some routes, revised trip timings and an additional bus to better meet community needs.
- Bunbury: The service review carried out in 2007/08 focussed on linking new subdivisions in the greater Bunbury area into the town and school integrated transport system. A follow-up review was conducted and minor adjustments were made in 2008/09.
- Geraldton: A review of the town bus services to ensure equity in relation to the payment of fares, and to examine patronage performance, resulted in one route being cancelled and a new route being created to cater to a greater demand area.
- Port Hedland: A review of school services revealed that some service changes were required to cater for 45 students who were not offered transport to and from school.

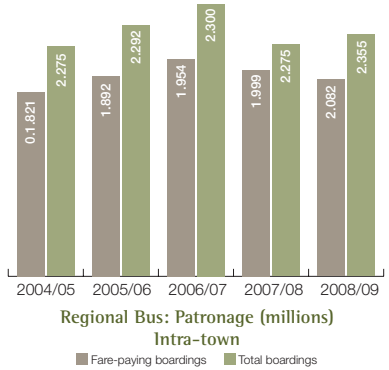
During the year, a number of service audits were carried out on the PTA's regional town bus service contractors in Bunbury, Busselton, Esperance, Karratha and Port Hedland. The audits involved checking route effectiveness, operational record-keeping, patronage statistics and occupational safety records.

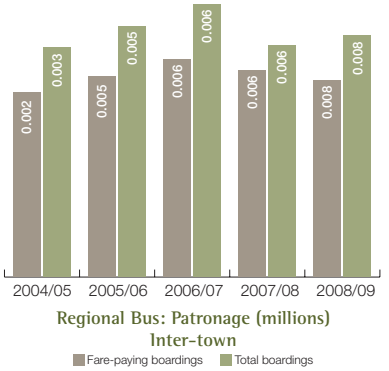
Responsibility for the Kalgoorlie public bus service was transferred from the (defunct) Eastern Goldfields Transport Board to the PTA on 29 July 2008.

Cost of the service

The cost of operating regional bus services in 2008/09 was $14.3 million, an increase of 9.2 per cent from $13.1 million in 2007/08. For intra-town services, the cost rose by 8.8 per cent from $12.5 million to $13.6 million, while the cost of inter-town services increased by 16.4 per cent from $0.603 million to $0.702 million.

Patronage





Total boardings on regional bus services increased 3.6 per cent from 2.281 million in 2007/08 to 2.363 million, while fare-paying boardings increased 4.2 per cent to 2.090 million from 2.005 million.

On intra-town services, total boardings showed an increase of 3.5 per cent to 2.355 million, while fare-paying boardings rose 4.1 per cent to 2.082 million. Both of these figures represent seven-year highs. On inter-town services, both total and fare-paying boardings increased by 40.1 per cent, due mainly to the additional patronage generated by the expansion of the Karratha, Dampier, Roebourne, Wickham and Point Sampson service from two to four days a week on a trial basis.

Passenger consultation

Customer surveys were carried out in several regional towns to identify whether service changes were required. The use of such a survey was instrumental in identifying the need for an extended service in the Karratha, Dampier, Wickham, Roebourne, Point Samson, Port Hedland, Albany and Esperance areas.

Planned major initiatives for 2009/10

- Reviewing the operational efficiency of major service enhancements introduced during 2008/09
- Installation of the SmartRider ticketing system in Busselton
- Installation of all GPS bus stops in Albany, Busselton, the greater Bunbury area and Kalgoorlie for the accurate recording of data into the Transperth Route Information System (TRIS)
- Continuation of the scheduled bus replacement program, with buses transferred to regional centres to improve the standard and comfort of regional services

Major service reviews scheduled for 2009/10 include:

- Kalgoorlie: Reviewing all the town and school services to assess and improve operational efficiency, and installing GPS references of all bus stops and shelters for the accurate recording of data into TRIS.
- Geraldton: Evaluating the transport needs of new sub divisions.
- Karratha: Reviewing the operational efficiency of existing student services and examining the transport requirements of new sub divisions in the town.

school bus services

The PTA manages the policy and entitlement framework, system and contract management of more than 800 “orange” school buses 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 the PTA’s Transperth System, Regional and School Bus Services division.

In 2008/09, the school bus network comprised 703 school buses servicing mainstream schools, 118 school buses servicing special education facilities, and three regular public transport service arrangements.

These services were accessed by 25,300 students each school day around the State, using mainly the contracted orange school buses. Alternatively, where eligible students could not be accommodated on a school bus, their parents/carers were paid a conveyance allowance to help meet some of the costs incurred in getting their children to the nearest appropriate school.

OBJECTIVE	OUTCOME
Provide transport assistance for eligible students to help them attend their nearest government or non-government school offering the appropriate year of study.	Currently operating 821 orange school bus contracts or paying a conveyance allowance to entitled students at a total cost of $87.1 million (includes seat belt fitment project).
Ensure the transport assistance provided to students is appropriate, cost-effective, safe and fair in its application.	Maintained the currency of Government policy on rural student transport assistance and increase its transparency (e.g. website access). Continued to manage the introduction of seat belts on government-funded school buses. Conducted two safety inspections on every school bus in the fleet during the year.
Ensure that 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.

Cost of the service

The cost of providing 850 school bus services (inclusive of the gradual seat belt roll-out), payment of student fare concessions, and the payment of conveyance allowance was $87.1 million in 2008/09. The inclusion of administration and corporate on-costs meant total costs for SBS were $96.2 million in 2008/09.

All orange school buses are operated by private contractors. Four contract/service models were used in 2008/09 to provide student transport support:

- Composite Rate Model (CRM) contracts (20-30 years in duration) – 692 contracts
- Fixed-term contracts (tendered over 1-15 years since 1995) – 128 contracts
- Bunbury Regional School Bus cluster contract – one contract, multiple buses
- 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 Regional School Bus cluster contract, previously operating under a licensing arrangement in Bunbury, has been replaced by a fixed-term contract.

Description of services

In 2008/09, student passenger place kilometres rose by 9.4 per cent due to:

- an increase in the number of orange contract school bus services from 810 in 2007/08 to 821.
- the inclusion of the Bunbury Regional School Bus cluster contract.
- an increase in the number of school days in the year to 196, and the subsequent increase in passenger service kilometres.

The service reliability measure covers rural mainstream services and education support school buses. The reliability measure is for the bus to arrive at school at least 10 minutes before school starts, and leave less than 10 minutes after school finishes.

In 2008/09, service reliability was 97 per cent, marginally lower than the previous year.

The year's developments

At the beginning of the 2009 school year, as a result of extensive community consultation, seven school buses were introduced to transport slightly more than 300 eligible students from the Bindoon, Gingin, Lower Chittering, Muchea and Bullsbrook areas to a variety of private schools in the Ellenbrook, Middle Swan and Midland areas. An interim service network was provided for the 2009 school year while the extent of student uptake was evaluated. Once this is completed, long-term services will be tendered for 2010.

In addition to the realignment of three Dongara services in 2008, an interim service was implemented at the beginning of the 2009 school year to cater for an increased number of eligible students seeking transport assistance from the Eradu and Moonyoonooka areas. Further community consultation is due to take place during the second half of 2009 and the first half of the 2010 school year to finalise the review and to provide a long-term transport solution for this area.

Moorine Rock school bus routes were reviewed during 2009. Due to an unexpected population surge in the area, an additional service is due to commence at the beginning of the 2010 school year.

A review of services to Serpentine Jarrahdale Grammar School was conducted in 2009, and as a result it is expected that an additional service will commence in 2010.

Additional school bus services were commenced to Menzies, South Headland, Roebourne and Kununurra.

School bus services from the areas surrounding Bunbury, which transport students to Bunbury schools, were reviewed to improve service delivery and minimise the number of bus transfers for students. As a result, there were an additional three services at the start of the school year.

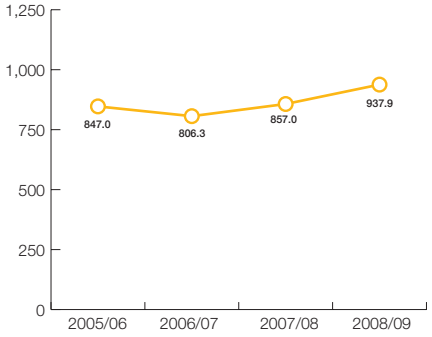
Progress continued on the project – managed by the PTA – to fit seat belts on all Government-funded school buses by December 2015. Through normal bus replacement (replacement within a CRM contract or re-tendering of a fixed term contract), 96 new buses with seatbelts entered the fleet during the year. An additional 19 new services were provided with seat-belted seats.

At the end of 2008/09 there were 374 school buses (45.6 per cent of the contracted fleet) fitted with seat belts.

Major initiatives for 2009/10

Continue to review and, where required, introduce efficiency rationalisation of school bus routes as follows:

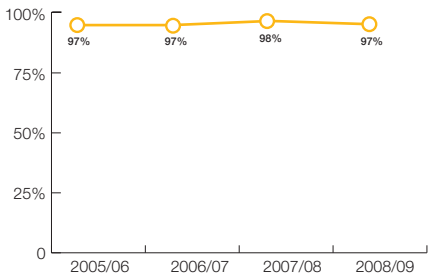
- Review of school bus services operating in the Perth metropolitan fringe e.g. City of Wanneroo
- Review rural school bus services operating in Hyden, Kojonup, Binningup, Donnybrook, Toodyay, north and east of Geraldton, Capel to Bunbury, and east of Merredin
- Finalise a new service contract for the Department of Education and Training (DET) funded transport assistance for Aboriginal Education Colleges
- Continue liaison with the DET to review the student transport assistance policy with regard to the review of transport provision when school facilities are opened or closed.



School Bus Services:
Student passenger place kilometres

School Bus Services:
Average cost per contracted kilometre

School Bus Services:
Operating cost per 1000 student place kilometres



School Bus Services:
Service Reliabilty

LOWEN CHRISTI
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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. Transwa's purpose is to provide a customer-focussed, safe and cost-effective public transport service to regional Western Australia.

To achieve this, it is recruiting the right people and planning safe, clean and reliable services to meet customers' current and future needs.

Transwa monitors its performance against a range of non-financial and financial aspects such as customer satisfaction, OTR and cost per passenger kilometre.

Objectives and Outcomes

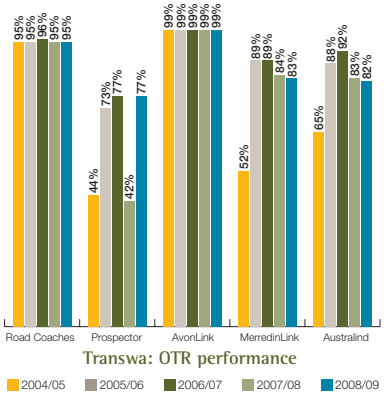
OBJECTIVE	OUTCOME
To provide customer-focussed passenger transport services for regional Western Australia.	The 2009 PSM indicated that Transwa increased overall customer satisfaction to its highest level at 92 per cent. In order to deliver a more efficient service to our customers, additional features of the new web-based call management system were activated offering customers greater choice.
To provide safe and cost-effective passenger transport services for regional Western Australia.	Transwa's emphasis on safety continued. Transwa staff received training on safety legislation, regulations and systems as well as the implementation of fatigue management strategies.
Services to arrive within acceptable punctuality parameters.	Transwa maintained a high-level of OTR across all of its services, with the following results: Australind – 82 per cent of services arrived within 10 minutes of schedule AvonLink – 99 per cent of services within 10 minutes of schedule MerredinLink – 83 per cent of services within 10 minutes of schedule Prospector – 77 per cent of services within 15 minutes of schedule Road Coaches – 95 per cent of services within 10 minutes of schedule

Review of performance

Service reliability

The key performance indicator for service reliability is OTR and the targets for 2008/09 were:

Prospector	80 per cent of services to arrive within 15 minutes of schedule
Australind	80 per cent of services to arrive within 10 minutes of schedule
AvonLink	95 per cent of services to arrive within 10 minutes of schedule
MerredinLink	95 per cent of services to arrive within 10 minutes of schedule
Road Coaches	95 per cent of services to arrive within 10 minutes of schedule



Transwa: OTR performance

The road coaches maintained a high level of reliability with 95 per cent of services arriving within 10 minutes of the scheduled arrival time, continuing a long-held record of performance at or above target.

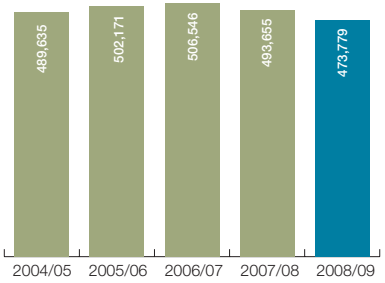
Results for the AvonLink also remained high at 99 per cent but the MerredinLink and Prospector services both experienced delays as a result of track speed restrictions placed around culvert and track worksites. This resulted in an on-time performance of 83 per cent for the MerredinLink and 77 per cent for the Prospector.

The Australind's performance was pleasing at 82 per cent given the nine-month program of works undertaken to replace wooden sleepers on the SWM (South West Mainline).

As expected, OTR has improved since the completion of works.

Trends in patronage

Overall patronage decreased by four per cent in 2008/09 largely driven by a 15 per cent drop in patronage on the Australind – a result of disruptions because of track works. This result is also reflective of the impacts of the economic downturn in the latter half of the year, as evidenced by a scaling back of the patronage growth experienced by the Prospector earlier in the year.



Transwa: Total Patronage

Passenger satisfaction

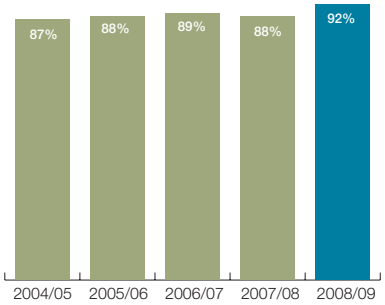
A high level of customer satisfaction was achieved in 2008/09 with 92 per cent of passengers either satisfied or very satisfied. These results are especially pleasing because increases occurred across all service modes except the MerredinLink which slipped marginally.

Passenger safety

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

Efficiency

There was an overall increase in the cost of providing Transwa services due to the provision of contract coach services in lieu of the Australind during track upgrades, and increased spending on maintenance of both trains and coaches.



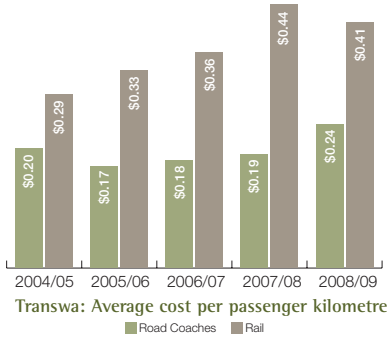
Transwa: Customer Satisfaction

A range of cost efficiencies was achieved in the reservations and ticketing area through alignment to normal business hours and the introduction of a more efficient phone system. The enhancement of Transwa's website commenced, and it is expected that over time more customers will book online, providing further efficiencies.

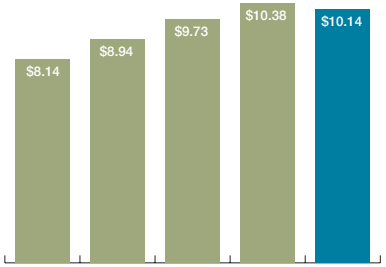
Revenue and expenditure

There was a two per cent decrease in revenue in 2008/09, driven by a fall in ticketing and catering revenue on the Australind as a result of lower patronage.

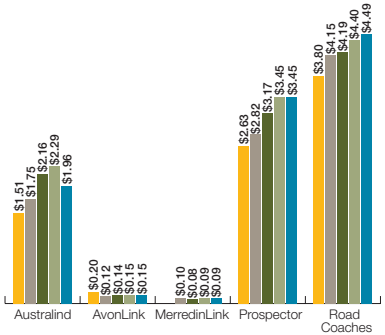
Expenditure in 2008/09 was slightly higher (0.5 per cent) than in the previous year but 5 per cent higher than budgeted due to maintenance spending on railcars and coaches to extend their life and maintain the required high levels of safety and reliability. The need to hire coaches to provide a replacement service for the morning Australind over nine months also increased cost.



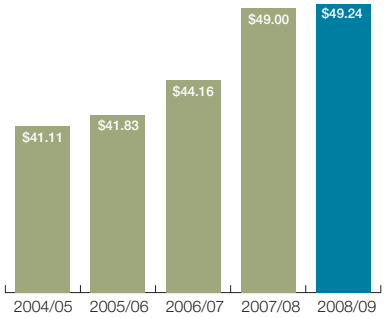
Transwa: Average cost per passenger kilometre



Transwa: Revenue (millions)



Transwa: Revenue (millions) by service



Transwa: Expenditure (millions)

Service information

Major track upgrade work was completed early in 2008/09, enabling a return of normal Prospector services. However, speed restrictions at other worksites impacted OTR performance, which ended the year at 77 per cent. Prospector patronage levels experienced strong growth in the early part of the year but retracted to a year-end increase of 1.1 per cent, as the impact of the global financial downturn struck.

Contract rail replacement coaches were used in place of some Australind services for a nine-month period while old wooden sleepers were replaced and other track upgrades completed on the SWM. These disruptions led to a reduction in passenger numbers of 15 per cent in 2008/09, and a 14 per cent reduction in revenue. Despite the significant impact of speed restrictions around worksites, the Australind's OTR ended the year on a healthy 82 per cent.

As with the Prospector, the OTR performance of the MerredinLink dipped in 2008/09 to 83 per cent as a result of speed restrictions. These did not affect the AvonLink, which achieved 99 per cent OTR. AvonLink patronage ended the year slightly up (0.4 per cent) while MerredinLink patronage slipped by 4.1 per cent.

The provision of additional services during the SWM disruption meant that passenger numbers on Transwa's road coach services increased by 0.9 per cent during 2008/09. This reversed the downward trend of previous years, and it is expected that increases will continue as a result of recent changes to services in the mid-west. The coaches maintained a high level of reliability at 95 per cent.

In the future

The commercial branch will continue to implement initiatives aimed at improving customer service and information. Following the recent refreshment of the Transwa website and introduction of online booking facilities for SmartRider concession cardholders, further enhancements are planned to permit online booking for other concession types.

In conjunction with the Federal Government and other State Governments, Transwa extended concessions to interstate Senior Card holders from 1 July 2009. WA Seniors cardholders will enjoy the same benefits in other states.

Detailed preventative maintenance programs will be implemented for Transwa's railcar and coach fleets to ensure an on-going high level of safety and reliability. Refurbishment and modifications to the Australind and Prospector railcars will also continue in 2009/10 to improve customer amenity and achieve cost efficiencies in cleaning.

Transwa trains

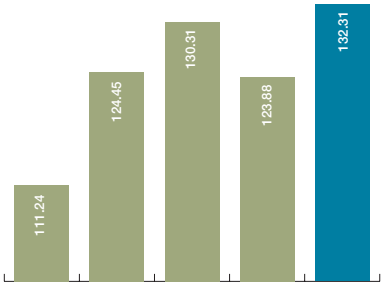
In 2008/09, Transwa's 62 scheduled weekly train services were provided by a mix of rail and road due to the unavailability of rail access during periods of track upgrade work on both the Eastern Goldfields Railway (EGR) and the SWM.

Four distinct train services were operated.

- The Australind offers two daily return services between Perth and Bunbury, making 28 trips a week. For a nine-month period between September and May this was provided by a mix of rail and contracted road coaches services while upgrades were carried out on the SWM.
- The Prospector offers 18 services a week between Perth and Kalgoorlie. For a six-week period at the start of 2008/09 this was provided by a mix of rail and contracted road coaches because of the EGR track works.
- Between Northam and Midland the AvonLink provides two services a weekday, with the exception of public holidays.
- The MerredinLink provides an all-stops service between East Perth and Merredin six times a week (Monday, Wednesday and Friday) except for public holidays.

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

Transwa employed 17 railcar operators 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.



Transwa Trains: Total passenger place kilometres (millions)

The year's developments

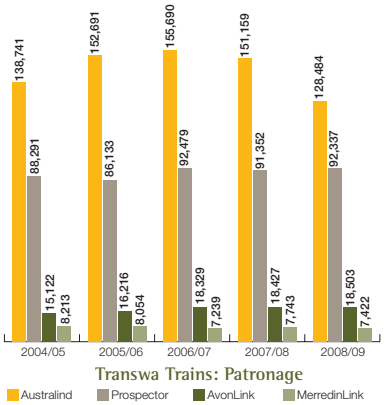
- Replacement of the carpet and galley flooring in the Prospector railcars began in 2008/09 and will provide benefits in appearance and ease of cleaning.
- New seats for the Australind railcars were ordered, and the ongoing maintenance program provided a high level of reliability. Repainting of the railcars to increase their visibility was completed.
- Contracted rail replacement road coaches provided weekday morning Australind services for an extended period in 2008/09 while a track upgrade program was undertaken between Pinjarra and Brunswick Junction. These disruptions saw patronage fall 15 per cent but careful planning prior to the disruption was reflected in the on-time performance of both the Australind and connecting coach services.
- Transwa's commitment to safety was again reflected in the low numbers of rail-related incidents.

Patronage

Prior to the commencement of track upgrades on the SWM, train patronage was up by 7.5 per cent mostly due to strong growth on the Prospector, AvonLink and Australind services.

As a result of the extended period of disruption to the normal Australind service and the economic downturn, patronage on Transwa train services ended the year down by 8.1 per cent.

Patronage on the Australind decreased by 15 per cent and on the MerredinLink by 4.1 per cent.



The Prospector, helped by its strong performance early in the year, finished with an increase of 1.1 per cent for 2008/09, while AvonLink patronage increased by 0.4 per cent.

Passenger satisfaction

The PSM continued to show excellent overall satisfaction levels for Transwa trains with the Prospector improving significantly to 96 per cent, up from 86 per cent in 2007/08.

The Australind and AvonLink also saw increases in customer satisfaction at 92 per cent and 94 per cent respectively.

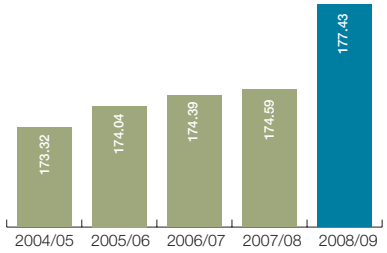
Infrastructure

Work began on construction of a security compound in Kalgoorlie for overnight stabling of the Prospector. This will provide cost efficiencies over the current arrangements.

Major Prospector engine and transmission refurbishments as well as bogie overhauls will be undertaken at the Kewdale depot in 2009/10. A business case is being prepared seeking funds for construction of facilities at the depot to ensure efficient replacement of major components, thus preventing any disruptions to services.

Transwa road coaches

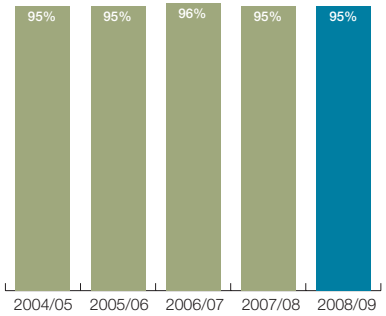
During 2008/09, Transwa operated 144 road coach services each week and employed 34 road coach drivers for its fleet of 21 five-star coaches.



Transwa Road Coaches:
Total passenger place kilometres (millions)

The year's developments

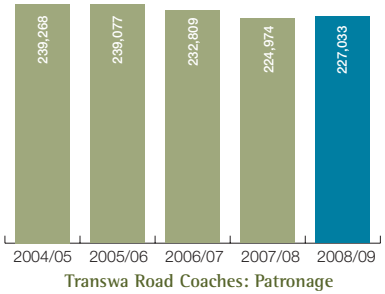
- A program of preventative and restorative maintenance including repainting, equipment upgrades and mechanical overhauling was carried out during 2008/09 to ensure the road coaches continue to offer customers a high level of comfort, reliability and amenity.
- Transwa's commitment to improving services to the community continued, with changes to services to the Geraldton/Mid-West region to offer better connections as well as fine tuning timetabled services along the Mandurah Line to provide better coordination and increased passenger and driver safety.



Transwa Road Coaches: OTR performance

Patronage

Adjustments to the timetable for Geraldton region services early in 2009 contributed to an overall increase of 2059 passengers as did the provision of additional services during the SWM disruption.

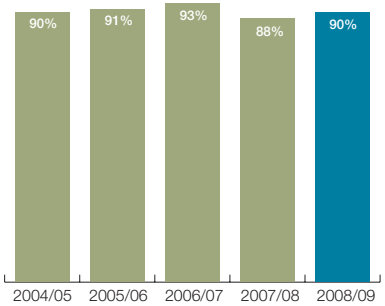


Transwa Road Coaches: Patronage

This result was particularly pleasing following the downward trend of previous years and the global financial crisis with the associated higher unemployment.

Passenger satisfaction

Customer satisfaction with Transwa coach services recovered from last year's slip with 90 per cent either satisfied or very satisfied.



Transwa Road Coaches: Customer Satisfaction

Infrastructure

Following a successful trial of GPS locating sensors, options are being explored to install these devices across the fleet. They will ensure Transwa is 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.

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network and infrastructure

PTA's Network & Infrastructure (N&I) division is responsible for the management and maintenance of the urban passenger rail network; the planning, design and delivery of PTA's capital works program; the delivery of PTA's information technology; the management of the non-railway issues associated with the corridor land on which the freight network is located; and the lease of the freight corridor. It also ensures the requirements of the *Railway (Access) Act 1998* are met by external operators on the urban network.

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

The key driver in maintaining both the new and existing infrastructure is the goal of providing a system which is attractive to our passengers but also safe, reliable and cost-effective. N&I's performance is measured against a range of key performance indicators.

New Developments

Project Management Framework

The PTA has been one of the first CEIID agencies to implement the Project Management Framework, value management and procurement options guidelines in order to improve the planning and delivery of infrastructure projects.

Open Windows Contract Management System

The PTA has committed to implement the Open Windows Contract Management System promoted by the Department of Treasury and Finance. The software was customised to reflect PTA's procurement and contract related processes. PTA will be rolling out the system in 2009/10.

Automatic Route Setting (ARS)

The Automatic Route Setting (ARS) system is an initiative being trialled by PTA's train control. ARS provides automatic setting of routes to enable the movement of services in accordance with the timetable. The system, which looks after routine train movements, provides the best sequence of train movements through junctions and optimises resolution of train conflicts. This allows train controllers to focus their attention and skills on any problem areas (train controllers can overrule ARS where required). This is the first application of the ARS system on a major urban railway anywhere in Australia.

Asset Investment Program

Kelmscott Station

A $12.9 million major upgrade of Kelmscott Station train/bus interchange began in September 2007, linking in with the Kelmscott Town Centre re-development. The project was completed in September 2008.

Welshpool Maintenance Depot

A new $1.3 million maintenance depot was constructed at Welshpool to replace the storage yard at Guildford. The new depot will ensure that sufficient secured storage is available to house emergency materials close to the CBD for an effective and quick response to any infrastructure faults

Joondalup Line Rail Barrier Upgrade

The upgrading of certain sections of the rail barriers along the Mitchell Freeway continues. The $3.9 million Stage 1 of the project, a 2.7km section of Test Level 4 and 5 concrete barriers adjacent to the southbound lanes between Karrinyup Road and Hutton Street, will be completed by December 2009.

Platform Extensions – Loch and Grant Street Stations

Loch and Grant Street stations (on the Fremantle Line) were extended to enable four-car trains to stop at both stations, at a cost of $1 million.

Car park expansion project (Joondalup and Mandurah lines)

This $51 million project will provide an additional 3000 car bays on the Joondalup and Mandurah lines.

Additional parking bays at Greenwood Stage 1 (120 bays) and Edgewater (160) have been completed, and Murdoch (160 bays) will be completed in the first month or so of 2009/2010.

Designs for the Whitfords and Greenwood Stage 2 car park expansions have been tendered, with construction expected to commence in the third quarter of 2009.

Design work for extensions to car parks at Mandurah, Rockingham, Warnbro and Cockburn stations is progressing with completion of the new car parks expected in the first half of 2010.

Roe Street Bus Bridge

The new bus bridge, provides a grade-separated direct bus route between Fitzgerald Street and WSBS. The main bridge structure overpass was finished in May 2009. The approach roads, including a new bus lane on James Street, are scheduled for completion in 2010.

Victoria Park Station

The new $9.2 million Victoria Park Station was opened in August 2008. The new station was constructed 230m south of the existing station which was subsequently demolished. It includes an island platform, a lift between the footbridge and platform, access ramps and stairs. The entire project, which included realignment of track, signalling, and the demolition of the old station, totalled $12.1 million.

Transperth TVM project

Under the TVM project all the old cash ticket machines on the Transperth network were replaced. The project cost $15.5 million, and was completed in July 2008.

Bus priority projects

Bus priority projects involve the construction of bus lanes and other bus priority improvements, which seek to rectify problems for bus service operations on the Perth metropolitan road network.

- Beaufort Street bus lane extension construction design was completed in June 2009.
- Alexander Drive rapid transport corridor feasibility study was completed in June 2009.
- The bus active signal priority project pilot design was completed in June 2009.

Bus Shelter Grant Scheme

The State Government's Bus Shelter Grants Scheme (managed by the PTA), provides funding to local councils on a 50/50 basis to buy, build or upgrade bus shelters. In 2008/09, 29 grants totalling $505,071 were approved, covering 76 bus shelters.

Karrinyup Bus Depot

The PTA is upgrading the existing Karrinyup Bus Depot at a cost of $8.2 million. The upgrade includes a new office complex, workshop facility, refuelling facility (including compressed natural gas and diesel), steam cleaning and wash-down facility and staff and visitor car park. A separate project will provide for the upgrade of power, and supply of compressed natural gas to the site. The project will be completed in the second quarter of 2010.

Trackwork resleepering

The PTA program to replace deteriorated wooden sleepers with concrete sleepers continues. During 2008/09, $11.8 million was spent on completing sections of the Armadale Line, and purchasing the remaining concrete sleepers in preparation for works on the Midland Line. The Midland Line resleepering commenced in mid-May 2009 and is expected to be completed in September 2009.

The first part of a $1.47 million, three stage program of rail grinding is nearing completion. A significant volume of work completed, including re-profiling the rail to improve the wheel/rail interface and remove any gauge corner contact.

Kewdale Freight Complex redevelopment

To meet increased interstate container traffic demand (projected to increase at 10 per cent per annum) the Kewdale Freight Terminal is being redeveloped. The first part of the redevelopment, Terminal One, is based on a 50-year lease of 67.8ha to Asciano Services Pty Ltd.

Asciano will redevelop the lease area, while the PTA has funding of $17.9 million to provide power, water and sewerage services as well as the creation of drainage basins, new entry roads, and demolition works. Demolition and design has been completed and earthworks commenced. The City of Belmont was awarded the upgrade of the Abernethy Road / McDowell Street intersection and the construction of the new eastern end access road into the Kewdale site.

Emergency telephones at stations

Obsolete central processing unit (CPU) based emergency telephones at stations were replaced with a simple and more electronically robust type. The change required the replacement of the Perth Station PABX. Two tangible results came out of this change, a 75 per cent decrease in emergency telephone faults across the system, and a decrease in maintenance costs of the replacements. The project was completed on time and budget at a cost of $520,552.

32-day storage of public transport closed circuit television images

The Urban Security Initiative Project (USIP) originally provided seven days of secure storage for images captured by the 1156 CCTV cameras across the Transperth rail network. This $4.6 million project extends the storage capacity to 32 days, upgrades the system software to the latest version and refreshes all back-office hardware. The project is expected to be completed in September 2009.

Cockburn Central

PTA People

The PTA offers diverse job roles and career paths in areas of 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 2009, the PTA employed 1377 people.

The People and Organisational Development (POD) division provides labour relations, human resource (recruitment and payroll), organisational development and training services to support the PTA and its people.

The management of PTA employees is undertaken in accordance with public sector standards in human resource management, approved public sector policies and procedures, and best practice approaches. Good people management practices are adopted by the agency and are recognised as being important in attracting, developing and retaining employees and creating a productive workforce.

By ensuring compliance with statutory requirements as well as sound human resource policies and processes, the PTA strives to maintain a discrimination-free work environment, effective employee performance and a workplace that encourages active staff participation and engagement in decision-making processes.

Strategic people management

Workforce planning and development remain a key focus to ensure the continuing operation of an efficient and effective public transport system for Western Australia. A strong emphasis is placed on developing and engaging with staff in various cross-divisional groups and committees. This ensures a consultative process with staff from across the organisation and for direct input, particularly where key people strategies are involved. The PTA's equity advisory group raises the profile of diversity issues.

Competition to recruit staff continues, which means developing our own people remains a priority. Strong leadership and staff capability is critical for the future positioning of the PTA.

The PTA's graduate recruitment program continues to attract high-calibre applicants and 11 graduates were recruited in 2008/09. The program will be maintained for 2009/10. It is available to students from a broad range of disciplines and is widely advertised at career expos and university career fairs.

Equal opportunity and work-life balance

The diversity of the PTA's workforce continues to expand as the objectives of its Equity and Diversity Management Plan 2007-2009 continue to be implemented. The accommodation of flexible workplace strategies is highlighted as part of the attraction and workforce planning for staff. These strategies include flexible start and finish times, part-time employment, a wide range of paid leave arrangements, free travel entitlements, family care facilities, peer support, mentoring and other programs.

A mentoring program challenging women to step-up received strong support and will be continued. The PTA sponsored 14 participants for the first intake of the national program and will continue sponsorship in 2009/10.

Reconciliation Australia launched an initiative challenging government, business and industry to formulate strategies to address Indigenous disadvantage through the implementation of reconciliation action plans. The PTA developed its plan in consultation with Indigenous staff members and the Department of Indigenous Affairs. The plan is available for viewing on Reconciliation Australia's website – www.reconciliation.org.au.

Building future capability

The focus on developing future leaders continued during the 2008/09 financial year, with a concentration on front-line management skills for first-time supervisors and planning for a new leadership development program. New programs will be introduced during 2009/10 within a broader strategic workforce planning framework.

During the year, the PTA continued to coordinate employee access to a wide range of professional development

courses and continued its study assistance policy. This policy provides significant support with fees and paid leave for employees to pursue both undergraduate and postgraduate qualifications. The policy includes provision for a Chief Executive Scholarship fund of $20,000 per year.

A suite of development courses is available in-house as part of the corporate training calendar, including computer skills, time management and internal auditor training.

Completion of training for second and third tier management in accountable and ethical decision making was achieved and an online course was developed for all PTA personnel. The PTA has integrated an enhanced learning management system with its payroll system, and will introduce a new performance management module as part of the integration and upgrade process. This will have the benefit of linking performance development planning with workforce development needs, and will provide guidance for future training initiatives.

Healthy living

The PTA's health and lifestyle program *Travelling Well* remained popular, providing free, professionally-delivered health and lifestyle advice and gymnasium facilities to employees. This program is complemented with online health promotion information, weekly motivational emails and activity programs such as circuit classes and Pilates sessions.

Flu injections and on-site health consultations and assessments were provided at work sites and generated high levels of demand.

Staff community engagement is demonstrated by encouraging PTA employees to participate in charity-related activities on behalf of the organisation. During the year, approximately 250 staff participated in activities/events such as Activ Foundation City to Surf, Salvation Army Christmas Appeal, Asthma Foundation Freeway Bike Hike, Radio Lollipop, and the Red Cross Blood Donations Winter Appeal.

Competency-based training

The PTA received re-accreditation as a Registered Training Organisation (RTO) in 2008/09. The PTA provides quality training and assessment services in compliance with the Australian Quality Training Framework (AQTF2007) and established best practice guidelines.

The RTO is scoped to issue Certificates II, III and IV in Transport and Logistics (Rail Operations) from the TLI 07 Transport and Logistics Training Package. A number of initiatives were undertaken by the RTO in 2008/09:

- Managing the new training contract for TTO
- Re-locating to the refurbished Guildford training centre
- Managing the Recognition of Prior Learning for overhead catenary maintainers
- Securing funding and coordinating, in conjunction with Safety and Strategy, the Workplace English Language and Literacy OHS training for operational supervisors
- Delivering and administering re-qualification training for a number of operational areas
- Providing apprenticeship and traineeship advice to operational divisions
- Implementing new authoring software for online learning
- Training 410 PTA staff and contractors
- Awarding 152 qualifications to PTA staff

The RTO also coordinated, developed, delivered and reviewed a range of competency-based and enterprise-specific training and assessment programs:

- Certificate III in Security Operations to transit officers (new employees and re-qualification)
- Urban railcar driver training (new employees and re-qualification)
- Customer service and passenger ticketing assistant training
- Car park attendants training
- Central Monitoring Room operator training
- PTA radio procedures training
- Emergency management manual
- Training for private sector revenue protection personnel
- Authorised persons training for Transperth bus security contractors

Labour relations

Negotiations to renew enterprise bargaining agreements across PTA employee categories were protracted but delivered positive outcomes for most groups. An agreement was not reached for TTO railcar drivers, who elected to remain under their Award conditions. Agreement was reached with transit officers, salaried employees, engineers, trades people and other categories of railway employees.

Recruitment

Some success was achieved in the recruitment of overseas personnel to fill much-needed signal technician and engineering staff positions. Market forces eased the pressure on recruiting for these positions late in the 2008/09 year. However, targeted recruitment strategies will be required to employ specialist staff for major projects planned for 2009/10.

Promotion of the PTA occurred in a number of forums including rail and transport-focussed magazines, trade expos and graduate exhibitions.

Pooled recruitment activities for railcar drivers and transit officers proved successful and staff numbers in these employment categories were bolstered. Ongoing recruitment activities will continue during 2009/10 for these areas, as will extensive advertising and promotion for engineers and project managers required to undertake major projects scheduled to commence in 2010.

Workers compensation

The number and value of workers compensation claims during the 2008/09 financial year are detailed below. The pre-1997 claims relate to insurance periods before RiskCover was PTA's insurer.

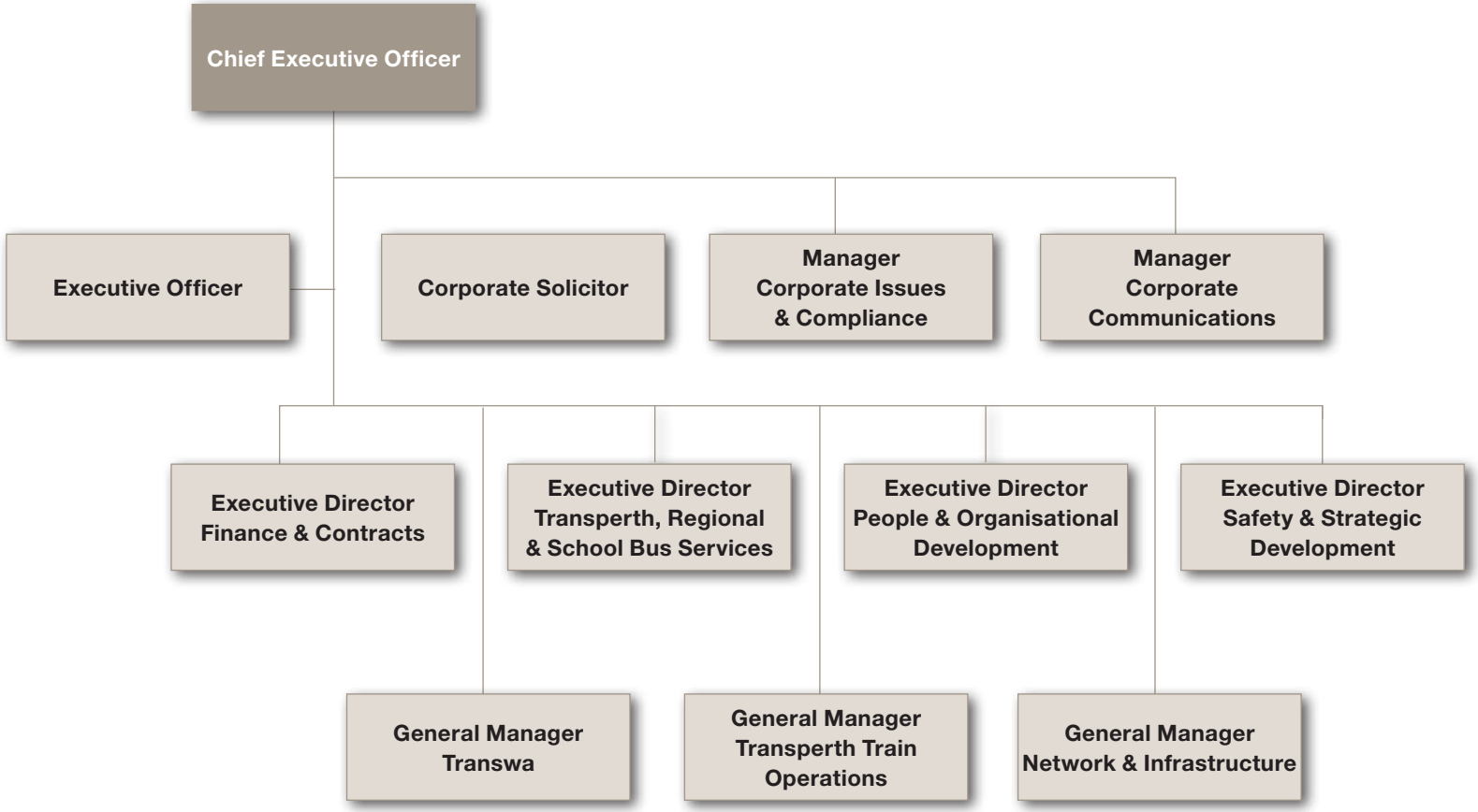
	2009		2008	
	Number of claims	$000	Number of claims	$000
Pre 1997	5	554	7	623
After 1997	110	901	99	855
Total	**115**	**1,455**	**106**	**1,478**

Compliance with Human Resource Management Standards

In 2008/09 the PTA conducted 142 recruitment processes and received one breach-of-standard claim which was resolved without referral to Office of the Public Sector Standards Commissioner.

The PTA moved to the Candidate Management System during the year. Training for staff on accessing and using the system has commenced and will be supplemented by interviewing techniques and knowledge growth in applicable public sector standards and policies.

Organisational chart



executive profiles

Reece Waldock

Chief Executive Officer

Reece has 24 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.

Mark Burgess

Executive Director
Transperth System, Regional
and School Bus Services

Mark has gained extensive logistic, transport and people management skills through 21 years in the Army and 11 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.

Hugh Smith

General Manager,
Network & Infrastructure

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.

Pat Italiano

General Manager,
Transperth Train Operations

Pat is a qualified accountant and member of CPA Australia. During his 36-year career in public transport, Pat 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. He was appointed to the Executive in June 2004.

Kim Stone

General Manager,
Transwa

Kim joined the PTA in August 2004 after two years' secondment from the Department for Planning and Infrastructure as director of school bus reform. He had previously been director of Coastal and Facilities Management in the Department of Transport for four years. Kim has worked in both the State and Federal Government arenas in addition to a number of roles in the private sector, including running his own management consulting business. His background is in engineering and management.

Kim is responsible for managing Transwa's regional rail and road coach network (including TransGoldfields – Kalgoorlie's public bus service). He is also responsible for the delivery of key performance indicators in the areas of customer service, maintenance and revenue building within Transwa.

Sue McCarrey

Executive Director,
Safety and Strategic Development

Sue joined WAGRC in June 2002 as the director of policy. A law degree and post-graduate qualifications in policy and administration provide her with expertise in government policy and administration, including legal frameworks and the mechanics of government.

Her 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. Prior to joining the PTA, Sue worked in a number of government administration roles within the Department of Education and Training including policy development and review, strategic planning, Commonwealth-State relations, and she also spent time as a school principal.

Peter King

Executive Director,
Finance and Contracts

Peter is a Fellow of CPA Australia.

His professional interest is in the areas of financial management, business performance, procurement and cost-effective service delivery. He has 24 years management experience in financial policy and as a chief finance officer in the Western Australian public sector including management roles in Treasury and Finance, Justice, and Health.

Brian Appleby

Executive Director,
People & Organisational Development

Brian has more than 20 years experience in labour relations, human resource management, workforce services issues and learning and development. After starting 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 officer in the Australian Army Reserve and is currently 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 joined the PTA in February 2008.

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 & 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 held a strategic safety planning day and identified seven 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

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 – AS14001) on an integrated compliance matrix, enabling PTA to retain the ability to separate out the three areas for discipline-specific audits and reviews. 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 improvement.

Proactive Programs

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.

The *HSE Handbook* for employees was complemented by the introduction of a supervisor's edition, specifically aimed at providing practical guidance in HSE management and responsibilities for the PTA's managers and supervisors. In addition, pamphlet stands were introduced at key locations across the organisation, to provide frontline staff with direct access to the suite of HSE publications issued by the organisation, including HSE handbooks, environmental management and workers' compensation booklets, and brochures covering such topics as fatigue, bullying, violence and aggression, infectious diseases, and workstation ergonomics.

There were also several health initiatives conducted, including annual free influenza inoculations and a targeted prevention program for swine influenza A (H1N1).

Training

Training in safety and health continued to be a priority, with many managers and supervisors completing a two-day training course on their occupational safety and health responsibilities. A contingent of PTA safety and health representatives, as well as several supervisors, managers and safety coordinators, attended the 2008 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. Training in the management of violence, aggression and bullying, launched in 2007, continued to be rolled out across the organisation. Fatigue management training for supervisors started in June 2008, with training for employees commencing in September 2008. Training in specific hazards, such as confined spaces, was also provided to targeted workers.

The PTA also coordinated a contract management and responsibilities seminar, with the keynote address by international barrister Gerard Forlin, and additional presentations provided by representatives from WorkSafe, the Office of Energy, RiskCover and the PTA. The workshop concluded with a mock coronial inquiry. The 110 attendees included staff from PTA as well as representatives from key contractors, service providers, regulators and other stakeholders. A second workshop is planned for the first half of 2009/10.

Rail Safety Accreditation

The rail safety component of the HSE management system was updated to meet new requirements resulting from national changes to rail safety management. Areas updated included reporting to ONS-1(WA), fatigue management, risk management and safety culture programs.

Compliance audits, inspections and reporting

The annual rail safety compliance audit was conducted by the Office of Rail Safety (ORS) in November 2008, and a report was issued on 4 December 2008.

The rail safety audit identified two non-compliances and 24 observations. All issues identified at audit were addressed and closed out by 20 March 2009.

Throughout 2008/09, 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 identify strategic HSE actions required as a result of trends and other issues identified in the report. PTA also prepares an annual rail safety performance report for the ORS.

Inquiries and inspections

The ORS requested one (1) Category A incident for investigation under Section 39(3) of the *Rail Safety Act (1998)*. On 12 January 2009, a railcar leaving the Nowergup Depot (travelling at 15kmh) derailed. The main causal factor was loss of traction due to early morning dew, which set the railcar into a slide. Corrective actions included placing Automatic Train Protection (ATP) transponders in the track at Nowergup to reduce the speed to 10kmh and provide more warning to the driver.

Reporting Systems

The PTA's OSH reporting system, launched on 1 July 2004, enables the organisation to capture reported hazards, near-misses and incidents, and facilitates interrogation of data to analyse trends. An upgrade of the system commenced in June 2009 and will involve ongoing consultation, as well as training for key users, in the coming financial year.

The organisation'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 was updated in 2008/09 to meet the new national reporting requirements as defined in ONS-1(WA).

Injury Management

Injury prevention and injury management continue to be a focus for the PTA. The organisation again did not record a fatal incident to a worker on the system.

With the exception of PTA security services, PTA exceeded the 10 per cent improvement target for Lost Time Injury Incidence/Disease Rate, with a 12.2 per cent reduction equivalent figure for the previous financial year. With the inclusion of security services staff, this becomes a 32.7 per cent increase.

The increase in injuries to transit officers, the result of increased anti-social behaviour on the rail network, was identified through PTA's monitoring processes during the year. A project was initiated to analyse the trend and make recommendations for improvement. The recommendation from this trend investigation will be submitted to the PTA's Executive HSE Committee in early 2009/10 for endorsement and will be implemented accordingly.

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

		2007/08	2008/09	CHANGE
LTI Incidence Rate	PTA (including security services)	6.12	8.12	↑ 32.7%
	PTA (excluding security services)	4.59	4.03	↓ 12.2%
LTI Severity Rate		6.17	13.04	↑ 111%
RTW within 28 weeks			100%	

Health assessment standards

On July 1 2004, the National Transport Commission (NTC) introduced the national standard for health assessment of rail safety workers. The national 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 updates continued to be provided across the organisation this year, to ensure the currency of safety critical health assessments was maintained. The improvement actions introduced following the 2007/08 post-implementation review of the national standard continue to be monitored to ensure the continuous improvement and efficiency of the PTA's health management program.

PTA will be involved in the NTC's nationwide consultation process for updating the rail and road health assessment standards in 2009/10.

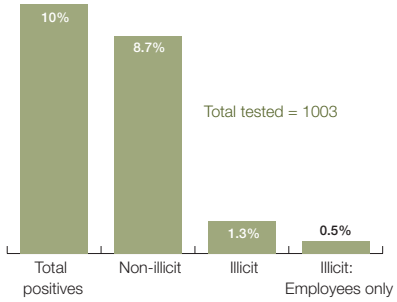
Testing for alcohol and other drugs

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 PTA tests conducted after an incident. Of the 940 random tests conducted, 13 positive results due to illicit substances were recorded. Five of the illicit positive results were for direct PTA employees; eight were for contractors.

Illicit substances detected were:

- cannabinoids (n=9)
- amphetamines (n=2)
- alcohol (n=2).



Drug and Alcohol Positive results profile 2008/09

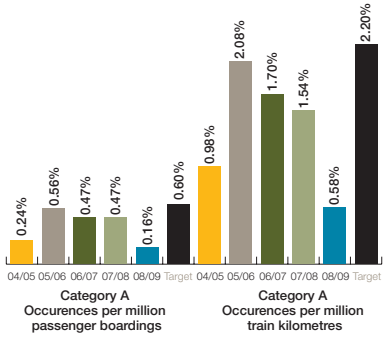
Notifiable occurrences

Under the *Rail Safety Act (1998)*, certain railway safety incidents are required to be reported to the ORS. 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). These arrangements do not cover non-rail operations.

Halfway through the current reporting period, new national reporting requirements were introduced, which had several implications for the 2008/09 reporting data. The most important of these was that incidents from 1 July to 31 December 2008 were reported in accordance with ONS-1 2005, while incidents from 1 January to 30 June 2009 were reported in accordance with ONS-1(WA) 2009. Consequently, the 2008/09 data is not directly comparable with previous years, making trend analysis more challenging. Every effort has been made to interpret the data in the context of these changes and to ensure the change in reporting has not created a significant masking effect. The benefit of the change will be the production of nationally-consistent reporting data available against which to benchmark rail safety performance.

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. This permits the PTA to benchmark with itself on a normalised basis from year to year. The benchmark values for Category A and B notifiable occurrences are calculated on estimations of the number of future passenger boardings and train kilometres.

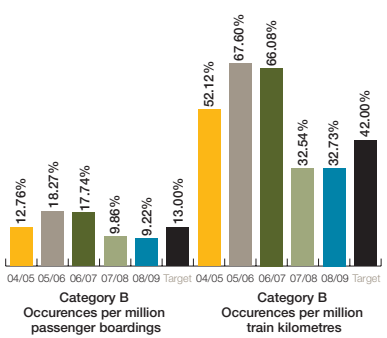
There were nine Category A notifiable occurrences in 2008/09, compared with 20 the previous year. Excluding incidents involving actions beyond the PTA's control (e.g. suicides or attempted suicides), there were four (4) Category A's in both 2007/08 and 2008/09.



The significant fall in Category A notifiable occurrences – approximately 65 per cent in the passenger boardings measure and 62 per cent in the train kilometres measure – can be attributed to a reduction in the number of suicides or attempted suicides in 2008/09.

There were no adverse trends in the four Category A notifiable occurrences within PTA's control. PTA has provided data collected on suicides or attempted suicides to the Department of Health (DoH). The DoH is examining the characteristics and patterns of suicide events in order to develop effective prevention intervention measures.

There were 507 Category B notifiable occurrences for the year 2008/09 compared with 419 in 2007/08.



The increase in Category Bs was mainly due to the increased number of train kilometres, passengers, and an increase in reporting of slips, trips and falls and trespass incidents, as required by the new reporting requirements that came into effect from January 2009. When normalised against million passenger boardings and million train kilometres, there has been a reduction even with the new reporting requirements. There were 9.22 Category B incidents per million passenger boardings compared to 9.86 in 2007/08 and 32.73 Category B incidents per million train kilometres compared to 32.54 in 2007/08.

Sustainability

The PTA Sustainability Action Plan outlined a number of priority areas to maximise sustainability during the planning, development and operations of its integrated public transport system. The plan also encouraged PTA staff to actively participate in activities that make a contribution towards a better future. These activities included energy conservation, recycling and use of public transport.

In 2008/09, 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 Development (TOD) planning
- 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
- Participation in workshops held to increase sustainability across the transport portfolio

Many objectives and priorities of the Sustainability Action Plan are integrated into other PTA initiatives:

- Extending the metropolitan rail system with the establishment of the Mandurah Line
- Accessibility for people with disabilities
- SmartRider ticketing system
- Bus priority improvements to reduce transit times and improve OTR
- Disability Access and Inclusion Plan

Greenhouse gas emission initiatives

During 2008/09, the PTA:

- developed and implemented a Water Efficiency Management Plan.
- continued implementation of the recommendations of the energy and water audits completed in 2006.
- continued installation of semi-waterless urinals within the Public Transport Centre.
- further improved water savings for washing down trains, including reduced frequency of washing, using recycled water and reverse osmosis.

- continued implementation of the Energy Efficiency Opportunities Program including developing an assessment and reporting schedule, and commencing the assessment of Transperth buses.
- developed an 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 implementation of the environmental induction program.
- promoted the environmental and sustainability benefits of public transport by sponsoring the *Going Places* exhibition at Scitech Discovery Centre.

Disability access and inclusion plan (DAIP)

In 2008/09, the PTA continued to improve access to public transport for people with disabilities. The DAIP for 2007-2012 was released in July 2007, and highlights for 2008/09 included:

- commissioning of the new accessible *MV Phillip Pendal* ferry, which replaced the *MV Countess II*.
- development of the disability awareness training DVD for frontline staff.
- development and management of an accessibility group via TravelEasy as a mechanism to disseminate disability specific updates to disability organisations.
- 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 implementation of the *Get on Board* program to encourage participation by the disabled community.
- continued recognition of companion cards to allow a companion to travel with a person with a permanent disability at no additional cost.
- introduction of the new free travel entitlement (between 9am and 3.30pm weekdays) for aged and disability support pension cardholders.
- completing the construction or upgrade of four train stations – Victoria Park, Loch Street, Grant Street and Kelmscott.
- continued administration of the Bus Shelters Grant Scheme, which provides dollar-for-dollar funding to local councils for the construction of accessible shelters at selected bus stops.

Corruption prevention

The PTA has a comprehensive risk management strategy to prevent corruption. A Code of Conduct and a suite of policies and procedures exist, which have been communicated to employees. The PTA has also begun an ethics and accountability training program for all employees to guide them in their professional and personal conduct.

Audit and review practices are regularly undertaken across the PTA to ensure the applicability and take-up of the code and to prevent misconduct and corruption.

Record-keeping

The PTA has committed to continuous improvement of its record-keeping framework through ongoing assessment, development and review of its systems, processes and business requirements. The PTA has demonstrated its commitment to meeting the State Records Commission's minimum compliance requirements through the achievements as detailed below.

A record-keeping effectiveness framework was implemented in 2007/08 and is reported annually. The 2008 report indicated the record-keeping policies and procedures had been well implemented and that there had been a significant increase in the awareness of record-keeping amongst PTA staff. Measures for 2009 were updated to reflect PTA's move towards an electronic and physical record-keeping environment (Compliance Requirement).

In addition, further efficiencies for the record-keeping process have been identified and implemented as a result of the analysis for implementation of PTA's electronic document records management system (DMS).

The success of PTA's online records training and awareness package for clerical, administrative and business staff has been demonstrated with more than 90 per cent having completed the program. Training content is reviewed periodically to ensure it reflects current operational and administrative practices and processes. The online training program is regularly monitored and staff are invited to provide feedback. In addition, the PTA continues to keep all staff informed on recordkeeping matters through regular intranet bulletins and informal training sessions.

Record-keeping awareness will be further promoted as staff become users of the DMS and undertake system training.

The PTA's induction manual lists the employee's record-keeping roles and responsibilities and is communicated to all new staff at the induction training. PTA has also made the online records training and awareness package mandatory for all new clerical, administrative and business staff.

Pricing policy

The government continues 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 student fares were held unchanged.

Transwa fares are established by the government to ensure affordability for regional West Australians. For the 2008/09 financial year, Transwa had no fare increase.

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

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

glossary of terms

ARS	Automatic Route Setting
ASL	Acceptable Service Level
ATP	Automatic Train Protection
CAT	Central Area Transit
CEIID	Centre for Excellence and Innovation in Infrastructure Delivery
CNG	Compressed Natural Gas
CPI	Consumer Price Index
CPU	Central Processing Unit
CRM	Composite Rate Model
CUC	Capital User Charge
DAIP	Disability Access and Inclusion Plan
DET	Department of Education and Training
DoH	Department of Health
DMS	Electronic Document Records Management System
EGR	Eastern Goldfields Railway
FTZ	Free Transit Zone
GPS	Global Positioning System
HSE	Health, Safety and Environment
ICS	Integrated Communications System
LTI	Lost Time Injury
NTC	National Transport Commission
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
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
RTO	Registered Training Organisation
SBS	School Bus Services (PTA branch)
STAR	Stop Think Assess Respond
SWM	South West Mainline
TOD	Transit Oriented Development
TRIS	Transperth Route Information System
TTO	Transperth Train Operations (PTA division)
TVM	Ticket-Vending Machine
USIP	Urban Security Initiative Project
UWA	University of Western Australia
WSBS	Wellington Street Bus Station

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.

compliance statements

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.

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, such as management of railway land corridors under the Rail Freight System Act 2000 and the construction of railways under various railway enabling Acts and the management of government railways under the Government Railways Act 1904. 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.

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

Reece Waldock
Accountable Authority

9th September 2009

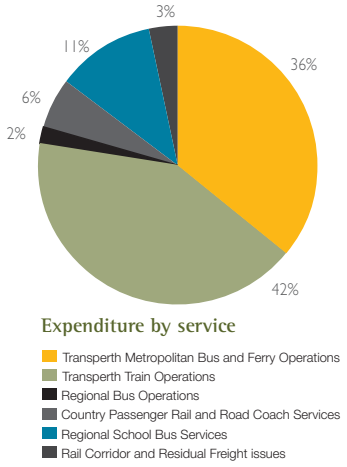
Peter King
Chief Financial Officer

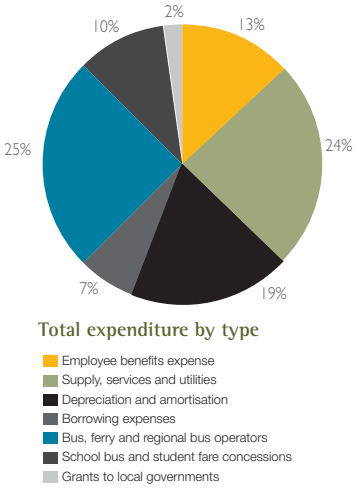
9th September 2009

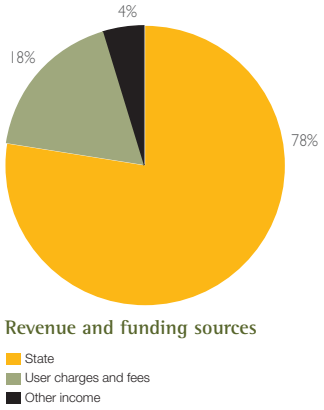
service and financial achievements

During the financial year 2008/09, the PTA has delivered public transport services to the people of Western Australia worth $839.8 million. The graph 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 $835.8 million.







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, former Minister for Transport and Infrastructure and the Treasurer.

	2008-09 Target (1) $'000	2008-09 Actual $'000	Variation (2) $'000	
Total costs of services	789,683	839,818	(50,135)	Note 2.1
Net cost of services	627,083	653,428	(26,345)	Note 2.2
Total Equity	2,694,616	3,272,682	(578,066)	Note 2.3
Net increase/(decrease) in cash held	(13,150)	6,635	(19,785)	Note 2.4

	Number of FTE's	Number of FTE's	Number of FTE's	
Approved Full Time equivalent	1,442	1,345	97	Note 2.5

1. As specified in the 2008/09 budget statements.

2. Explanation of variations:

Notes

(2.1) Increase in Total Cost of Services reflects Cabinet and EERC budget approvals during 2008/09, the increase is mainly due to :

- Depreciation adjustment from 2007/08 asset revaluation and capital works program movement $27.3 million
- Fuel price parameter adjustment $13.6 million
- Transfer of road and related assets to local government $5.7 million
- EBA increase $6.7 million
- Costs related to recoverable external works $4.4 million

(2.2) Increase in net cost of services reflects movements in gross cost of services offset by a $23.8 million increase in revenue, due mainly to :

- Metropolitan fares and joint ticketing arrangements up $9.7 million
- External works revenue $4.7 million
- Foreign Exchange gain $1.6 million
- Infringement revenue up $1.2 million
- Interest revenue up $1.1 million

(2.3) The variation to total equity is mainly due to revaluation of land and railway infrastructure

(2.4) The increase in cash is mainly related to a cash balance held for the North Greenbushes project transferred from DPI. The project was deferred to 2009/10.

(2.5) The variation to the Approved FTE staff level is mainly due to the difficulty in recruiting Transit Officers and Train security was maintained by use of contract security services.

SUMMARY OF KEY PERFORMANCE INDICATORS: Actual compared to budget targets

	2008/2009 Target	2008/2009 Actual	Variation
Outcome: Accessible, Reliable and Safe Public Transport System.			
Key Effectiveness Indicators			
Use of public transport - passengers per service kilometre :			
■ metropolitan bus services	1.35	1.41	0.06
■ metropolitan train services (a)	3.30	3.77	0.47
■ metropolitan ferry services	13.62	14.01	0.39
■ regional bus services	0.85	0.848	-0.002
■ country passenger rail services	0.28	0.271	-0.009
■ country passenger road coach services	0.07	0.069	-0.001
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 (b)	75%	81.10%	6.10%
Metropolitan and regional passenger services reliability:			
■ bus services within four minutes of scheduled time	85%	84.50%	-0.50%
■ train arriving within four minutes of scheduled time	95%	94.72%	-0.28%
■ 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	80%	77%	-3%
■ Australind arriving within 10 minutes of scheduled time	80%	82%	2%
■ MerredinLink arriving within 10 minutes of scheduled time (c)	95%	83%	-12%
■ AvonLink arriving within 10 minutes of scheduled time	95%	99%	4%
■ Road Coaches arriving within 10 minutes of scheduled time	95%	95%	0%
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%

	2008/2009 Target	2008/2009 Actual	Variation
Level of overall customer satisfaction - independent external surveys:			
■ metropolitan bus services	82%	83%	1%
■ metropolitan train services	92%	89%	-3%
■ metropolitan ferry services	96%	96%	0%
■ country passenger rail and road coach services	90%	92%	2%
Customer perception of safety - independent external surveys:			
■ train station - daytime	96%	97%	1%
■ on-board train - daytime	97%	98%	1%
■ train station - night-time	65%	66%	1%
■ on-board train - night-time	75%	76%	1%
■ bus station - daytime	95%	97%	2%
■ on-board bus - daytime	99%	98%	-1%
■ bus station - night-time	68%	68%	0%
■ on-board bus - night-time	83%	82%	-1%
Level of notifiable safety occurrences - notifiable occurrences:			
■ Category A: occurrences per million passenger boardings (d)	0.60	0.16	-0.44
■ Category A: occurrences per million train kilometres (d)	2.20	0.58	-1.62
■ Category B: occurrences per million passenger boardings	13.00	9.22	-3.78
■ Category B: occurrences per million train kilometres	42.00	32.73	-9.27
■ Regional school bus services: notifiable occurrences (accidents) reported each school year	10	14	4
Outcome: Protection of the long term functionality of the rail corridor and railway infrastructure:			
■ Number of lease breaches	Nil	Nil	Nil

	2008/2009 Target	2008/2009 Actual	Variation
Key Efficiency Indicators			
Service 1 : Metropolitan and Regional Passenger Services			
Average cost per passenger kilometre			
■ Transperth bus operations	$0.76	$0.63	-$0.13
■ Transperth train operations	$0.72	$0.47	-$0.25
■ Transperth ferry operations	$1.46	$0.93	-$0.53
Average cost per 1,000 place kilometres			
■ Transperth bus operations	$80.66	$82.24	$1.58
■ Transperth train operations (e)	$54.30	$64.48	$10.18
■ Transperth ferry operations	$159.13	$127.88	-$31.25
■ Regional Bus Services	$73.42	$79.88	$6.46
Total passenger place kilometres (millions)			
■ Transperth bus operations	3,677.10	3,690.90	13.80
■ Transperth train operations	5,669.70	5,641.30	-28.40
■ Transperth ferry operations	4.86	4.86	0.00
■ Regional Bus Services	182.4	182.6	0.2
Service 2 : Country Passenger Rail and Road Coach Services			
Average cost per passenger kilometre			
■ Transwa rail	$ 0.38	$0.41	$0.03
■ Transwa road coaches	$ 0.22	$0.24	$0.02
Average cost per 1,000 place kilometres			
■ Transwa rail (f)	$205.59	$236.11	$30.52
■ Transwa road coaches	$89.86	$96.73	$6.87
Total passenger place kilometres (millions)			
■ Transwa rail	148.47	132.31	16.16
■ Transwa road coaches	167.87	177.43	9.56

	2008/2009 Target	2008/2009 Actual	Variation
Service 3: Regional School Bus Services			
Average cost per 1,000 place kilometres: student bus services	$106.45	$97.24	-$9.21
Total passenger place kilometres: student bus services (millions)	871.00	937.93	66.93
Service 4: Rail Corridor and Residual Freight Issues			
Total cost of managing the rail freight corridor and residual freight issues	$26,208,000	$ 27,108,000	$ 900,000

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

(a) Transperth Train achieved a very high rate of growth in patronage in 2008/09 reaching 54.750 million (when the Mandurah Line was in operation for a full year), 12.7% above target.

(b) The proportion of property street addresses (PSAs) that were within walking distance (500 metres) of a Transperth stop providing an acceptable service level increased to 81.1% in 2008/09 and represents an 8.1% increase over the target.

(c) The 2008/09 on time running result for the MerredinLink was below target as a result of delays caused by late running of the Prospector services.

(d) Category 'A' incidents per million passenger boardings and per million train kilometres were 73% and 74% below target.

(e) Transperth Train costs per 1000 place kilometres were higher than target due to depreciation expense following revaluation of assets, grants and transfers to local government, maintenance of track infrastructure and EBA and energy cost increases.

(f) The cost for Transwa rail per 1000 place kilometres in 2008/09 rose significantly above target mainly due to the increase of maintenance cost by $1.14 million and a reduction in place kilometres due to:

- the Prospector resuming services in August 2008 (after track works on the Eastern Goldfields Railway line) at lower capacity
- the Australind reducing services due to track works on the Perth to Bunbury line, but with higher capacity on the remaining services.

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 follow:

	2009 $
Expenditure with Advertising Agencies	
ADCORP Marketing Communication	118,952
Australia's South West	2,724
Big Red Sky Ltd	11,987
Concept Media	3,119
Employment Media & Events Ltd	15,075
Exposure Print Strategies	13,458
Vodafone Hutchison Australia Pty Ltd	3,514
Key 2 Design	148,593
Marketforce Express	52,646
Rail Personnel Pty Ltd	28,079
Image Source	58,418
City of Perth	2,471
University of WA	3,463
Advance Press Pty Ltd	29,940
Student Edge	23,400
Australia's Golden Outback	3,991
APN National Sales Pty Ltd	13,641
Cooch Creative	459,291
Countrywide Publications	30,909
Elephant Productions	10,371
Bunbury Key Management	2,818
	1,036,860
Expenditure with Market Research Agencies	
Edith Cowan University	5,000
Patterson Market Research	51,468
Painted Dog Research	147,250
Taylor Nelson Sofres	57,857
	261,575
Expenditure with Polling Agencies	**Nil**

	2009 $
Expenditure with Direct Mail Agencies	**Nil**
Expenditure with Media Advertising Agencies:	
Media Decisions WA	303,243
Trinet Media Pty Ltd	6,850
Rural Press Regional Media	2,100
	312,193
TOTAL EXPENDITURE	**1,610,628**

explanation of major capital expenditure variations 2008/09

Explanation of Major Capital Expenditure Variations 2008/09

(a) Budgeted estimates and actual results for 2008/09

	Budget $000	Actual $000	Variation $000	Comments
Metropolitan & Regional Passenger Services				
Train Control Upgrade	-	3,641	3,641	Project scheduling
Beckenham Bus Depot Acquisition	3,330	6,740	3,410	Project scheduling
Bus Acquisition Program	36,612	39,226	2,614	Project scheduling
Replacement Cash Ticket Vending Machines (TVM's) at Railway Stations	2,269	4,193	1,924	Project scheduling
Public Transport Centre UPS Project	-	1,443	1,443	Project scheduling
Accessible Public Transport Upgrade Program	666	2,075	1,409	Project scheduling
Geraldton Bus Depot Acquisition	-	1,000	1,000	Project scheduling
PTA Facilities Refurbishment	1,500	2,422	922	Project scheduling
Concrete Resleepering Projects	10,836	11,453	617	Project scheduling
Welshpool Depot Development	-	565	565	Project scheduling
Better Transport System (3000 parking bays)	6,222	3,713	(2,509)	Project scheduling
Victoria Park Station	3,484	951	(2,533)	Project scheduling
Karrinyup Depot Refurbishment	5,000	2,455	(2,545)	Project scheduling
Bus Acquisition Program - RPT Fleet	6,700	-	(6,700)	Project scheduling
North Greenbushes Project	13,150	-	(13,150)	Project scheduling
Others	120,884	107,497	(13,387)	Project scheduling
Corporate				
Kewdale Freight Complex Redevelopment	8,092	5,111	(2,981)	Project Scheduling
New MetroRail	**-**	69,970	69,970	Revised project cost
GRAND TOTAL	**218,745**	**262,455**	**43,710**	

(b) Major works in progress and completed

Description of work	Estimated Total Cost 2008/09 $000	Estimated Cost to Complete $000	Total cost of project Actual $000	Expected year of Completion	Comment
Bus Acquisition Program	404,481	76,670		2010/11	
Better Transport System (3000 parking bays)	51,022	45,861		2012/13	*Better Transport System costs incorporate government commitment to an additional 1500 bays*
45 New EMU Railcars (15 sets)	160,000	43,861		2010/11	
Regional Bus Acquisition	52,434	40,290		2018/19	
Disability Access for Intermediate Minor Stations & Track Works - Stage 2	33,304	33,058		2016/17	
Concrete Resleepering Projects	61,741	27,271		2012/13	
Bus Priority Projects	26,330	24,204		2013/14	
Kelmscott Station - Upgrade	12,872		12,976		
Wheel Lathe Acquisition and Facility	4,894		4,926		
Train Control Upgrade	16,897		16,897		
Public Transport Centre UPS Project	1,300		1,443		
Beckenham Bus Depot Acquisition	6,730		6,740		
Welshpool Depot Development	5,661		5,324		

independent audit opinion

Auditor General

INDEPENDENT AUDIT OPINION
To the Parliament of Western Australia

PUBLIC TRANSPORT AUTHORITY OF WESTERN AUSTRALIA
FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2009

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 Balance Sheet as at 30 June 2009, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement 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 (including the Australian Accounting Interpretations) 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. Refer www.audit.wa.gov.au/pubs/AuditPracStatement_Feb09.pdf.

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 2009

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 2009 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) 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 2009.

Matter of Significance

Without qualification to the audit opinion expressed above, I draw attention to the following matter. As disclosed in Note 4 to the financial statements, uncertainty exists concerning the valuation of the Authority's Freight Network Infrastructure (FNI) due to the uncertainty surrounding the serviceability of the network, the absence of recent valuation documentation and the unknown extent to which capital investment is required to maintain service delivery on the network. The FNI is currently leased to Westnet until the year 2049.

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. As the FNI has not been formally revalued since 2003, it is uncertain whether the current gross carrying value of $303 million represents its fair value. Accordingly, until such time as a formal valuation process is undertaken by a suitably qualified professional valuer, the quantum of the financial effect of an adjustment, if any, to the current valuation is unclear.

COLIN MURPHY
AUDITOR GENERAL
16 September 2009

audited key performance indicators for the year ended 30 June 2009

certification of key performance indicators

for the year ended 30 June 2009

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the performance of the PTA, and fairly represent the performance of the PTA for the financial year ended 30 June 2009.

R Waldock
Accountable Authority

9 September 2009

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.

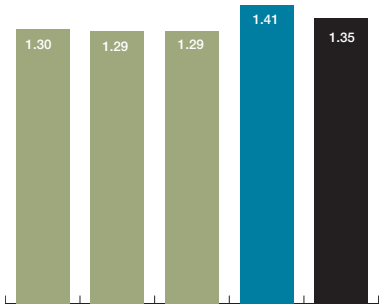
1. Use of Public Transport

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.

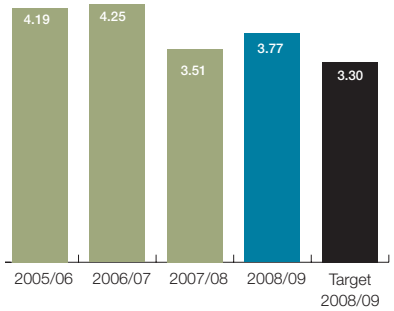
Transperth Bus Services



Passengers per service kilometre

In 2008/09 boardings per service kilometre on bus services were 4.8% above target and 9.6% higher than in 2007/08. The target was based on 69.56 million boardings and 51.5 million service kilometres. Total boardings reached 73.550 million in 2008/09 compared to 65.694 million in 2007/08, an increase of 12.0% above 2007/08, and 5.7% above the target. Service kilometres also increased in 2008/09, by 2.1%, to 51.997 million from 50.923 million in 2007/08, and exceeded the target by 1.0%.

Transperth Train Services



Passengers per service kilometre

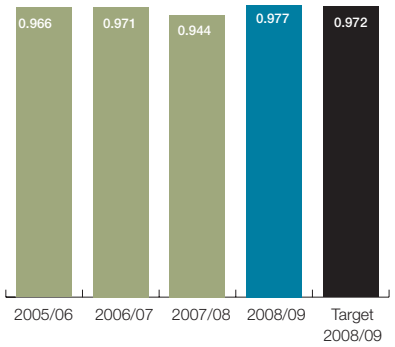
Boardings per service kilometre on train were 14.2% above target and 7.3% higher than in 2007/08. The target was based on 48.56 million boardings and 14.70 million service kilometres. Transperth Trains achieved a very high rate of growth in patronage in 2008/09 reaching 54.750 million (when the Mandurah Line was in operation for a full year) from 42.636 million in 2007/08 (with six months of Mandurah Line operations), an increase of 28.4%, and 12.7% above target. Service kilometres increased by 19.7% to 14.531 million from 12.138 million in 2007/08 but were lower than the 2008/09 target by 1.1%.

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.

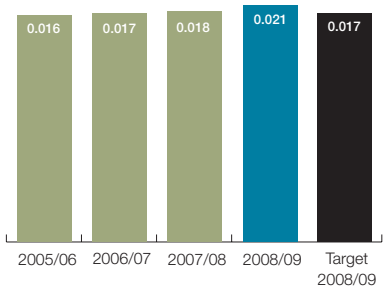
Intra-town services operate within rural town boundaries, while inter-town services run between regional centres.

(a) Intra-Town Services



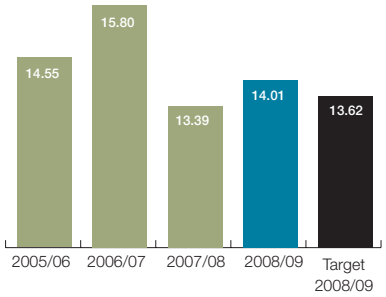
The result for 2008/09 includes estimates for the Geraldton city service for the period from December 2008 to March 2009. In December of 2008, the old Ticketlink machines were removed in Geraldton and replaced with the SmartRider system. During this four month period SmartRider was phased in and the use of multirider tickets phased out. As it was not possible to run two ticketing systems at the same time, it should be noted that the Geraldton figures from December 2008 to March 2009 include the actual passengers recorded by the SmartRider system plus the operator's estimate of the multirider trips for the period. The operator's patronage estimates are considered to be reliable.

(b) Inter-Town Services



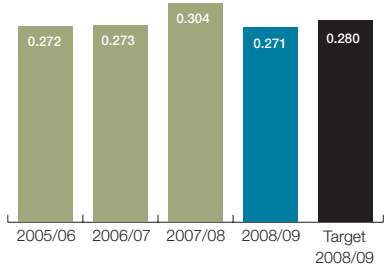
The target has been exceeded due to the additional passenger numbers generated as a result of the expansion of the Point Samson, Wickham, Roebourne, Karratha and Dampier service on a trial basis.

Transperth Ferry Services



Boardings per service kilometre on ferry recorded an increase of 2.8% over the target and were 4.6% higher than in 2007/08. The target was based on 470,000 boardings and 34,500 service kilometres. Total boardings increased to 483,763 in 2008/09 from 463,673 in 2007/08, a 4.3% increase and exceeded the target by 2.9%. Ferry service kilometres were on target.

Transwa Rail Services

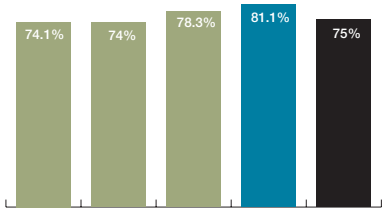


Due to lower boardings, passengers per service kilometre in 2008/09 decreased by 11% against 2007/08 and were 3% lower than target. Major track works on the South West rail line necessitated replacement of morning Australind services with coaches. While service kilometres decreased, the proportionally higher fall in patronage led to a lower result.

Transwa Road Coach Services

The 2008/09 result was slightly below target and 2007/08. Due to road coach replacement for the Australind, service kilometres for road coaches increased.

2. Accessible Public Transport



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

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 PSA that were within walking distance (500 metres) of a Transperth stop providing an acceptable service level increased from 78.3% in 2007/08 to 81.1% in 2008/09, an increase of 3.6% and represents an 8.1% increase over the target. The 2008/09 result indicates that a very high proportion of PSA in Perth 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.

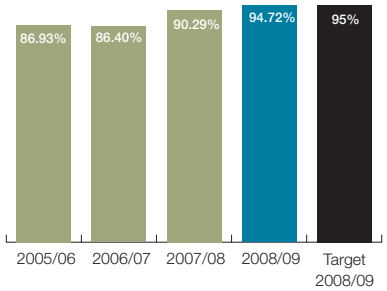
Services are considered to be punctual if they arrive within a defined period of time after the scheduled arrival time. This parameter is referred to as 'on-time arrival' and is shown in the table for each operation.

Operation	'On time arrival' parameter
Metropolitan and Regional Passenger Services	
Transperth Trains	4 minutes*
Transperth Buses	4 minutes
Transperth Ferries	3 minutes
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' parameter for Transperth Train has been changed to less than four minutes in 2007/08 as against less than three minutes in 2006/07 and the previous years due to changes to methodology and to ensure consistency across Transperth operations and other Australian rail operators.*

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

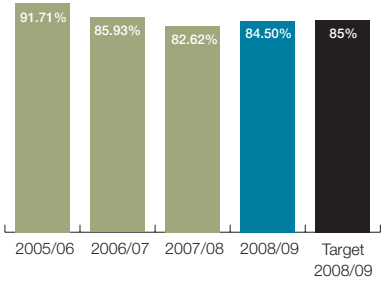
Transperth Train Services



Percentage of services arriving within 'on-time' arrival parameter (until 2006/07 parameter based on 3 minutes)

The 2008/09 result was slightly (0.3%) below target. When compared to 2007/08 there has been a significant improvement (4.91%) to 94.72% this year due to a reduction in electrical and operations faults.

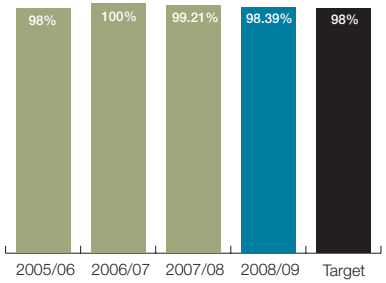
Transperth Bus Services



Percentage of services arriving within 'on-time' arrival parameter

Following the poor on-time performance in 2007/08, bus reliability recorded a significant improvement in 2008/09 with the result being only marginally (0.5%) below target. The improved performance was helped by the completion of Mandurah Line works which eased general congestion as well as works-related congestion and helped to avoid delays. Additionally, a significant number of bus services in the Canning, Fremantle-Cockburn and Rockingham-Mandurah contract areas have now become feeder services to train stations and operate in suburban areas rather than a CBD-centric routes, again reducing the congestion impact.

Transperth Ferry Services



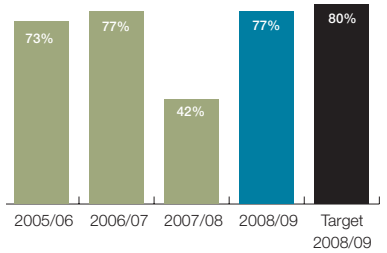
Percentage of services arriving within 'on-time' arrival parameter

The high level of reliability of the ferry service continued to be maintained. In 2008/09, two trips were late out of the 124 trips checked during the year.

Transwa Rail Services

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

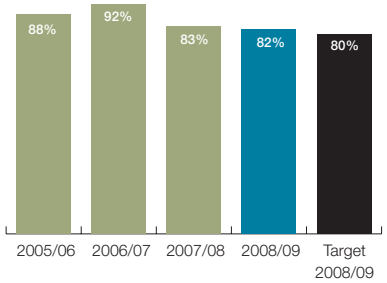
a. Prospector



Percentage of services arriving within 'on-time' arrival parameter

The on-time performance for 2008/09 was slightly below target as a result of disruptions in services due to track works, mechanical failure and crossings.

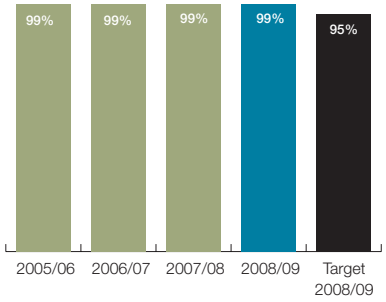
b. Australind



Percentage of services arriving within 'on-time' arrival parameter

The on-time performance for 2008/09 was above target. A lower target for 2008/09 was set ahead of the planned resleepering and other track works on the Perth to Bunbury railway. Resleepering was completed in May 2009, since then, the on-time performance has improved significantly.

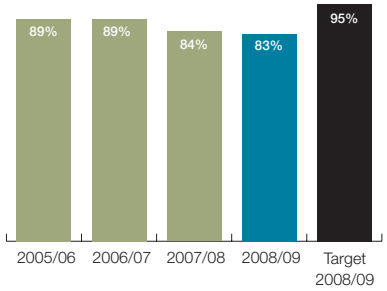
c. AvonLink



Percentage of services arriving within 'on-time' arrival parameter

The on-time performance of the AvonLink continued at high levels in 2008/09.

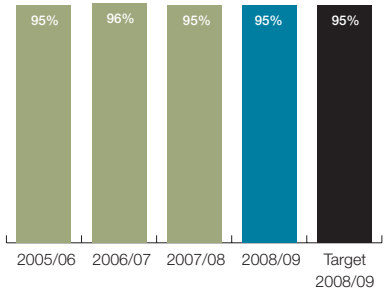
d. MerredinLink



Percentage of services arriving within 'on-time' arrival parameter

The 2008/09 result was below target as a result of delays caused by late running of the Prospector services.

Transwa Road Coach Services

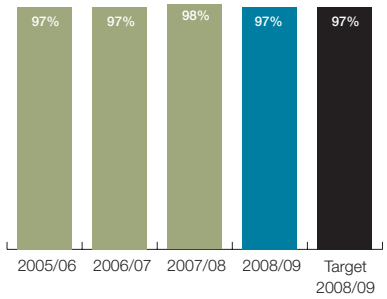


Percentage of services arriving within 'on-time' arrival parameter

The 2008/09 result was in line with target, and consistent with the performance in previous years.

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.



Drop off before school starts and pick up when school finishes

The 2008/09 result indicates that on-time arrivals are within the target range. In 2008/09, 1,030 Mainstream and Education Support school bus services were monitored for on time running of which 1,001 were within the time standard. 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 2009:

Year	Number of observations for compliance with 'on-time' arrival	Observations that were compliant
2005/06	1,188	1,156
2006/07	1,086	1,048
2007/08	1,046	1,022
2008/09	1,030	1,001

The sample error rate of 3.05% is within the + or – 5%, acceptable 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.

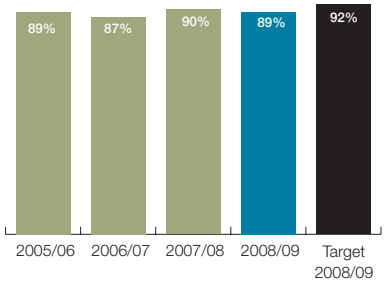
The pollsters interview a large sample of passengers in lengthy face-to-face surveys. Interviewers are assigned to various services and transit station locations over a four week period covering the working week and weekend. This is the most comprehensive public transport survey of passengers in Australia.

Transperth Train Services

For the rail PSM, a total of 1000 rail patrons were surveyed. The overall sample comprised of:

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

The sample error estimates were within + or - 5% at the 95% confidence level.



% of respondents either 'Very satisfied' or 'Satisfied'

The results for 2008/09 showed a decrease in overall satisfaction from 90% to 89% as compared to 2007/08, with very high levels of satisfaction recorded on the Mandurah Line (98%). The target of 92% was not achieved due to passenger concerns about safety on and around trains at night, overcrowded trains and issues relating to fare costs.

The expressed levels of dissatisfaction remained relatively low with the main reasons related mostly to safety at night, fares, connecting services and Park & Ride facilities.

Transperth Bus Services

For the Transperth bus PSM, a total of 3,050 bus patrons were surveyed. The overall sample comprised of:

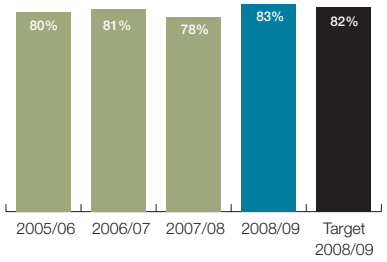
- Adults aged 18 years or over resident within the Perth Bus Contract region;
- Current users of Transperth bus services (excluding school students); and
- Patrons who travel on bus at least once per fortnight.

The sample error estimates were within + or - 5% at the 95% confidence level.

The 2009 PSM showed that customer satisfaction with the overall level of service on Transperth bus services was 83%, a 6.4% improvement over 2007/08 and 1.2% above target.

The satisfaction rating for punctuality,

cleanliness on board, availability of seats increased compared to 2007/08, while satisfaction declined in respect of the cost of fares and shelter at the bus stop. The level of dissatisfaction was particularly high (45%) in regard to the number of buses on weekends.



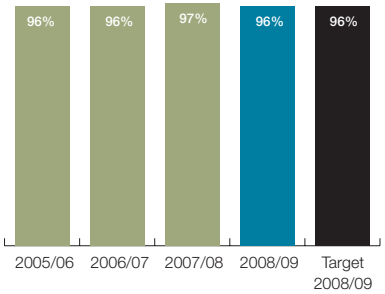
% of respondents either 'Very satisfied' or 'Satisfied'

Transperth Ferry Services

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

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

The sample error estimates were within + or - 5% at the 95% confidence level.



% of respondents either 'Very satisfied' or 'Satisfied'

Customer satisfaction with the overall level of service on Transperth ferry services was on target at 96% but was marginally (1%) below 2007/08.

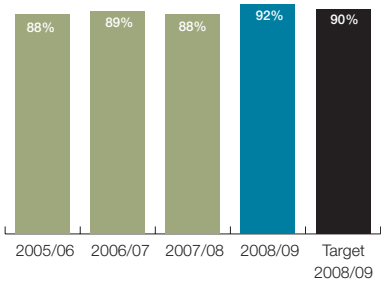
Ferry users recorded high levels of satisfaction for all service characteristics. However there was a significant level of dissatisfaction (18%) with shelter at the jetty.

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 2008/09, a total of 857 country services patrons were surveyed via a self-completion questionnaire.

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



% of respondents either 'Very satisfied' or 'Satisfied'

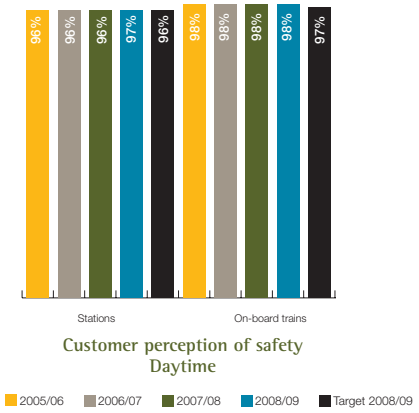
In 2008/09, overall satisfaction with country passenger services increased markedly to 92%, compared to 88% in 2007/08, with 46% of passengers indicating they were very satisfied and 46% satisfied.

5. Customer Perception of Safety

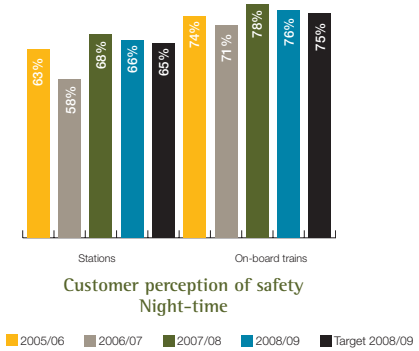
Safety perceptions are an important factor in the public deciding whether to use public transport. The PTA is continuing to invest capital funds in security-related infrastructure and has increased its security staff to ensure that customers can see the tangible measures being taken to increase their safety.

Customer 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

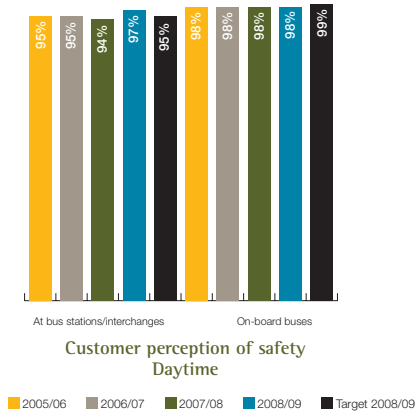


The results for 2008/09 showed that the daytime passenger perception of safety at stations and on-board trains remained very high at 97% and 98% respectively and the results were close to targets. The customers' perception of safety had remained constant with the previous years.



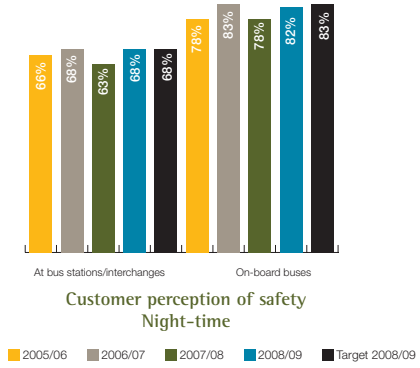
The stations and on-board trains at night time results for the 2008/09 PSM were slightly higher than target but lower than the results in 2007/08.

Transperth Bus Services



In 2008/09 the proportion of bus passengers who always or usually felt safe at bus stations/interchanges in daytime recorded an improvement of 3% from 94% in 2007/08 to 97% in 2008/09, and exceeded the target by 2%.

The proportion of bus passengers who always or usually felt safe on-board buses in daytime which has consistently been very high remained unchanged at 98% in 2008/09, although the result was marginally (1%) below the target.



In 2008/09, the proportion of bus passengers who always or usually felt safe at bus stations/interchanges at night-time increased at a significant rate, 7.9%, from 63% in 2007/08 to 68% in 2008/09, achieving the target for the year.

The proportion of bus passengers who always or usually felt safe on-board buses at night-time also recorded a significant improvement in 2008/09, by 5.1% to 82% from 78% in 2007/08, but was 1.2% below the target.

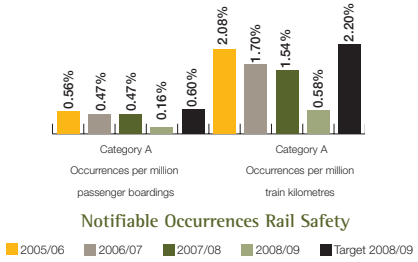
6. Level of Notifiable Occurrences Rail Safety

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.

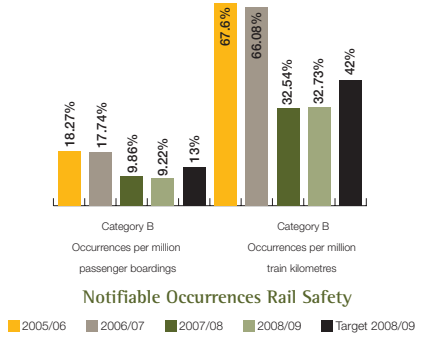
The benchmark values for Category 'A' and Category 'B' incidents are calculated on the projected estimations of the number of future passenger boardings and train kilometres.



Category 'A' incidents per million passenger boardings and per million train kilometres were significantly lower than 2007/08.

There were 9 Category 'A' notifiable incidents for the year 2008/09 compared to 20 in 2007/08, with suicides included.

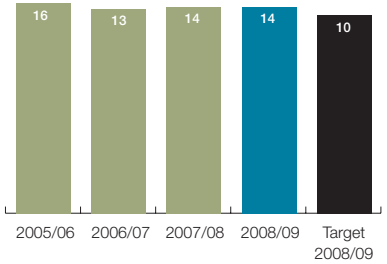
However when excluding suicides and attempted suicides, there were only 4 Category 'A' notifiable incidents, which was the same in the previous year.



There were 507 Category 'B' notifiable incidents for the year 2008/09 compared to 419 in 2007/08. The Category 'B' incidents per million passenger boardings were lower and per million train kilometres were slightly higher for 2008/09 compared to 2007/08. This was a direct result of the introduction of the new national reporting requirements of Occurrence Notification Standard (ONS1-WA) from the 1 January 2009 which has expanded the reporting category requirements.

Regional School Bus Services Safety

Accidents attributable to all causes are notified to the School Bus Team Leader Vehicle Inspector in the PTA. The performance measure is expressed as the number of notifiable occurrences (accidents) reported during the school year. A low number in occurrences of incidents indicates that sound safety procedures and controls exist and are being adhered to throughout the regional school bus fleet.



School Bus services notifiable occurrences (accidents) reported each school year

Overall, there were 14 'on-road' school bus accidents in 2008/09, comprising of 6 major and 8 minor accidents. Approximately 64% of the accident cases occurred through no fault of the school bus driver. No fatalities were recorded.

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.

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)

Note: Due to the abolition of the Capital User Charge (CUC) in 2007/08, the costs for calculating the efficiency indicators in 2007/08 exclude CUC compared to the previous years (where CUC was included) 2005/06 to 2006/07. Where the CUC amounts are material, a comparison graph excluding CUC for the previous two years 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 over one kilometre.

Transperth

Passenger kilometres are calculated by multiplying the number of 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.

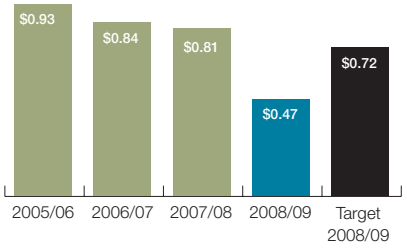
The indicator measures the cost efficiency of the services, i.e. the trend in the cost of carrying one passenger over one kilometre. A declining trend indicates that the resources used to provide the services are being utilised in a cost efficient manner.

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. However, these expenses had not been included in 2007/08. For comparison purposes the 2007/08 result has been restated to reflect the inclusion of rail related transfers of assets to local government in 2007/08 following the commissioning of New Metro Rail.

Transperth Train Operations
Average cost per passenger kilometre

Note: Due to the abolition of the Capital User Charge (CUC) in 2007/08, the costs for calculating the indicator in 2007/08 and 2008/09 exclude CUC compared to the previous years 2005/06 to 2006/07 where CUC was included.



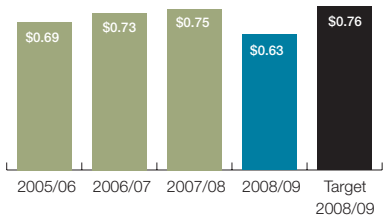
Transperth Train Operations
Average cost per passenger kilometre
Excluding CUC

Note: For comparison purposes, CUC has been excluded from the previous years 2005/06 to 2006/07.

In 2008/09, the average total cost per passenger kilometre on train was 41.3% less than in 2007/08 (based on the restated 2007/08 indicator) and 34.2% below the target. The target was based on 427 million passenger kilometres and budgeted total costs (April 2008) of $307.8 million. Train total costs increased from $296.026 million in 2007/08 to $363.732 million in 2008/09 (22.9%), reflecting the impact on costs of the full year operation of the Mandurah Line and the 19.7% increase in service kilometres. Passenger kilometres more than doubled from 366.639 million in 2007/08 to 767.626 million in 2008/09 (109.4%), due to higher patronage generally and particularly on the Mandurah Line combined with a more accurate average trip length, based

on SmartRider data, being used for the calculation. Actual costs and passenger kilometre on which the 2008/09 out-turn was based were 18.2% and 79.8% higher than the estimate used for the target.

Transperth Bus Services



Transperth Bus Operations
Average cost per passenger kilometre

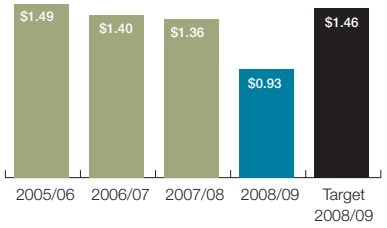
Note: Due to the abolition of the Capital User Charge (CUC) in 2007/08, the costs for calculating the indicator in 2007/08 and 2008/09 exclude CUC compared to the previous years 2005/06 to 2006/07 where CUC was included.

Transperth Bus Operations
Average cost per passenger kilometre
Excluding CUC

Note: For comparison purposes, CUC has been excluded from the previous years 2005/06 to 2006/07.

In 2008/09, average total cost per passenger kilometre on bus was 17.0% less than in 2007/08 and 17.6% below target. The target was based on 390 million passenger kilometres and budgeted total costs (April 2008) of $296.6 million. Bus total costs increased from $272.315 million in 2007/08 to $303.532 million in 2008/09 (11.5%), reflecting the additional operating costs associated with the introduction of feeder services to Mandurah Line stations, increase of fuel costs and an increase in driver wages. Passenger kilometres recorded a 34.2% increase, from 361.033 million to 484.640 million, due to a more accurate average trip length, based on SmartRider data, being used for the calculation. Actual total costs and passenger kilometres on which the 2008/09 result was based were 2.3% and 24.3% higher than the estimates used for the target.

Transperth Ferry Services



Transperth Ferry Operations
Average cost per passenger kilometre

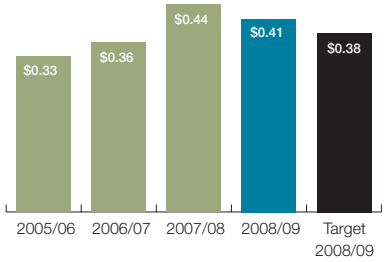
Note: Due to the abolition of the Capital User Charge (CUC) in 2007/08, the costs for calculating the indicator in 2007/08 and 2008/09 exclude CUC compared to the previous years 2005/06 to 2006/07 where CUC was included.

In 2008/09, the average total cost per passenger kilometre on ferry was 31.3% less than in 2007/08 and 36.4% below the target. The target was based on 528,000 passenger kilometre and budgeted total costs (April 2008) of $773,000, which included $176,000 for depreciation. Ferry total costs fell from $773,000 in 2007/08 to $621,818 in 2008/09, by 19.6% while passenger kilometres increased from 569,898 in 2007/08 to 667,593 in 2008/09, by 17.1%. As the existing ferry had been fully depreciated in 2007/08, total costs in 2008/09 did not include depreciation. If the target had not included an estimate for depreciation, the target would have been set at $1.13 per passenger kilometre. Passenger kilometres recorded a substantial increase in 2008/09 because previously transfers had not been included in the calculation. The 2008/09 result was based on actual costs which were 19.6% less and passenger kilometres which were 26.4% more than the estimates used for the target.

Transwa Rail Services

Transwa Rail
Average cost per passenger kilometre

Note: Due to the abolition of the Capital User Charge (CUC) in 2007/08, the costs for calculating the indicator in 2007/08 and 2008/09 exclude CUC compared to the previous years 2005/06 to 2006/07 where CUC was included.

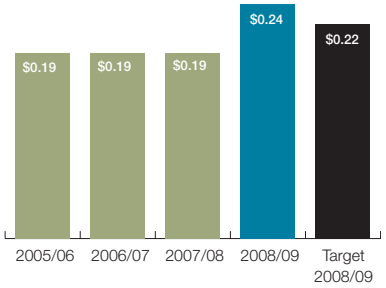


Transwa Rail
Average cost per passenger kilometre
Excluding CUC

Note: For comparison purposes, CUC has been excluded from the previous years 2005/06 to 2006/07.

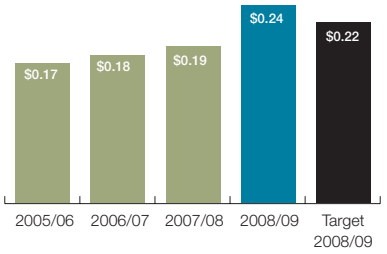
The 2008/09 result was 6.1% lower than 2007/08 and 8.9% above the target for the year. The cost per passenger kilometre was higher in 2008/09 due to increased maintenance costs of $1.141 million and declining passenger numbers on rail services. The cost per passenger kilometre was lower compared to 2007/08 as the Australind depreciation was reduced to nil from $2.8 million last year.

Transwa Road Coach Services



Transwa Road Coaches
Average cost per passenger kilometre

Note: Due to the abolition of the Capital User Charge (CUC) in 2007/08, the costs for calculating the indicator in 2007/08 and 2008/09 exclude CUC compared to the previous years 2005/06 to 2006/07 where CUC was included.



Transwa Road Coaches
Average cost per passenger kilometre
Excluding CUC

Note: For comparison purposes, CUC has been excluded from the previous years 2005/06 to 2006/07.

The average cost per passenger kilometre in 2008/09 was higher than both the target for the year and the 2007/08 result due to increased maintenance ($1.51 million). The patronage was marginally higher in 2008/09 (227,033), compared to 224,985 in 2007/08.

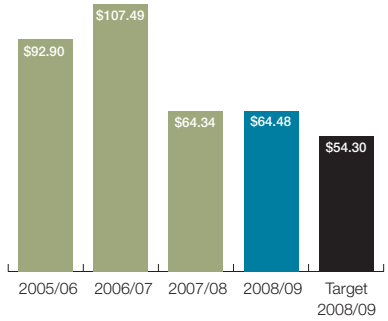
2. Average Cost per 1000 Place Kilometres

Note: This efficiency indicator was not audited in the previous years 2005/06 to 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.

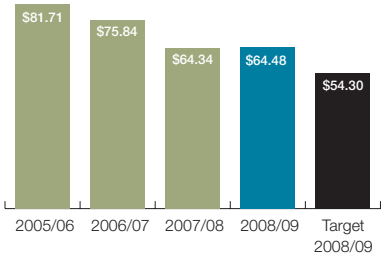
Transperth Train Services

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. However, these expenses had not been included in 2007/08. For comparison purposes the 2007/08 result has been restated to reflect the inclusion of rail related transfers of assets to local government in 2007/08 following the commissioning of New Metro Rail.



Transperth Train Operations
Average cost per 1000 place kilometres

Note: Due to the abolition of the Capital User Charge (CUC) in 2007/08, the costs for calculating the indicator in 2007/08 and 2008/09 exclude CUC compared to the previous years 2005/06 to 2006/07 where CUC was included.

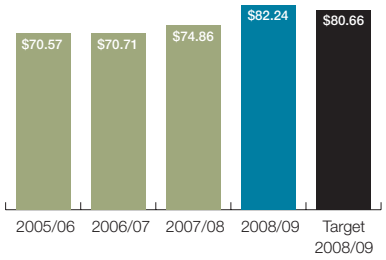


Transperth Train Operations
Average cost per 1000 place kilometres
Excluding CUC

Note: For comparison purposes, CUC has been excluded from the previous years 2005/06 to 2006/07.

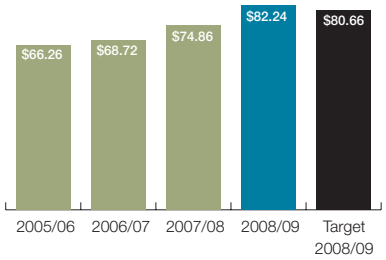
In 2008/09, the total cost per 1000 passenger place kilometres on train was 0.2% higher than in 2007/08 (based on the restated 2007/08 indicator) and 18.7% above target. The target was based on 5,669.7 million passenger place kilometres and budgeted total costs of $307.8 million. Train total costs increased from $296.026 million in 2007/08 to $363.732 million in 2008/09 (22.9%), reflecting the full-year impact of the Mandurah Line, while passenger place kilometres recorded an increase of 22.6% from 4,600.8 million in 2007/08 to 5,641.3 million in 2008/09. Actual costs were 18.2% higher than the estimate used for the target, mainly due to depreciation expense following revaluation of assets and increased electricity and labour costs, while passenger place kilometres were 0.5% below the estimate.

Transperth Bus Services



Transperth Bus Operations
Average cost per 1000 place kilometres

Note: Due to the abolition of the Capital User Charge (CUC) in 2007/08, the costs for calculating the indicator in 2007/08 and 2008/09 exclude CUC compared to the previous years 2005/06 to 2006/07 where CUC was included.

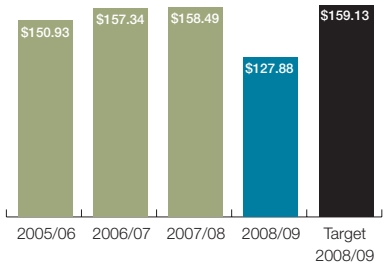


Transperth Bus Operations
Average cost per 1000 place kilometres
Excluding CUC

Note: For comparison purposes, CUC has been excluded from the previous years 2005/06 to 2006/07.

In 2008/09, the total cost per 1000 passenger place kilometres on bus services was 9.9% higher than in 2007/08 and 2.0% above target. The target was based on 3,677.1 million passenger place kilometres and budgeted total cost of $296.6 million. Bus total costs increased from $272.315 million in 2007/08 to $303.532 million in 2008/09 (11.5%), reflecting the increase in driver wages and the full-year impact of feeder services to the Mandurah Line, while passenger place kilometres increased at a relatively low rate from 3,637.6 million in 2007/08 to 3,690.9 million in 2008/09 (1.5%). Actual costs were 2.3% higher than the estimate used for the target while passenger place kilometres were just 0.4% more than the target.

Transperth Ferry Services



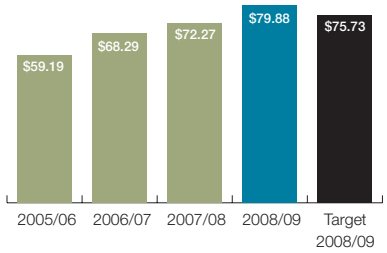
Transperth Ferry Operations
Average cost per 1000 place kilometres

Note: Due to the abolition of the Capital User Charge (CUC) in 2007/08, the costs for calculating the indicator in 2007/08 and 2008/09 exclude CUC compared to the previous years 2005/06 to 2006/07 where CUC was included.

In 2008/09, total cost per 1000 passenger place kilometre on ferry was 19.3% less than in 2007/08 and 19.6% below target. The target for the year was based on 4.857 million passenger place kilometres and budgeted total costs (April 2008) of $773,000 which included $176,000 for depreciation. Total costs fell from $773,000 in 2007/08 to $621,818 in 2008/09 (19.6%), as capital charges were excluded because the existing ferries had been fully depreciated. As passenger place kilometre were only marginally (0.1%) less than the estimate, ferry total cost per 1000 passenger place kilometres was significantly below the target cost. If the target had not included an estimate for depreciation, the target would have been set at $122.91 per 1000 place kilometres.

Regional Bus Services

a. Intra-Town Services



Regional Town Bus Services Intra-Town
Average cost per 1000 place kilometres

Note: Due to the abolition of the Capital User Charge (CUC) in 2007/08, the costs for calculating the indicator in 2007/08 and 2008/09 exclude CUC compared to the previous years 2005/06 to 2006/07 where CUC was included.

The 2008/09 result was higher than target as a result of the following:

- Expenses involved in the winding up of the Eastern Goldfields Transport Board in Kalgoorlie and the transfer of its public transport operations to the PTA.
- The higher than expected increase in drivers' wages for regional intra-town services under regional town bus contracts. The movement in drivers' wages is tied to the wage movement under the school bus CRM contract; a wage increase of 3.5% was expected and provided for in the 2008/09. However, the actual wage cost increase was 10.5%.
- The expenses involved in replacing the Geraldton contractor's privately owned bus fleet with Transperth vehicles as a preliminary step before the tendering of the service later in 2009. The additional costs related to refurbishment of Transperth buses transported to Geraldton during the year.

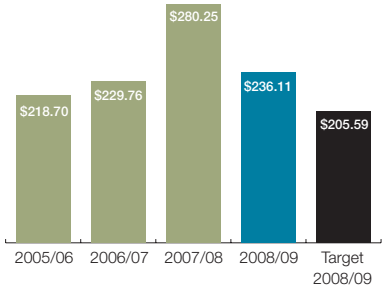
b. Inter-Town Services

Regional Town Bus Services Inter-Town
Average cost per 1000 place kilometres

Note: Due to the abolition of the Capital User Charge (CUC) in 2007/08, the costs for calculating the indicator in 2007/08 and 2008/09 exclude CUC compared to the previous years 2005/06 to 2006/07 where CUC was included.

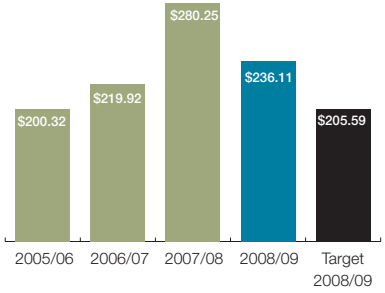
The 2008/09 target has been exceeded due to the additional costs associated with the expansion of the Point Samson, Wickham, Roebourne, Karratha and Dampier service, on a trial basis.

Transwa Rail Services



Transwa Rail
Average cost per 1000 place kilometres

Note: Due to the abolition of the Capital User Charge (CUC) in 2007/08, the costs for calculating the indicator in 2007/08 and 2008/09 exclude CUC compared to the previous years 2005/06 to 2006/07 where CUC was included.



Transwa Rail
Average cost per 1000 place kilometres
Excluding CUC

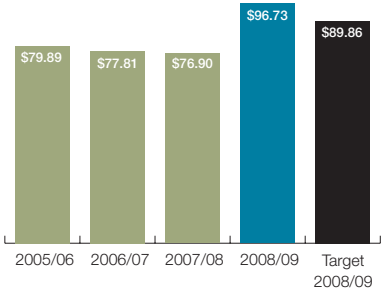
Note: For comparison purposes, CUC has been excluded from the previous years 2005/06 to 2006/07.

The cost per 1000 place kilometres in 2008/09 rose significantly above target mainly due to the increase of maintenance cost by $1.14 million and a reduction in place kilometres due to:

- the Prospector resuming services in August 2008 (after track works on the Eastern Goldfields Railway line) at lower capacity
- the Australind reducing services (due to track works on the Perth to Bunbury line) but with higher capacity on the remaining services.

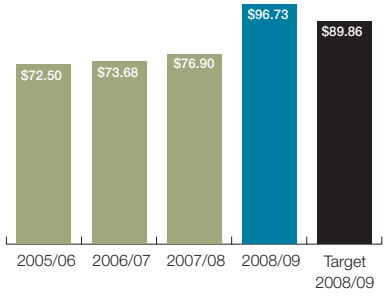
The cost per 1000 place kilometres in 2008/09 was 15.8% lower than 2007/08, due to lower cost as the Australind was fully depreciated ($2.8 million in 2007/08).

Transwa Road Coach Services



Transwa Road Coaches
Average cost per 1000 place kilometres

Note: Due to the abolition of the Capital User Charge (CUC) in 2007/08, the costs for calculating the indicator in 2007/08 and 2008/09 exclude CUC compared to the previous years 2005/06 to 2006/07 where CUC was included.



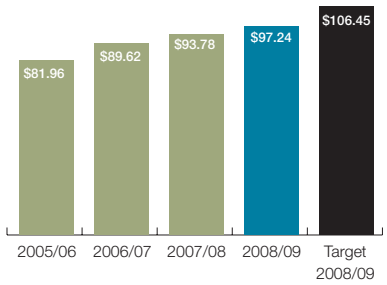
Transwa Road Coaches
Average cost per 1000 place kilometres
Excluding CUC

Note: For comparison purposes, CUC has been excluded from the previous years 2005/06 to 2006/07.

The 2008/09 result was 7.6% above the target for the year due to increased maintenance and labour costs. Total cost per 1000 place kilometres increased (25.8%), compared to 2007/08 mainly due to implementation of the preventative maintenance on road coaches ($1.51 million) and increase in labour cost.

Regional School Bus Services

The cost efficiency measure for school bus services measures the cost of funding student place kilometres provided to meet student requirements.



Regional School Bus Services
Cost per 1000 student place kilometres

Note: Due to the abolition of the Capital User Charge (CUC) in 2007/08, the costs for calculating the indicator in 2007/08 and 2008/09 exclude CUC compared to the previous years 2005/06 to 2006/07 where CUC was included.

The 2008/09 result as compared to 2007/08 showed an increase in the cost per 1000 place kilometres, but was lower than the target. The factors which contributed to the increase were a combination of the following:

- continued growth in service levels driven by increase in students patronage and contract kilometres;
- seat belt implementation.

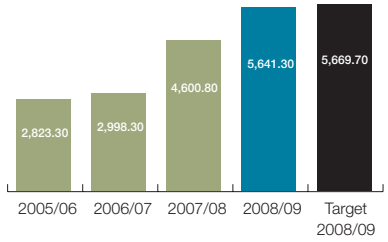
3. Total Passenger Place Kilometre (millions)

Note: This performance indicator was not audited in the previous years 2005/06 to 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.

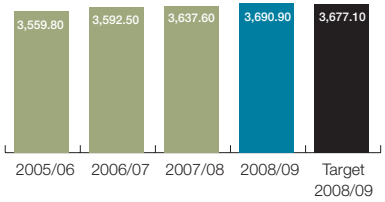
Transperth Train Services



Transperth Train Operations
Total passenger place kilometres
(Millions)

Passenger place kilometres recorded significant increases in 2007/08 and 2008/09 with commencement of operations on the Mandurah Line, train passenger place kilometre increased by 22.6% to 5,641.3 million, which was marginally (0.5%) below the target.

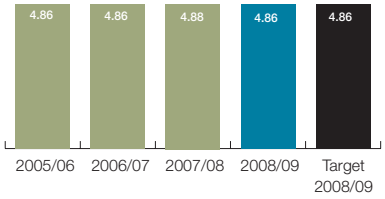
Transperth Bus Services



Transperth Bus Operations
Total passenger place kilometres
(Millions)

In 2008/09, passenger place kilometres on the bus system increased by 1.5% and exceeded the target by 0.4%.

Transperth Ferry Services

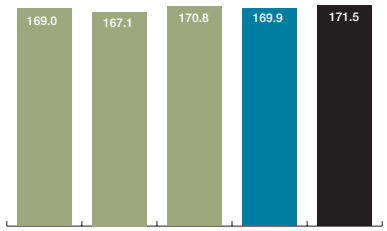


Transperth Ferry Operations
Total passenger place kilometres
(Millions)

As neither service kilometre nor capacity changed, ferry passenger place kilometres were on target.

Regional Bus Services

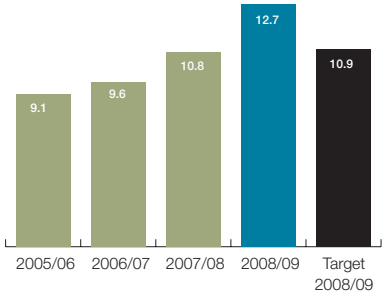
a. Intra-Town Services



Regional Town Bus Services Intra-Town
Total passenger place kilometres
(Millions)

The 2008/09 result was lower than target as a result of the decrease in service kilometres in Bunbury, Port Hedland and Geraldton due to implemented route changes.

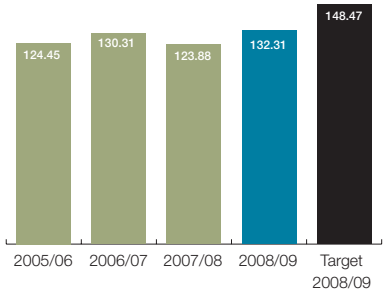
b. Inter-Town Services



Regional Town Bus Services Inter-Town
Total passenger place kilometres
(Millions)

The actual figure of 12.7 million passenger place kilometres for inter-town services for 2008/09 includes the impact of the enhancement of the Point Samson, Wickham, Roebourne, Karratha and Dampier service on a trial basis. The Saturday and Sunday services have been supplemented with a bus service on Tuesdays and Thursdays on a trial basis.

Transwa Rail Services



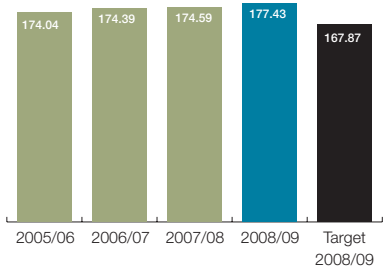
Transwa Rail
Total passenger place kilometres
(Millions)

The 2008/09 result for passenger place kilometres was 10.9% below target due to:

- the reduction in Australind rail services arising from track works, 28% less services than 2007/08, partly offset by an increase in passenger places per service (on average 22% more seats per service than 2007/08);
- the Prospector services resuming full operations (17% more services than 2007/08), but offset by a decrease in average places per services, due to train configuration.

The total passenger place kilometres were 6.8% up from 2007/08.

Transwa Road Coach Services



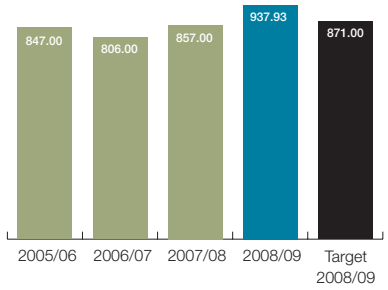
Transwa Road Coaches
Total passenger place kilometres
(Millions)

The slight increase in total passenger place kilometres for road coaches in 2008/09 compared to 2007/08 reflected the replacement of Australind train services with road coaches.

Regional School Bus Services

The total number of school student bus service passenger place kilometres is calculated by multiplying the average fleet capacity of the bus by the service kilometres. This indicator measures the total number of students that can be carried for the service kilometres.

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



Student Bus Services Passenger Place Kilometres (Millions)

The 2008/09 result showed a 9.4% increase in place kilometres compared to 2007/08.

The factors which contributed to the increase in 2008/09 were a combination of sustained growth in service levels driven by increase in students' patronage and contracted kilometres.

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.

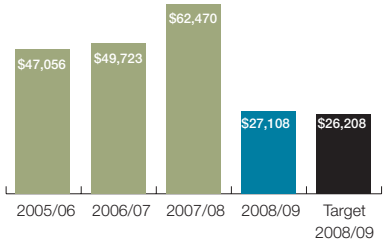
WestNet Rail manages and operates the rail freight infrastructure under the terms of the Railway Infrastructure Lease. Under the Lease, WestNet Rail is the 'accredited owner' of the infrastructure as defined in the Rail Safety Act 1998. WestNet Rail's holding company Australian Railroad Group was acquired 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.



Cost of managing rail corridor and residual freight issues management $'000s

The 2008/09 cost was marginally higher than target. The cost was lower compared to 2007/08 mainly due to the implementation of the Eastern Goldfields Railway project at a cost of $37.1 million in 2007/08.

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financial statements

for the year ended 30 June 2009

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Certification of Financial Statements

For the year ended 30 June 2009

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 ending 30 June 2009 and the financial position as at 30 June 2009.

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

R Waldock
Accountable Authority
9 September 2009

P King
Chief Financial Officer
9 September 2009

income statement

for the year ended 30 June 2009

	NOTES	2009 $000	2008 $000
COST OF SERVICES			
Expenses			
Employee benefits expense	6	110,226	97,228
Supplies and services	7	176,295	154,827
Depreciation and amortisation expense	8	156,128	114,600
Finance costs	9	55,593	53,570
Grants and subsidies	10	313,610	332,086
Energy and fuel		13,835	11,420
Land rationalisation expense		2,751	2,014
Loss on disposal of non-current assets	18	831	782
Other expenses	11	10,549	8,579
Total cost of services		**839,818**	**775,106**
Income			
Revenue			
User charges and fees	12	149,200	129,994
Land rationalisation lease revenue	13	83	83
Operating lease revenue	14	5,383	5,383
Commonwealth grants and contributions	15	286	28,112
Interest revenue	16	1,835	2,058
Other revenue	17	29,603	26,279
Total revenue		**186,390**	**191,909**
Total income other than income from State Government		**186,390**	**191,909**
NET COST OF SERVICES		**653,428**	**583,197**
INCOME FROM STATE GOVERNMENT			
Service appropriation	19	647,706	595,799
Resources received free of charge	19	710	2,041
Contribution – Other Government Agencies	19	1,007	1,077
Total income from State Government		**649,423**	**598,917**
(DEFICIT)/SURPLUS FOR THE PERIOD		**(4,005)**	**15,720**

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

balance sheet

as at 30 June 2009

	NOTES	2009 $000	2008 $000
ASSETS			
Current Assets			
Cash and cash equivalents	35	59,307	54,093
Restricted cash and cash equivalents	20	1,930	509
Inventories	21	17,035	11,253
Receivables	22	21,215	22,086
Derivatives	32	0	5
Total Current Assets		**99,487**	**87,946**
Non-Current Assets			
Amounts receivable for services	23	578,793	430,814
Infrastructure, property, plant, equipment and vehicles	25	4,007,793	3,856,609
Intangible assets	26	694	279
Total Non-Current Assets		**4,587,280**	**4,287,702**
TOTAL ASSETS		**4,686,767**	**4,375,648**
LIABILITIES			
Current Liabilities			
Payables	28	79,527	89,113
Borrowings	29	59,886	134,850
Provisions	30	23,299	18,478
Other current liabilities	31	2,180	594
Deferred income operating lease	33	5,466	5,466
Total Current Liabilities		**170,358**	**248,501**
Non-Current Liabilities			
Borrowings	29	1,016,749	768,635
Provisions	30	6,791	6,060
Deferred income operating lease	33	220,187	225,652
Total Non-Current Liabilities		**1,243,727**	**1,000,347**
TOTAL LIABILITIES		**1,414,085**	**1,248,848**
NET ASSETS		**3,272,682**	**3,126,800**
EQUITY			
Contributed equity	34	2,358,397	2,233,737
Reserves	34	820,115	794,888
Accumulated surplus	34	94,170	98,175
TOTAL EQUITY		**3,272,682**	**3,126,800**

The Balance Sheet should be read in conjunction with the accompanying notes.

statement of changes in equity

for the year ended 30 June 2009

	NOTES	2009 $000	2008 $000
Balance of equity at start of period		**3,126,800**	**2,514,376**
CONTRIBUTED EQUITY			
Balance at start of period		2,233,737	2,168,892
Capital contribution		124,660	136,744
Distributions to owners		0	(71,899)
Balance at end of period	34	**2,358,397**	**2,233,737**
RESERVES			
Asset Revaluation Reserve			
Balance at start of period		794,888	263,029
Revaluation of land		26,244	77,816
Revaluation of rail infrastructure		(1,017)	454,043
Balance at end of period	34	**820,115**	**794,888**
ACCUMULATED SURPLUS			
Balance at start of period		98,175	82,455
(Deficit)/Surplus for the period		(4,005)	15,720
Balance at end of period	34	**94,170**	**98,175**
Balance of equity at end of period		**3,272,682**	**3,126,800**
Total income and expense for the period (a)		**21,222**	**547,579**

(a) The aggregate net amount attributable to each category of equity is: deficit $-4,005k plus gains from asset revaluation reserve $25,227k (2008: surplus $15,720k plus gains from assets revaluation reserve $531,859k).

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

cash flow statement

for the year ended 30 June 2009

	NOTES	2009 $000	2008 $000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		498,727	476,323
Capital contribution – land sale proceeds and expenses		4,847	2,285
Capital contribution – Other Government agencies		1,077	992
Capital contribution New MetroRail		30,871	82,217
Holding Account Drawdown		1,000	0
Capital contributions – other		48,963	45,202
Net cash provided by State Government		**585,485**	**607,019**
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(109,234)	(94,718)
Supplies and services		(199,712)	(160,330)
Finance costs		(57,059)	(51,584)
Grants and subsidies		(296,366)	(313,389)
GST payments on purchases		(75,264)	(67,551)
Other payments		(8,427)	(9,019)
Receipts			
User charges and fees: Transwa		10,155	10,184
User charges and fees: Transperth train operations and buses		154,556	132,773
Commonwealth grants and contributions		286	28,110
Other receipts		14,122	15,414
Interest received		1,915	2,113
GST receipts on sales		17,725	16,237
GST receipts from taxation authority		57,553	48,721
Net cash used in operating activities	**35**	**(489,750)**	**(443,039)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current physical assets		913	2,651
Purchase of non-current physical assets PTA		(191,867)	(132,029)
Purchase of non-current physical assets New MetroRail		(71,305)	(78,140)
Net cash used in investing activities		**(262,259)**	**(207,518)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		409,728	328,538
Repayment of borrowings		(236,194)	(282,836)
Other repayments		(375)	(382)
Net cash provided by financing activities		**173,159**	**45,320**
Net increase in cash held		6,635	1,782
Cash and cash equivalents at the beginning of the period		54,602	52,820
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**35**	**61,237**	**54,602**

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

notes to the financial statements

for the year ended 30 June 2009

1 Australian equivalents to International Financial Reporting Standards

General

The Public Transport Authority of Western Australia's (PTA) financial statements for the year ended 30 June 2009 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the PTA has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

Early adoption of standards

The PTA cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the PTA for the annual reporting period ended 30 June 2009.

2 Summary of significant accounting policies

a) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with the 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 the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has 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, infrastructure, and derivatives 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 judgement 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 balance sheet date 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, other than as a result of a restructure of administrative arrangements, in the nature of equity contributions 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 contributions (appropriations) have been designated as contributions by owners by Treasurer's Instruction (TI) 955 'Contributions by Owners made to Wholly-Owned Public Sector Entities' and have been credited directly to Contributed Equity.

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 34 '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.

Rendering of services

Revenue from services 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 33 '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 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.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the balance sheet date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes.

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 Income Statement (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

After 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, buildings, urban rail system and bus infrastructure are carried at fair value less accumulated depreciation on buildings and infrastructure and accumulated impairment losses. Plant and equipment and motor vehicles are stated at historical cost less accumulated depreciation and accumulated impairment losses. Freight network infrastructure is recognised at fair value based on the value of the unearned income on the prepaid operating lease of the asset less accumulated depreciation. Subsequent additions to the freight network infrastructure are recognised at cost less accumulated depreciation.

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, 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 with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

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 is revalued, at least once every five years, to its fair value based on depreciated replacement cost. 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

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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 reserve relating to that asset is retained in the asset revaluation reserve.

Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets as described in note 25 '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 on 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 Income Statement.

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
Web site costs	3 to 5 years

Software that is 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 and is capitalised and amortised on a straight-line basis over the periods of the expected benefit, which varies from 3 to 5 years. Software costing less than $5,000 is expensed in the year of acquisition.

(ii) Web site costs

Costs in relation to web sites controlled by PTA are charged as expenses in the period in which they are incurred 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 web site, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a web site, to the extent that they represent probable future economic benefits that can be reliably measured, are capitalised.

i) Impairment of Assets

Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment at each balance sheet date. 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.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at each balance sheet date 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 each balance sheet date.

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

j) 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 Income Statement over the lease term as this is representative of the pattern of benefits to be derived from the leased assets.

An arrangement comprising a series of lease transactions involving the legal form, but not the economic substance of a lease is accounted for as one linked transaction rather than as a lease. See note 25(vi).

k) 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)).

l) Financial Instruments

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

- Loans and receivables (includes cash and cash equivalents, receivables);
- Financial liabilities measured at amortised cost; and
- Financial assets at fair value through profit and loss (foreign exchange forward contracts).

These have been disaggregated into the following classes:

Financial Assets

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

Financial Liabilities

- Payables
- Other current liabilities
- Derivatives
- Western Australian Treasury Corporation 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 Income Statement or the Balance Sheet. When the FEC are utilised, the differences between the prevailing spot rate and the original or revised FEC rate are recognised through the Income Statement.

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

m) Cash and Cash Equivalents

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

n) 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.

o) 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 items such as leave entitlements and asset replacement. (See also note 19 'Income from State Government' and note 23 'Amounts receivable for services').

p) 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 21 'Inventories').

q) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (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(l) 'Financial Instruments' and note 22 'Receivables').

r) 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(l) 'Financial Instruments' and note 28 'Payables').

s) Borrowings

All loans payable are initially recorded at cost, being the fair value of the net proceeds received. Subsequent

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measurement is at amortised cost using the effective interest rate method. (See note 2(l) 'Financial Instruments' and note 29 'Borrowings').

t) 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 each balance sheet date. (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 balance sheet date 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 balance sheet date 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 balance sheet date.

The expected future payments are discounted using valuation factors based on employees' age at the balance sheet date. 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 balance sheet date.

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 Income Statement 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 four 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(u) '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 notes 6 'Employee benefit expense', 11 'Other expenses' and 30 'Provisions').

Public Liability

Provision is made for all outstanding public liability claims before 1 July 2007 worth less than $1 million. The amount of the provision is the estimated outstanding value of the claims as at the balance sheet date.

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 balance sheet date.

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.

u) Superannuation Expense

Defined contribution plans – Employer contributions paid to the GSS (concurrent contributions), the West State Superannuation Scheme (WSS), and the GESB Super Scheme (GESBS) are included in calculating the superannuation expense in the Income Statement.

The superannuation expense does not include payment of pensions to retirees, as this does not constitute part of the cost of services provided in the current year.

The GSS Scheme is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, apart from the transfer benefit, 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.

v) 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.

w) Comparative Figures

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

x) 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 balance sheet date. 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 balance sheet date 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.

The estimated useful life of Freight Network Infrastructure is based on the term of the freight lease, i.e. 49 years.

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 railway infrastructure.

Contingencies

The PTA is unable to assess the outcome of the classification process for 34 possible contaminated sites. Possible remediation costs associated with these sites might have an impact on the provision for contaminated sites.

PTA has issued indemnities to parties to cross border lease transactions for the financial obligations and performance of the lessees and deposit takers. In the event of default by lessees or deposit takers the PTA will need to meet these liabilities and it will have an impact on its financial performance. PTA has issued indemnities to cross border lease parties in respect to taxation resulting from changes in law, taxation administration determinations or as a result of loss of railcars. In case of adverse taxation circumstances the PTA will need to honour its obligations. (See note 37 'Contingent liabilities and contingent assets' for more details).

Freight Network Infrastructure

The Freight Network consists of approximately 5,000 kilometres of standard and narrow gauge track constructed over a considerable time period with varying axle load and train speed capacities. The Freight Network asset is a unique asset with no comparable market based evidence.

The asset was leased for a period of 49 years commencing in December 2000 under separate lease arrangements for standard and narrow gauge rail lines. The lessee is obligated to maintain the infrastructure in a 'fit for purpose condition' over the period of the leases. PTA valued the network as at 1 July 2003 at $250,298,000 based on the lump sum lease payment made in December 2000 adjusted for expired lease income recognised prior to 1 July 2003 as this provides the best and available evidence of the fair value of the asset. The leases also provide for the State to replace and/or add

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to the freight infrastructure. Additions to the freight infrastructure have been recorded at cost which is deemed to be fair value. The Freight Network Infrastructure assets is depreciated on a straight line basis over the remaining term of the lease and has a carrying amount of $266,096,000 as at 30 June 2009.

The 1 July 2003 valuation model incorporated a discounted cash flow model, with a discount rate of 6.9%

in order to recognise revenue from the prepaid lease that was applicable to the Western Australian Government Railways Commission. The discount rate used was based on the independent rail access

regulator's determined weighted average cost of capital for the 2003/04 year.

The leases provides for individual rail lines making up the narrow and standard gauge leases to be surrendered and determined as uneconomic, subject to tests specified in the lease. Since the commencement of the lease to June 2009, no line has been surrendered. In the event that a line is surrendered, there would be no adjustment to the lease value paid in 2000 nor to the fair value determined at 1July 2003.

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 and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2008 that impacted the Authority:

Review of AAS 27 'Financial Reporting by Local Governments', AAS 29 'Financial Reporting by Government Departments' and AAS 31 'Financial Reporting by Governments'. The AASB has made the following pronouncements from its short term review of AAS 27, AAS 29 and AAS 31:

- AASB 1004 'Contributions';
- AASB 1050 'Administered Items';
- AASB 1051 'Land Under Roads';
- AASB 1052 'Disaggregated Disclosures';
- AASB 2007-9 'Amendments to Australian Accounting Standards arising from the review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137]'; and
- Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities'.

The existing requirements in AAS 27, AAS 29 and AAS 31 have been transferred to the above new and revised topic-based Standards and Interpretation. These requirements remain substantively unchanged. AASB 1050, AASB 1051 and AASB 1052 do not apply to Statutory Authorities. The other Standards and Interpretation make some modifications to disclosures and provide additional guidance, otherwise there is no financial impact.

Future impact of Australian Accounting Standards not yet operative

The PTA cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the PTA has not applied early the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued but are not yet effective. Where applicable, PTA plans to apply these standards and interpretations from their application date:

AASB 101 'Presentation of Financial Statements' (September 2007). This Standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from non-owner changes in equity. The PTA does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2009.

AASB 2008-13 'Amendments to Australian Accounting Standards 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. This may impact on the presentation and classification of Crown land held by the PTA where the Crown land is to be sold by the Department of Regional Development and Lands (formerly Department for Planning and Infrastructure). The PTA does not expect any financial impact when the Standard is first applied prospectively. The Standard is required to be applied to annual reporting periods beginning on or after 1 July 2009.

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. The PTA does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2009.

	2009 $000	2008 $000
6 Employee benefit expense		
Wages and salaries [i]	91,001	80,749
Superannuation - defined contribution plans [ii]	8,389	7,346
Long service leave [iii]	2,882	2,061
Annual leave [iii]	7,954	7,072
	110,226	**97,228**

(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	127,463	106,217
Materials	17,988	16,443
Consumables	7,797	9,642
Travel	10,211	7,285
Communications	1,471	1,260
Other	11,365	13,980
	176,295	**154,827**
8 Depreciation and amortisation expense		
Depreciation		
Buildings	2,781	3,353
Freight Network Infrastructure	6,665	6,608
Rollingstock	26,682	29,370
Railway infrastructure	89,408	47,652
Plant, equipment and motor vehicles	2,023	993
Bus infrastructure	5,498	6,216
Vessels	9	0
Buses	22,814	20,141
Total depreciation	**155,880**	**114,333**
Amortisation		
Intangible assets	248	266
Leased railcars	0	1
Total amortisation	**248**	**267**
Total depreciation and amortisation	**156,128**	**114,600**

notes to the financial statements

for the year ended 30 June 2009

	2009 $000	2008 $000
9 Finance costs		
Interest expense on Western Australian Treasury Corporation loans	55,390	53,345
Interest expense on Commonwealth loans	203	225
	55,593	**53,570**
10 Grants and subsidies expense		
Bus operators	197,240	182,427
Ferry services	607	597
Regional bus services	12,079	12,713
Student fare concessions	2,771	4,219
School bus services	84,294	75,790
Grants to local government	16,619	19,240
Rail corridor and freight issues management (Eastern Goldfields Railway project)	0	37,100
	313,610	**332,086**
11 Other expenses		
Employment on-costs [i]	328	(111)
Payroll tax	5,733	5,036
Workers' compensation	3,778	1,613
Notional charge for land valuation provided by Landgate	710	2,041
	10,549	**8,579**

(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	136,615	117,608
School bus services revenue	2,440	2,007
Country passenger operations revenue	10,145	10,379
	149,200	**129,994**
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 33 '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 33 'Deferred income – operating leases').

	2009 $000	2008 $000
14 Operating lease revenue		
Rental income from Freight Network Infrastructure	**5,383**	**5,383**
15 Commonwealth grants and contributions		
Department of Infrastructure, Transport, Regional Development and Local Government – Eastern Goldfields Railway Project	0	28,100
Chamber of Commerce and Industry – Employfast	21	12
National Partnership Agreement – Concessions for Pensioners and Seniors Card Holders	265	0
	286	**28,112**
16 Interest revenue		
Interest Revenue	**1,835**	**2,058**

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	9,650	8,693
Advertising income	3,288	4,647
Parking and infringements	4,363	3,399
External works	5,070	4,032
Marketing	2,836	1,504
SmartRider card sales	977	1,027
Net change in fair value of financial assets designated at fair value through profit and loss	1,552	932
Liquidated damages	180	335
Miscellaneous	1,687	1,710
	29,603	**26,279**
18 Net loss on disposal of non-current assets		
Cost of disposal of non-current assets		
Buildings	0	2,796
Buses	1,350	515
Other	348	122
Proceeds from disposal of non-current assets		
Buildings	0	1,750
Buses	827	871
Other	40	30
Net loss on disposal of non-current assets	**(831)**	**(782)**

notes to the financial statements

for the year ended 30 June 2009

	2009 $000	2008 $000
19 Income from State Government		
Appropriation received during the year:		
Service appropriations [i]	647,706	595,799
Resources received free of charge [ii]		
Landgate	710	2,041
Contribution – Other Government Agencies		
Department for Planning and Infrastructure - Funding for CAT bus replacement and new CAT depot	992	992
Heritage Council of WA – Grant for refurbishment of Boulder subway	15	85
	1,007	1,077
	649,423	**598,917**

(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.

20 Restricted cash and cash equivalents		
Contractors' deposits	1,930	474
Railway Servants' Benefit Fund	0	35
	1,930	**509**

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

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

21 Inventories		
Current		
Inventories not held for resale:		
Maintenance spares – at cost	17,035	11,253
	17,035	**11,253**

	2009 $000	2008 $000
22 Receivables		
Current		
Receivables	3,781	5,979
Allowance for impairment of receivables	(19)	(14)
Accrued revenue	3,814	3,558
GST receivable	9,825	9,180
Other receivables – external works	1,700	1,256
	19,101	**19,959**
Prepayments	2,114	2,127
	21,215	**22,086**
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at start of year	14	47
Doubtful debts expense recognised in the income statement	6	0
Amounts written off during the year	0	(33)
Amount recovered during the year	(1)	0
Balance at end of year	**19**	**14**

The PTA does not hold any collateral as security or other credit enhancements relating to receivables.

23 Amounts receivable for services

Non-current	**578,793**	**430,814**

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.

24 Act of Grace Payments

One Act of Grace payments made pursuant to authorisations given under Section 80(1) of the Financial Management Act 2006. (2008: 6 payments)	**5**	**7**

income statement

for the year ended 30 June 2009

25 Infrastructure, property, plant, equipment and vehicles

	2009 Cost	2009 At Fair Value	2009 Accumulated depreciation	2009 Carrying amount as at 30 June 2009	2008 Cost	2008 At Fair Value	2008 Accumulated depreciation	2008 Carrying amount as at 30 June 2008
	$000	$000	$000	$000	$000	$000	$000	$000
Owned Assets:								
Land [i]	0	338,785	0	338,785	0	306,476	0	306,476
Buildings	0	128,623	67,913	60,710	0	125,043	65,132	59,911
Freight Network Infrastructure [ii]	0	303,218	37,122	266,096	0	300,885	30,458	270,427
Rollingstock [vi]	0	894,410	315,958	578,452	0	922,827	350,992	571,835
Railway infrastructure [iii]	0	2,925,422	708,751	2,216,671	0	2,755,187	628,039	2,127,148
Plant, equipment and motor vehicles	28,224	0	6,075	22,149	10,434	0	4,342	6,092
Bus infrastructure	0	193,796	88,551	105,245	0	187,914	88,686	99,228
Vessels	0	2,403	1,159	1,244	0	1,850	1,850	0
Buses	0	579,480	319,121	260,359	0	543,439	310,159	233,280
Leased Assets: [iv]								
Leased Railcars	0	0	0	0	0	0	0	0
Construction in progress [v]	158,082	0	0	158,082	182,212	0	0	182,212
TOTAL	**186,306**	**5,366,137**	**1,544,650**	**4,007,793**	**192,646**	**5,143,621**	**1,479,658**	**3,856,609**

(i) Land controlled by the PTA has been revalued as at 1 July 2008 by Landgate (Valuation Services) and Burgess Rawson. The valuations were performed during the year ended 30 June 2009 and recognised at 30 June 2009. 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 2009 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 2008 (the date of valuation) to 30 June 2009. DTF reviewed the information and determined that the valuations provided by Valuation Services (as at 1 July 2008) were compliant with fair value requirements for 30 June 2009 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 2009 and recognised at 30 June 2009.

(ii) See note 4 'key sources of estimation uncertainty'.

(iii) Railway infrastructure was last revalued on 30 June 2008. Railway infrastructure has been revalued by PTA's management professionals and third party vendors. A model has been developed based on contemporary costs from the New MetroRail Project adjusted by an appropriate index to reflect current replacement cost. The revaluation approach adopted also forms part of PTA costing guidelines applied to the Rail Access Regime. The methodology adopted has been depreciated replacement cost with a modern equivalent asset capable of delivering the same service potential.

(iv) For leased assets the fair value has been deemed to be their cost as at 30 June 2009.

(v) Construction in progress is valued at cost.

(vi) Some rollingstock is subject to an arrangement, involving a series of leases, prepayment and deposit transactions. The arrangement is accounted for as one linked transaction in accordance with its economic substance. The arrangement (i) does not restrict PTA's use of rollingstock, (ii) has a term of 17 years, and (iii) includes options allowing PTA to purchase the rollingstock on certain specified dates.

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.

2009	Carrying amount at the start of the year	Additions	Transfers	Revaluation Increments	Disposals	Depreciation	Carrying amount at the end of the year
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
Leased Assets							
Leased Railcars	0	0	0	0	0	0	0
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**

notes to the financial statements

for the year ended 30 June 2009

2008	Carrying amount at the start of the year	Additions	Transfers	Revaluation Increments	Disposals	Depreciation	Carrying amount at the end of the year
Owned Assets:							
Land	213,620	0	15,040	77,816	0	0	306,476
Buildings	53,371	0	12,689	0	(2,797)	(3,352)	59,911
Freight Network Infrastructure	277,035	0	0	0	0	(6,608)	270,427
Rollingstock	599,160	0	2,045	0	0	(29,370)	571,835
Railway infrastructure	818,474	0	906,851	454,043	(4,568)	(47,652)	2,127,148
Plant, equipment and motor vehicles	4,167	0	2,933	0	(15)	(993)	6,092
Bus infrastructure	92,280	8,092	5,107	0	(35)	(6,216)	99,228
Vessels	0	0	0	0	0	0	0
Buses	215,050	0	38,886	0	(515)	(20,141)	233,280
Leased Assets:							
Leased Railcars	56	0	0	0	(55)	(1)	0
Construction in progress	1,040,118	216,806	(1,074,712)	0	0	0	182,212
TOTAL	**3,313,331**	**224,898**	**(91,161)**	**531,859**	**(7,985)**	**(114,333)**	**3,856,609**

	2009 $000	2008 $000

26 Intangible assets

Software – at cost	3,380	2,728
Accumulated amortisation	(2,686)	(2,449)
	694	**279**

Reconciliations of the carrying amounts of intangibles at the beginning and end of the current financial year are set out below.

Carrying amount at start of the year	279	438
Additions and transfers in	668	107
Amortisation expense and disposal	(253)	(266)
Carrying amount at end of the year	**694**	**279**

27 Impairment of assets

There are no indications of impairment of property, plant and equipment, infrastructure and intangible assets at 30 June 2009.

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

28 Payables

Current

Trade payables	11,109	6,084
Accrued expenses - operational	52,946	65,090
Accrued expenses - salaries	4,127	5,026
Accrued expenses - interest	10,333	11,798
Other payables	1,012	1,115
	79,527	**89,113**

29 Borrowings

Current

Western Australian Treasury Corporation loans (i)	59,499	134,466
Commonwealth loans	387	384
	59,886	**134,850**

Non-Current

Western Australian Treasury Corporation loans (i)	1,014,028	765,527
Commonwealth loans	2,721	3,108
	1,016,749	**768,635**

(i) The non-current amount includes an amount that will be due and payable during the 2009/10 year which will be refinanced rather than repaid and therefore is not recognised as current borrowings. There is an agreement with WATC in place where the borrowings are refinanced are regular intervals between 2009 and 2019.

	2009 $000	2008 $000
30 Provisions		
Current		
Employee benefits provision		
Annual leave (i)	10,614	9,146
Long service leave (ii)	6,736	5,830
	17,350	**14,976**
Other provisions		
Public liability provision	778	663
Workers' compensation	1,506	472
Contaminated Sites	2,455	1,444
Employment on-costs (iii)	1,210	923
	5,949	**3,502**
	23,299	**18,478**
Non-Current		
Employee benefits provision		
Long service leave (ii)	5,743	5,086
Deferred salary scheme	51	100
	5,794	**5,186**
Other provisions		
Contaminated Sites	614	532
Employment on-costs (iii)	383	342
	997	**874**
	6,791	**6,060**

(i) Annual leave has been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of liabilities will occur as follows:

Within 12 months of balance sheet date	6,784	6,029
More than 12 months after balance sheet date	3,830	3,117
	10,614	**9,146**

(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 balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of balance sheet date	1,183	981
More than 12 months after balance sheet date	11,296	9,935
	12,479	**10,916**

(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'.

	2009 $000	2008 $000

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	663	460
Additional provisions recognised	118	1,212
Payments/other sacrifices of economic benefit	(3)	(1,009)
Carrying amount at the end of the year	**778**	**663**

Workers' compensation provisions

Carrying amount at the start of the year	472	3,774
Additional provisions recognised	3,777	1,619
Payments/other sacrifices of economic benefit	(2,743)	(4,921)
Carrying amount at the end of the year	**1,506**	**472**

Employment on-cost provision

Carrying amount at the start of the year	1,265	1,410
Additional provisions recognised	1,035	483
Payments/other sacrifices of economic benefit	(707)	(628)
Carrying amount at the end of the year	**1,593**	**1,265**

Contaminated Sites Provision

Carrying amount at the start of the year	1,976	3,126
Additional provisions recognised	3,081	279
Payments/other sacrifices of economic benefit	(1,988)	(1,429)
Carrying amount at the end of the year	**3,069**	**1,976**

Provision has been established to cover for the costs related to 21 contaminated sites.

31 Other current liabilities

Contractors' deposits	1,930	474
Payments held in suspense	250	85
Railway Servants' Benefit Fund	0	35
	2,180	**594**

notes to the financial statements

for the year ended 30 June 2009

	2009 $000	2008 $000
32 Derivatives		
Foreign exchange forward contracts	**0**	**(5)**

The PTA has settled all its foreign exchange forward contracts during the year. In 2008, the PTA had an exposure to changes in foreign exchange rates resulting from the bus replacement program. This program requires payment for bus chassis to be made in Euros. The PTA used forward exchange contracts in Euros to hedge the risk.

At the balance sheet date the net fair value of these contracts was an asset of $0k (2008: $5k) and a liability of $0k (2008: nil) comprising assets of $0k (2008 - $14,343k) and liabilities of $0k (2008 - $14,338k).

At balance sheet date, the details of outstanding foreign exchange contracts are:

	2009 $000	2008 $000	2009	2008
	Sell Australian Dollars		Average Exchange Rate	
Buy Euro				
Maturity				
Over one year	0	14,338	0	0.5873

	2009 $000	2008 $000
33 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	212,619	218,001
Co-operative Bulk Handling 99 year lease	7,568	7,651
	220,187	**225,652**
	225,653	**231,118**

	2009 $000	2008 $000

34 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 reserve represents that portion of equity resulting from the revaluation of the non-current assets.

Contributed equity

Balance at start of year	2,233,737	2,168,892
Capital contributions (i)	124,660	136,744
Distribution to owner (ii)	0	(71,899)
Balance at end of year	**2,358,397**	**2,233,737**

Asset revaluation reserve

Balance at start of year	794,888	263,029
Revaluation of land	26,244	77,816
Revaluation of rail infrastructure	(1,017)	454,043
Balance at end of year	**820,115**	**794,888**

Accumulated surplus

Balance at start of year	98,175	82,455
Result for the period	(4,005)	15,720
Balance at end of year	**94,170**	**98,175**

(i) Capital contributions received during the year have been designated as contributions by owners and are credited directly to equity in the Balance Sheet. It includes $7.371 million from the Eastern Goldfields Transport Board and $32.606 million from Main Roads WA and the balance of $84.683 million from the Department of Treasury and Finance.

(ii) Transfer of land to the Department of Planning and Infrastructure ($5.346 million).
Transfer of road and bridge works constructed as part of the New MetroRail project to Main Roads WA ($66.553 million).

35 Notes to the Cash Flow Statement

a) Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flow is reconciled to the related items in the Balance Sheet as follows:

Cash and cash equivalents	59,307	54,093
Restricted cash and cash equivalents (refer to note 20)	1,930	509
	61,237	**54,602**

b) Financing facilities

The PTA has a short-term liquidity facility of $200 million (2007/08: $200 million) with the Western Australian Treasury Corporation.

Amounts drawn from this facility at June 30	14,907	100,852

In 2008, The Western Australian Treasury Corporation had provided $US 42.8 million to the PTA to meet contingent obligations under a lease agreement that may eventuate during the life of the lease, but none of this facility had been drawn. This facility has been terminated in 2009.

notes to the financial statements

for the year ended 30 June 2009

	2009 $000	2008 $000
c) Reconciliation of net cost of services to net cash flows (used in) operating activities		
Net cost of services	(653,428)	(583,197)
Non cash items:		
Depreciation and amortisation expense	156,128	114,600
Loss on sale of property, plant and equipment	831	782
Resources received free of charge	710	2,041
Transfer of assets to Local Government	11,613	19,240
(Increase)/ Decrease in assets:		
Current receivables	1,518	(5,456)
Current inventories	(5,782)	(990)
Other current assets	14,343	13,713
Increase/ (Decrease) in liabilities:		
Current payables	(2,374)	21,323
Current provisions	4,822	(3,402)
Other current liabilities	(12,752)	(15,146)
Non-current provisions	732	1,279
Non-current deferred operating lease revenue	(5,466)	(5,465)
Change in GST receivables/payments	(645)	(2,361)
Net cash used in operating activities	**(489,750)**	**(443,039)**

	2009 $000	2008 $000

36 Commitments

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

Within one year	131,284	124,273
Later than one year and not later than five years	109,744	138,227
Later than five years	80	1,405
	241,108	**263,905**
The capital commitments include amounts for:		
Railway Infrastructure	27,652	13,064
Bus Infrastructure	15,721	5,104
Railcars - Transperth Train Operations	51,350	108,001
Plant, equipment and motor vehicles	4,878	8,156
Buses	132,637	129,580
Land and Buildings	8,870	0
	241,108	**263,905**

b) Non-cancellable operating lease commitments:

Commitments for minimum lease payments are payable as follows:

Within one year	1,010	557
Later than one year and not later than five years	410	192
	1,420	**749**

c) Other expenditure commitments contracted for at the reporting date but not recognised as liabilities, are payable as follows:

Within one year	384,343	338,071
Later than one year and not later than five years	1,400,382	1,066,822
Later than five years	949,342	1,062,448
	2,734,067	**2,467,341**
The other expenditure commitments include amounts for:		
Land and buildings maintenance	55,337	67,822
Transperth train operations	359,906	218,081
Railway infrastructure	67,507	600
Railcars and road coaches - Transwa	15,180	4,225
Buses and support services	708,820	685,971
School bus services	1,516,517	1,484,461
Miscellaneous	10,800	6,181
	2,734,067	**2,467,341**

The commitments are all inclusive of GST.

notes to the financial statements

for the year ended 30 June 2009

37 Contingent liabilities and contingent assets

Contingent Liabilities

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

Litigation in progress

Quantifiable Contingencies

The PTA is awaiting judgement from the Supreme Court on the amount of Leighton Contractors Ltd legal costs payable by PTA in respect of the Supreme Court action that dealt with the calculation of entitlement to rise and fall payments under the contract. Leighton Contractors Ltd has claimed costs of $5.6 million.

PTA has issued indemnities to parties to cross border lease transactions for the financial obligations and performance of the lessees and deposit takers. In the event of default by the lessees or deposit takers to pay for obligations when due or perform functions required of them. PTA as issuer of the indemnity is required to meet the liabilities, losses, costs and charges of the indemnity to other parties to the contracts. In the event of default the maximum obligation at 30 June 2009 is $46.1 million. There have been no notifications of default.

Unquantifiable Contingencies

PTA has issued indemnities to cross border lease parties in respect to taxation resulting from changes in law, taxation administration determinations or as a result of loss of railcars which result in a loss of economic benefits to parties to the leases or result in increased costs. There are no notifications of adverse taxation circumstances. There were no railcar losses. It is not possible to estimate the amount of any payments that may arise from these indemnities at balance sheet date.

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 2 known or suspected contaminated sites to DEC (a total of 55 sites). Four sites previously reported have been classified contaminated – remediation required, four sites as possibly contaminated – investigation required, and one site as remediated for restricted use. A provision has been recognised to cover the cost of investigation and remediation of the 21 sites. The PTA is unable to assess the outcome of the classification process for the remaining 34 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.

38 Remuneration of members of the Accountable Authority and senior officers

Remuneration of Member of the Accountable Authority

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

$	2009	2008
350,001 - 360,000	0	1
400,001 - 410,000	1	0

	2009 $000	2008 $000
The total remuneration of the members of the Accountable Authority is:	**406**	**360**

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

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

Remuneration of senior officers

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

$	2009	2008
0 - 100,000	0	2
100,001 - 110,000	0	0
110,001 - 120,000	0	0
120,001 - 130,000	1	0
130,001 - 140,000	1	1
140,001 - 150,000	0	2
150,001 - 160,000	1	1
160,001 - 170,000	2	0
170,001 - 180,000	3	3
180,001 - 190,000	1	0
	9	**9**

	2009 $000	2008 $000
Total remuneration of the senior officers is:	**1,466**	**1,278**

The total remuneration includes the superannuation expense incurred by the PTA in respect of Senior Officers, other than the Senior Officers reported as a member of the Accountable Authority.

notes to the financial statements

for the year ended 30 June 2009

39 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 their 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 risks

The PTA was exposed to foreign exchange risk arising from currency exposure to the Euro in the previous 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.

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 balance sheet date are as follows:

	2009 $000	2008 $000
Financial Assets		
Cash and cash equivalents	59,307	54,093
Restricted cash and cash equivalents	1,930	509
Amounts receivable for services	578,793	430,814
Receivables (i)	9,276	10,779
Derivatives	0	5
Financial Liabilities		
Payables	79,527	89,113
Other current liabilities	2,180	594
WATC loans	1,073,527	899,993
Commonwealth loans	3,108	3,492

(i) The amount of receivables excludes GST recoverable from ATO (statutory receivable) and prepayments.

c) Financial Instrument Disclosures

Credit Risk, Liquidity Risk, Interest Rate Risk and Foreign Exchange Risk Exposures

The following table disclosure 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 balance sheet date 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 collateral as security or other credit enhancement relating to the financial assets it holds.

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	Notes	Weighted average effective interest rate %	Carrying Amount $000	Variable interest rate [ii] $000	Non-interest bearing $000	Up to 3 months $000	3-12 months $000	1-2 years $000	2-3 years $000	3-4 years $000	4-5 years $000	more than 5 years $000	Impaired financial assets $000
2009													
Cash and cash equivalents	35	5.5	59,307	59,307	0	0	0	0	0	0	0	0	0
Restricted cash and cash equivalents	20	5.5	1,930	1,930	0	0	0	0	0	0	0	0	0
Receivables (i)	22		9,276	0	9,276	614	19	1	0	0	0	0	0
Amounts receivable for services	23		578,793	0	578,793	0	0	0	0	0	0	0	0
			649,306	**61,237**	**588,069**	**614**	**19**	**1**	**0**	**0**	**0**	**0**	**0**
2008													
Cash and cash equivalents	35	6.87	54,093	54,093	0	0	0	0	0	0	0	0	0
Restricted cash and cash equivalents	20	6.87	509	509	0	0	0	0	0	0	0	0	0
Receivables (i)	22		10,779	0	10,779	1,850	86	2	0	0	0	0	0
Amounts receivable for services	23		430,814	0	430,814	0	0	0	0	0	0	0	0
Derivatives	32		5	0	5	0	0	0	0	0	0	0	0
			496,200	**54,602**	**441,598**	**1,850**	**86**	**2**	**0**	**0**	**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 balance sheet date.

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 balance sheet date. 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 dates						
Financial Liabilities	Notes	Weighted average effective interest rate %	Carrying Amount $000	Variable interest rate[ii] $000	Non-interest bearing $000	Adjustment for discounting $000	Total Nominal Account $000	Up to 3 months $000	3-12 months $000	1-2 years $000	2-3 years $000	3-4 years $000	4-5 years $000	More than 5 years $000
2009														
Payables	28		79,527	0	79,527	0	0	0	0	0	0	0	0	0
Other current liabilities	31		2,180	0	2,180	0	0	0	0	0	0	0	0	0
WATC Loans (iii)	29	4.81	1,073,527	0	0	(546,836)	1,620,363	44,827	231,771	89,696	88,769	89,272	87,412	988,616
Commonwealth Loans	29	5.93	3,108	0	0	(983)	4,091	0	567	547	502	481	446	1,548
			1,158,342	**0**	**81,707**	**(547,819)**	**1,624,454**	**44,827**	**232,338**	**90,243**	**89,271**	**89,753**	**87,858**	**990,164**
2008														
Payables	28		89,113	0	89,113	0	0	0	0	0	0	0	0	0
Other current liabilities	31		594	0	594	0	0	0	0	0	0	0	0	0
WATC Loans (iii)	29	6.68	899,993	0	0	(222,852)	1,122,845	126,530	184,557	213,516	89,262	86,049	80,694	342,237
Commonwealth Loans	29	5.93	3,492	0	0	(1,186)	4,678	0	588	567	547	502	481	1,993
			993,192	**0**	**89,707**	**(224,038)**	**1,127,523**	**126,530**	**185,145**	**214,083**	**89,809**	**86,551**	**81,175**	**344,230**

(ii) Variable interest rates represent the most recently determined rate applicable to the instrument at balance sheet date.

(iii) The principal repayment of the WATC loans in 2009 is based on a 25 year repayment schedule, whereas for 2008, it is based on a 10 year repayment schedule as it is not possible to recalculate the repayment schedule for 2008.

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

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 balance sheet date on the surplus for the period and equity for a 1% change in interest rates. Considering the current situation, it is highly unlikely that the interest rate will move by more than 1%. It is assumed that the change in interest rate is held constant throughout the reporting period.

	Carrying amount $000	-1% change		+1% change	
		Profit $000	Equity $000	Profit $000	Equity $000
2009					
Financial Assets					
Restricted cash and cash equivalents	1,930	(19)	(19)	19	19
Total increase/ (decrease)		**(19)**	**(19)**	**19**	**19**

	Carrying amount $000	-1% change		+1% change	
		Profit $000	Equity $000	Profit $000	Equity $000
2008					
Financial Assets					
Restricted cash and cash equivalents	509	(5)	(5)	5	5
Total increase/ (decrease)		**(5)**	**(5)**	**5**	**5**

Currency sensitivity analysis

In 2008, the PTA had an exposure to changes in foreign exchange rates resulting from the bus replacement program. Payment for bus chassis was made in Euros. PTA used forward exchange contracts in Euros (EUR) to hedge the risk. The derivatives asset was the net fair value of the contract and it comprised of assets of $14,343k and liabilities of $14,338k.

The following table represents a summary of the currency rate sensitivity of PTA's financial assets and liabilities at balance sheet date on the surplus for the period and on equity for a +/- 1% change in spot rate.

	Carrying amount $000	-1% change		+1% change	
		Profit $000	Equity $000	Profit $000	Equity $000
2008					
Financial Assets					
Derivatives	5	161	161	(136)	(136)
Total increase/ (decrease)		**161**	**161**	**(136)**	**(136)**

Fair Values

All financial assets and liabilities recognised in the balance sheet, 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.

notes to the financial statements

for the year ended 30 June 2009

	2009 $000	2008 $000
40 Supplementary financial information		
Write offs		
Public property written-off (i)	479	3
Revenue written off	1	6
	480	**9**
Losses through theft, defaults and other causes		
Losses of public monies and public and other property through theft or default	**3**	**7**
Gifts of Public Property		
Gifts of Public Property provided by the PTA	**6**	**0**
	489	**16**

(i) During the financial year $478,915 (2008: $2,644) was written off the PTA's asset register and $803 (2008: $6,307) of bad debts were written off. The PTA's asset register write off is mainly due to a relatively new bus destroyed by fire. PTA has received insurance compensation from Riskcover.

41 Events occurring after the balance sheet date

The PTA has not identified any material events after balance sheet date that would require adjustment or disclosure to be made.

42 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.

	2009 Actual $000	2009 Estimate $000	Variance $000
Income	186,390	162,600	23,790
Cost of Services	839,818	789,683	(50,135)
Net Cost of Services	**653,428**	**627,083**	**(26,345)**

Revenue

Revenue was $23.8 million (14.6%) above the estimate. The positive variations include the following significant items:

- Increased revenue from fares of $8.4 million;
- Increased revenue from External works recoveries of $4.7 million;
- Increase in rental revenue of $2.1 million;
- Foreign exchange gain on the appreciation of the Australian currency of $1.6 million;
- Increased service contribution revenue of $1.3 million due to joint ticketing of various sporting and entertainment events;
- Increase in infringement revenue of $1.2 million;
- Increase in interest revenue of $1.1 million;
- Smartcard sales of $0.9 million; and
- Increased revenue recouped from Department of Education and Training of $0.7 million.

Total cost of services

Cost of services for the year was $50.1 million (6.3%) above the estimate.

There were several significant positive and negative variations that contributed to this overall variation. These variations include:

- Increased depreciation of $27.3 million mainly due to a full year depreciation of the Mandurah line and revaluation of rail infrastructure assets;
- Increased Transperth bus costs of $18.8 million mainly due to increased fuel costs and bus contractor wages, security, depot maintenance (AS1940 compliance and CNG workshop upgrade to comply with Australian and International Standards), increased bus insurance and maintenance costs, SmartRider costs (partially offset by SmartRider card sale);
- Increased grant to Local Government of $5.7 million due to transfer of roads and associated infrastructure controlled by local government;
- Increased costs of $4.6 million related to railcar maintenance of the Australind and Prospector and provision of coach replacements during track works;
- Increased costs related to external works $4.4 million;
- Increased maintenance costs of 'A' series railcars of $3.8 million;
- Increased provision for remedial works related to contaminated sites $3.1 million;
- Increased station structures maintenance $2.1 million;
- Increased costs related to land management $2.2 million;
- Write off of discontinued capital projects $2.2 million;
- Notional charge for land valuation provided by Landgate $0.7 million;

Offset by:

- Reduced interest of $23.3 million due to lower than budgeted interest rate and the timing of the Capital works program.

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

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

	2009 Actual $000	2008 Actual $000	Variance $000
Employee benefits expense	110,226	97,228	12,998
Supplies and Services	176,295	154,827	21,468
Depreciation and amortisation expense	156,128	114,600	41,528
Grants and subsidies expense	313,610	332,086	(18,476)
Energy and fuel	13,835	11,420	2,415
Other expenses	10,549	8,579	1,970
User charges and fees	149,200	129,994	19,206
Other revenue	29,603	26,279	3,324
Commonwealth grants and contributions	286	28,112	(27,826)

notes to the financial statements

for the year ended 30 June 2009

Employee benefit expense

Increase in employee benefit expense due to a full year impact of the hiring of transit guards, train drivers and other personnel supporting the operation of the Mandurah line and the impact of new Enterprise Bargaining Agreements.

Supplies and Services

- Increased maintenance costs of 'B' series railcars and security costs for the full year of operations of the Mandurah line $4.8 million;
- Increased maintenance costs of 'A' series railcars of $3.8 million;
- Increased provision for remedial works related to contaminated sites $3.1 million;
- Increased bus fleet insurance and maintenance $2.5 million;
- Increased maintenance of road coaches to extend its useful life $2.3 million;
- Write off of discontinued capital projects $2.2 million;
- Increased cost of sales of $2.0 million due to increase in External works (this is offset by revenue).
- Increased security costs of $1.0 million for Transperth Bus services; and
- Notional charge for land valuation provided by Landgate $0.7 million.

Depreciation and amortisation expense

Increase in depreciation of $41.5 million is mainly due to the full year of Mandurah line including infrastructure and train stations and increased depreciation as a result of revaluation of assets to fair value.

Grants and subsidies expense

Decreased Grants and subsidies expense of $18.5 million are mainly due to:

- A one-off $37.1million expenditure for the concrete sleepering and loop extensions of the Eastern Goldfields Railway line last year; and
- Decrease of $2.6 million in grants for road infrastructure transferred to local government.

Offset by:

- $15 million increase for the Transperth bus operators mainly due to the full year operations of the Mandurah line including the increase in Bus contract cost as a result of feeder services connecting to the Mandurah line, increase in fuel and labour costs.
- $7 million increase in School bus services mainly due to increase in fuel and labour costs and additional costs of providing seatbelts.

Energy and fuel

Increase in energy cost mainly due to the full year operations of the Mandurah line and an increase in Electricity tariffs.

Other expenses

Increase mainly due to an increase in Workers compensation claims including mesothelioma disease.

User charges and fees

Increase due to fare increase and increased patronage on the Transperth system mainly due to the full year impact of the Mandurah line.

Other revenue

Increase in other revenue mainly due to the foreign exchange gain on the appreciation of the Australian currency, parking, infringements, external works and rental income.

Commonwealth Grants and contributions

In 2008/09, the PTA received $0.3 million from the national partnership agreement on certain concessions for pensioners and senior card holders, and in 2007/08, a one-off Commonwealth Grant of $28.1 million was received for the concrete re sleepering and loop extensions of the Eastern Goldfields Railway line.

43 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	
	2009 $000	2008 $000	2009 $000	2008 $000	2009 $000	2008 $000	2009 $000	2008 $000	2009 $000	2008 $000
COST OF SERVICES										
Expenses										
Employee benefit expenses	90,642	80,439	12,227	11,150	5,228	4,000	2,129	1,639	110,226	97,228
Supplies and services	142,536	125,742	22,337	20,536	3,292	2,193	8,130	6,356	176,295	154,827
Depreciation and amortisation expense	139,714	95,417	7,034	9,629	62	3	9,318	9,551	156,128	114,600
Finance costs	48,245	45,719	3,925	4,285	-	-	3,423	3,566	55,593	53,570
Grants and subsidies	225,313	214,977	-	-	87,065	80,009	1,232	37,100	313,610	332,086
Energy and fuel	11,229	8,920	2,605	2,497	1	-	-	3	13,835	11,420
Land rationalisation expense	-	-	-	-	-	-	2,751	2,014	2,751	2,014
Loss on disposal of non-current assets	826	782	5	-	-	-	-	-	831	782
Other expenses	8,773	5,205	1,103	907	548	226	125	2,241	10,549	8,579
Total cost of services	**667,278**	**577,201**	**49,236**	**49,004**	**96,196**	**86,431**	**27,108**	**62,470**	**839,818**	**775,106**
Income										
User charges and fees	136,615	117,608	10,145	10,379	2,440	2,007	-	-	149,200	129,994
Land rationalisation lease income	-	-	-	-	-	-	83	83	83	83
Operating lease revenue	-	-	-	-	-	-	5,383	5,383	5,383	5,383
Commonwealth grants and contributions	286	-	-	-	-	-	-	28,112	286	28,112
Interest revenue	-	-	-	-	-	-	1,835	2,058	1,835	2,058
Other revenue	15,512	13,650	28	63	9	66	14,054	12,500	29,603	26,279
Total income other than income from State Government	**152,413**	**131,258**	**10,173**	**10,442**	**2,449**	**2,073**	**21,355**	**48,136**	**186,390**	**191,909**
NET COST OF SERVICES	**514,865**	**445,943**	**39,063**	**38,562**	**93,747**	**84,358**	**5,753**	**14,334**	**653,428**	**583,197**
INCOME FROM STATE GOVERNMENT										
Service Appropriation	516,515	467,865	36,488	37,340	94,703	89,361	-	1,233	647,706	595,799
Resources received free of charge	-	-	-	-	-	-	710	2,041	710	2,041
Contributions – Other Government Agencies	1,007	1,077	-	-	-	-	-	-	1,007	1,077
Total income from State Government	**517,522**	**468,942**	**36,488**	**37,340**	**94,703**	**89,361**	**710**	**3,274**	**649,423**	**598,917**
Surplus/(deficit) for the period	**2,657**	**22,999**	**(2,575)**	**(1,222)**	**956**	**5,003**	**(5,043)**	**(11,060)**	**(4,005)**	**15,720**

44 Remuneration of auditor

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

	2009 $000	2008 $000
Auditing the accounts, financial statements and performance indicators	**143**	**143**

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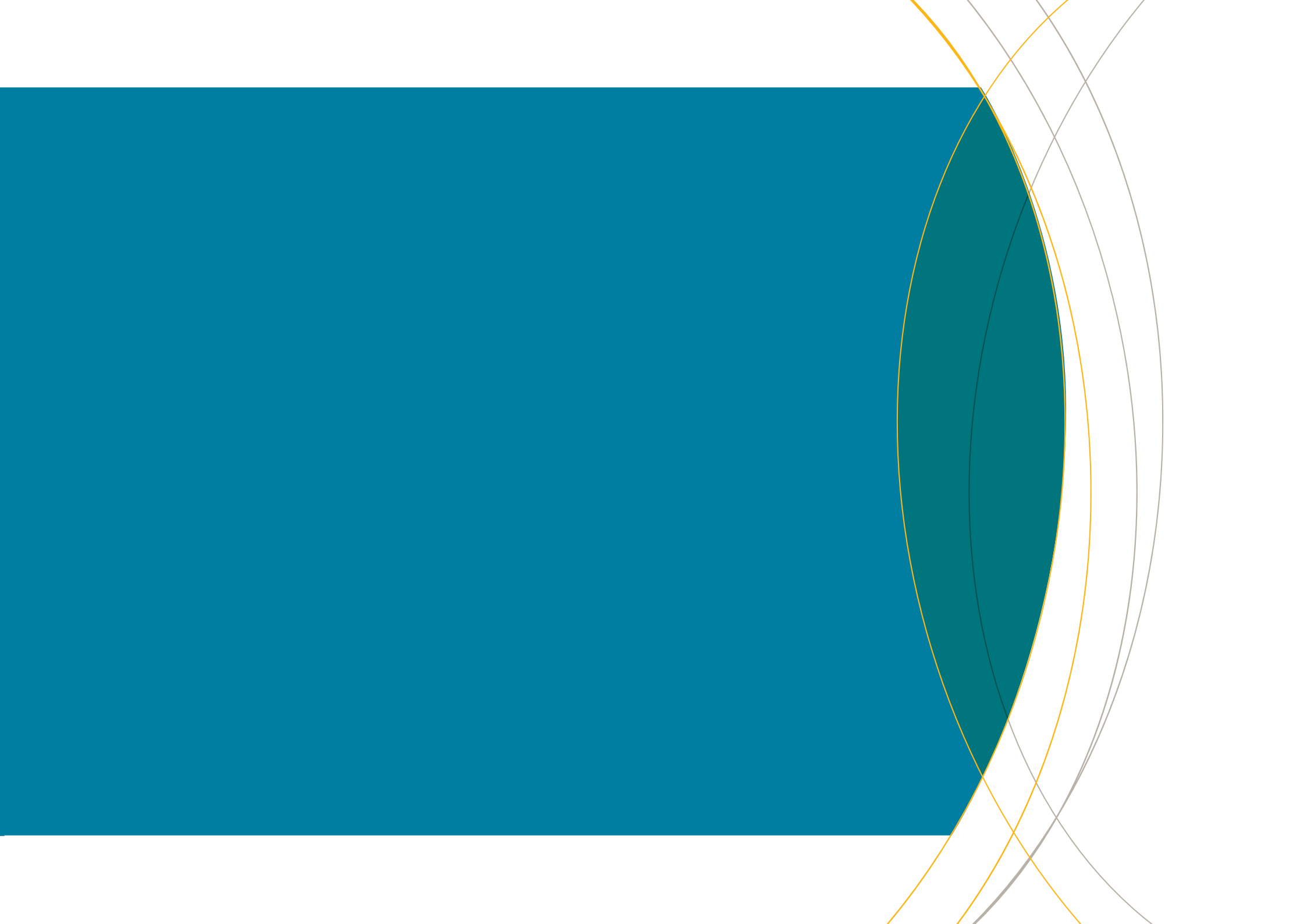

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