Public Transport Authority

Annual Report 2014-15

To the Hon. Dean Nalder MLA
Minister for Transport

In accordance with Section 63 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 2015.
The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.

Reece Waldock
Chief Executive Officer

About this report

In this report, the PTA fulfils its reporting obligation by identifying the relevant strategic outcomes and its contribution to them in 2014-15 through:

- operational reports which show the effectiveness and efficiency of our transport services (pages 23-86).
- compliance reports (pages 87-109).
- audited key performance indicators report (pages 110-132).
- audited financial report (pages 133-212).

The purpose of this report is to provide our customers and community with information about our organisation, as well as operational and financial performance for the 2014-15 financial year.

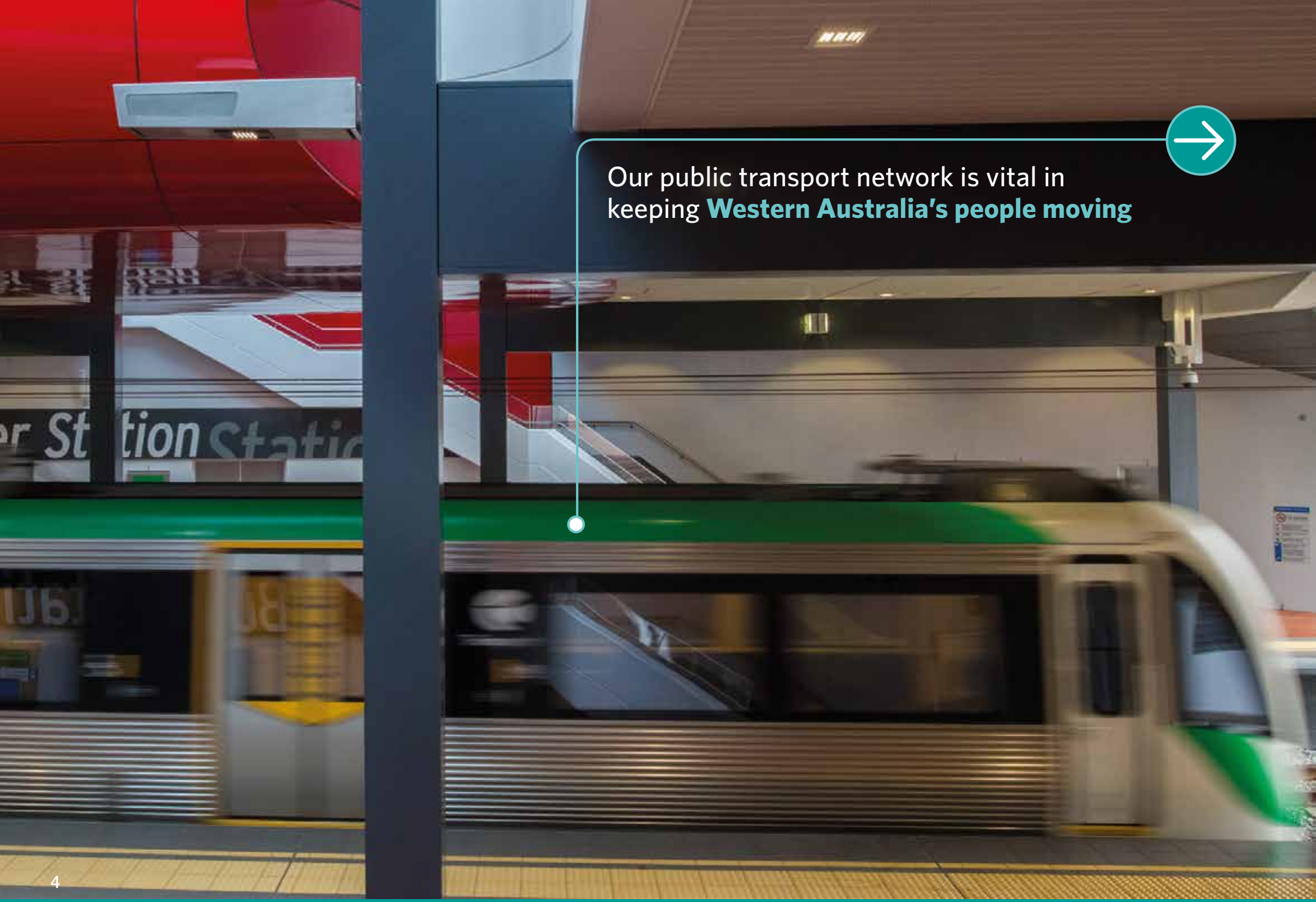
Measuring effectiveness and efficiency

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

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

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

For the second outcome, success results from quality management of the railway corridor and residual issues of the rail freight network, which was leased to private sector operators in 2000.



Our public transport network is vital in keeping **Western Australia's people moving**

Chief Executive Officer's overview

An integrated transport system is ultimately about choice, giving travellers the choice to travel by public transport, to cycle or to drive to get where they need to go.

Our public transport network is vital in keeping Western Australia's people moving and to creating a socially and economically viable community while reducing our carbon footprint.

Evidence of our integrated network investment includes the successful project to extend the Joondalup Line 7.5km north to Butler.

This vital step has linked communities in the growing northern suburbs to the wider public transport network, and is supported by the Government's railcar order – now 50 per cent complete – taking pressure off the Mitchell Freeway and giving more people a choice to use sustainable transport.

Going forward, the $2 billion Forrestfield-Airport Link will open up Perth's eastern suburbs to the rail network for the first time and give Perth Airport users improved public transport options.

It was a big year for the second stage of the Perth City Link project – the underground Perth Busport. This project is progressing on time and on budget, with a planned opening in the first half of 2016.

As this iconic project draws to a close, construction of the $105m Aubin Grove Project is expected to begin in late 2015.

The Public Transport Authority and portfolio partners the Department of Transport and Main Roads are also committed to planning and prioritisation and better integration and optimisation of our transport network to ensure it can meet future growth and demand.

Work has commenced on the *Perth Transport Plan for 3.5 million People and Beyond*, which will look at options for roads, river crossings, mass transit, cycling, demand management and future technologies and I look forward to finalising this important planning document in 2016.

This long-term vision for Perth's transport network will be complemented by the Perth Central Area Transport Plan, which outlines a 10-year strategy for the CBD and surrounding key destinations and activity centres.

Both plans will look at innovative ways to manage traffic demand across the network – a key priority now and in the future.

At the core of everything we do at PTA and across the wider transport portfolio are our travellers – our community. Together, we will continue to strive to deliver the best integrated and intelligent transport services to get each and every West Australian where they need to be as safely and efficiently as possible.

Reece Waldock
Chief Executive Officer

Managing Director's overview

For the past couple of years, this overview has been dominated by patronage numbers, which is probably appropriate for an organisation whose core business is moving people around. The ultimate measure of how well we are doing must therefore be how many people we carry each year.

Two years ago, things were rosy. Total boardings – which encompasses paid and unpaid boardings, transfers and all forms of concession travel, and which is the most widely-watched metric in our business – were nudging 150 million after more than a decade of unremitting solid growth. In 2003, when the PTA came into being, boardings totalled 90.6 million, of which rail was 31.1m; by 2012-13, the respective figures were 149.7m (up 65 per cent) and 65.7m (up 111.25 per cent).

However, the past two years have seen a slowing in patronage growth.

Last year, total boardings fell to 147.641m, with the slide entirely due to a lower rail figure. The impact of two major rail shutdowns early in the financial year to accommodate some significant Perth City Link works, was exacerbated by some economic factors which proved to be early indications of a contraction in the resources sector.

This continued in the year under review as the ripples of the mining downturn spread across the wider business sector. One outcome has been a drop in the number of people working in the CBD – also reflected in lower City of Perth parking revenues – thus weakening Transperth Trains' core market base: commuters. Another has been a reduced population growth rate after several years of unparalleled increases, which also shows up as a lower level of demand for our services.

Despite this, public transport still managed to record a small increase in 2014-15, with total boardings up a marginal 0.8 per cent at 148.762m. Bus and train numbers both rose slightly, though the ferry was down (off a small base). The recovery was helped by a couple of special events, most notably the ANZAC Centenary celebrations (the fleet departure event at Albany late in 2014 as well as the ANZAC Day events in April) and the visit of The Giants in February as part of the Perth International Arts Festival.

During the year we finished one major rail project – the extension to Butler and the opening of a magnificent new station – and made significant (early) progress on two more – the new Perth Stadium transport solution, and the Forrestfield Airport Link.

The new train station at Aubin Grove and the Edgewater multi-storey car park will begin to take shape next year.

At balance date we were about half-way through deliveries of 66 new railcars (22 three-car sets), with budget put aside to plan and prepare an order for a further 300 next-generation railcars (50 six-car sets), deliveries of which will start in 2019.

On the bus front, as well as increased operating budget, big numbers of new diesel buses were acquired under the current order with Volvo, including a number of Euro6 articulated buses. This is better than the current Australian requirement (Euro5), putting WA well ahead of the clean green transport curve. More significantly, much progress was made on the new, state-of-the-art underground Busport (also part of the Perth City Link project), which is well on track for a mid-2016 opening.

This dual emphasis on buses and trains is very strategically sound. A modern, well-designed public transport system relies on direct, mass rapid transport to do the heavy lifting, and supports it with a comprehensive feeder network.

This particularly suits a linear city like Perth, where our low population density and high car dependence creates a challenging environment for public transport.

I was particularly pleased late in the financial year when national pollster Canstar Blue announced that Transperth had won its City Trains – Most Satisfied Customers survey for the fourth time (out of the four surveys it has conducted over the past five years). Transperth was awarded the maximum five-star rating in six of the eight categories. There was only one other five-star rating awarded anywhere else in Australia. This echoed the results of our own Passenger Satisfaction Monitor, which returned record high levels of customer satisfaction across the board.

Such results are a fitting testament to the PTA's most valuable resource – the great people who work here.

Mark Burgess
Managing Director

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1. Corporate snapshot

1. Corporate snapshot

1.1 Organisational profile

Introduction

The Public Transport Authority of Western Australia 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, 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 rail corridor and railway infrastructure.

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

Corporate plan

Vision

To be recognised as a leader in providing world-class public transport services and solutions.

Purpose

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

Values

The PTA is dedicated to building a constructive organisational culture which attracts, retains and develops the right people with the right skills into the right jobs.

The PTA's values guide our efforts to create the organisation and workforce we need to meet current and future challenges.

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

Key Result Areas

The PTA has identified five Key Result Areas (KRAs) to ensure we are focussed on realising our vision. Each KRA contains goals to guide the prioritisation, development and implementation of strategies to achieve our KRAs. We will:

- Improve system and service resilience through the strategic management of all critical assets.
- Secure a workforce with the right capabilities and attitudes.
- Provide public transport services that meet community demand and customer expectations.
- Make strategic and timely decisions through the use of integrated information and knowledge management systems.
- Apply communication strategies to improve patronage and increase customer satisfaction.

"We consider the long-term impact of everything we do – economic, social and environmental."

Customer Service Charter

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

- We are 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.
- We will plan and review passenger transport services in consultation with the community to get the best results.
- We will plan and provide transport systems that respect the environment and improve sustainability.

To help us improve our services we maintain an InfoLine for feedback, 13 62 13, and our websites, **www.pta.wa.gov.au**, **www.transperth.wa.gov.au** or **www.transwa.wa.gov.au**


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1.2 How we operate

The PTA is responsible for:

- Rail, bus and ferry services in the metropolitan area (Transperth)
- Public transport services in regional centres
- Coach and rail passenger services to regional areas (Transwa)
- School bus services
- Designing, building and maintaining transport infrastructure

The PTA aims to increase the use of public transport through the provision of customer-focussed, safe and cost-effective passenger transport services.

"The PTA is responsible for designing, building and maintaining transport infrastructure."

Major entities within the PTA

Service provision

The PTA operates four major service systems in Western Australia:

Transperth

The Transperth integrated public transport network is centrally-controlled, planned, marketed and coordinated by the Transperth division of the PTA. Transperth has a range of contracted service providers including Transperth Train Operations (a separate PTA division), three contracted bus companies, one contracted ferry operator and numerous ancillary contracts such as cleaning, maintenance, signage, ticketing and printing.

Transwa

The Transwa division operates four regional rail services (Australind, Prospector, MerredinLink and AvonLink) and a fleet of coaches to regional WA. Transwa services more than 240 locations in WA.

Regional Town (Bus) Services

The small RTBS team manages contracted intra-town and inter-town bus services operating in regional centres around the State.

School Bus Services

The SBS branch plans school services in WA and contract-manages their delivery by contracted school bus operators. SBS manages more than 950 'orange' school bus contracts around Western Australia.

Infrastructure delivery

The N&I division is responsible for managing and maintaining WA's metropolitan railway infrastructure; and Safety and Strategy for protecting the long-term viability of the State's freight rail corridor and infrastructure, with input also from N&I and IPLS.

Other N&I works include:

- Signal and crossing maintenance
- Resleepering and ballasting tracks
- Upgrading and improving accessibility of station facilities
- Planning and constructing expansion of the rail network

Most major new infrastructure is planned by IPLS, with the actual construction carried out through the Major Projects Unit.

1.3 Year's highlights

ANZAC Centenary – a job well done

This year's ANZAC Centenary celebrations saw record crowds attend dawn services around the country, with hundreds of thousands of Australians turning up to pay their respects to servicemen and women both past and present. Transperth was there to ensure the public made it safely and efficiently to ANZAC Centenary events. With free travel across the network on ANZAC Day, along with an increase in services, more than 265,000 passengers used Transperth services during the weekend.

▶ see story p33

Transperth rail services voted best in the nation

Transperth won *City Trains – Most Satisfied Customers* award for the fourth time – in other words, every time the survey has been conducted over the past five years.

▶ see story p69

Euro 6 buses for a greener future

Once again, Transperth has embraced newer and greener technology, with the introduction of 70 new Volvo Euro 6 articulated buses to our fleet. A $58.5 million investment by the State Government will see the world's cleanest diesel buses introduced over five years, replacing some of the fleet's oldest buses and placing Western Australia at the forefront of clean public transport. The first of the Euro 6 buses was officially handed over to the PTA in early 2015 after extensive testing and optimisation in both Sweden and Perth.

▶ see story p43

SmartParker – freeing up bays for our customers

To ensure Transperth car parks are reserved for the use of patrons, from July 1 2014, the SmartParker system was introduced. A $2 per day parking fee was rolled out across the network, with some clever initiatives to ensure that patrons are indeed using Transperth services. By encouraging patrons to link their vehicle registration with their SmartRider to pay for parking, the SmartParker system is a highly-efficient way to ensure that parking bays will remain available for Transperth customers.

▶ see story p86

Keeping fare evasion at bay

With fare evasion rates up to 10 times lower than other cities, how does Transperth manage to discourage potential fare evaders? With watchful Transperth staff and the state-of-the-art SmartRider ticketing system, we've managed to ensure Transperth experiences the lowest rate of fare evasion in Australia.

▶ see story p77

Right Track program and Banksia Hill Juvenile Detention Centre

The PTA's Right Track program (a targeted education program and community outreach initiative to promote responsible and positive choices around public transport) continued to grow in 2014-15 by working with the Banksia Hill Detention Centre (BHDC) on a joint program. A three-week, six-session education program, specifically developed for high-risk young people, was delivered at the BHDC, including a three-week Urban Art program which tackles the issue of graffiti vandalism.

▶ see story p64

Passenger Satisfaction Monitor – our best ever results

The PTA's annual Passenger Satisfaction Monitor is Australia's biggest and longest-running public transport passenger survey. After extensive interviews of 4300 regular Transperth passengers, the 2015 survey has revealed our best-ever results, with all-time high levels of satisfaction across all transport modes.

▶ see story p39

School bus services – Year Seven transition

For the first time in WA, the start of 2015 saw a new school arrangement where Year Seven students were transitioned from primary school to high school as part of a restructure to the public education system. After intensive operational planning and logistical changes to both SBS' orange school bus arrangements as well as Transperth's metro-area school bus services network (the most significant ever undertaken), the PTA was there to assist the smooth transition of primary school students to secondary school across the state.

▶ see story p82

1.4 Service and financial achievements

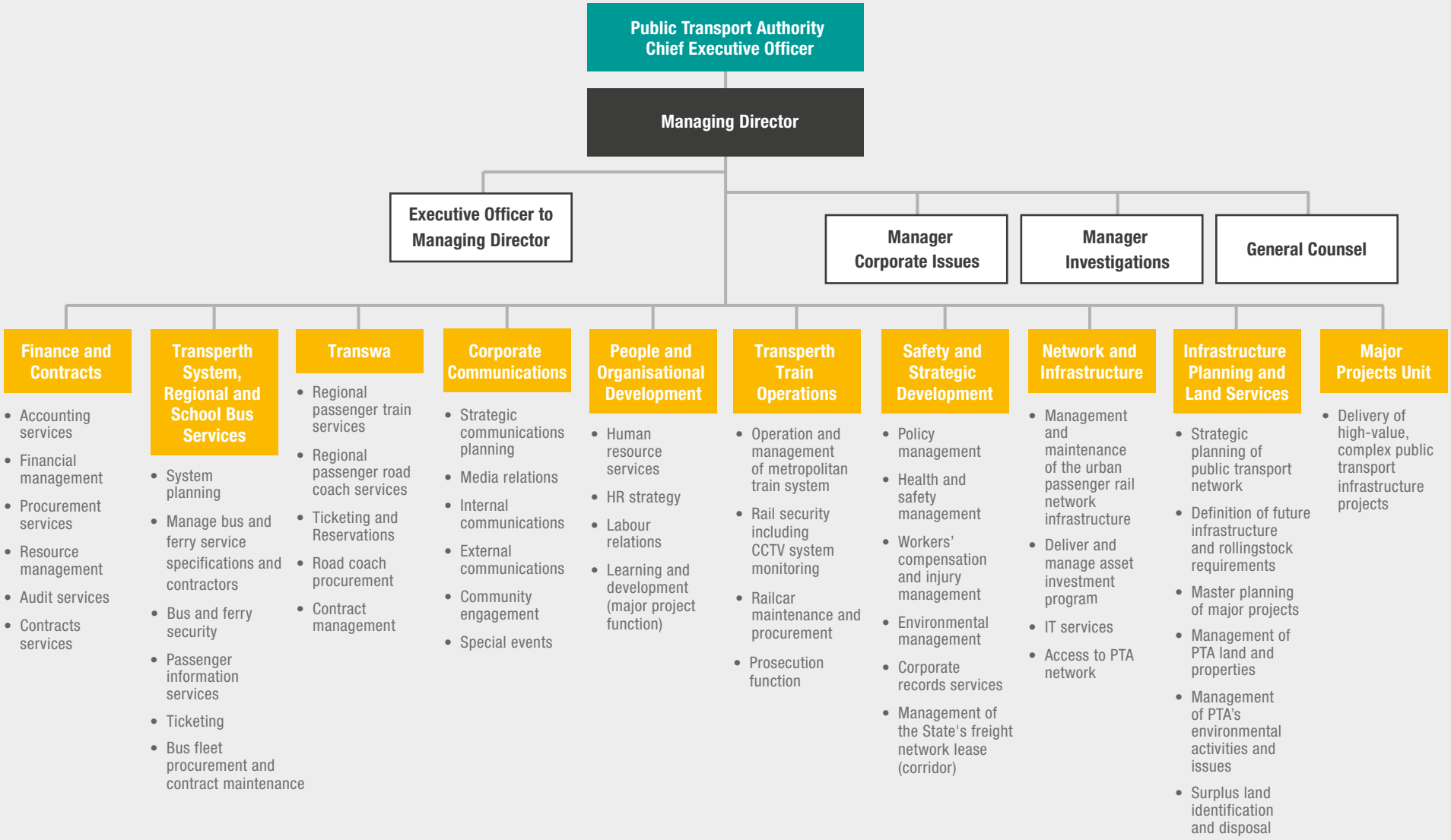
During the 2014-15 financial year, the PTA delivered public transport services to the people of Western Australia at a cost of $1267.454 million. The graphs below show how these funds were spent across each service. Refer to the individual sections of Review of Performance by mode for further details on expenditure by services.

Expenditure by service for 2014-15	$ million
Transperth metropolitan bus and ferry operations	464.774
Transperth train operations	488.395
Regional bus operations	17.361
Country passenger rail and road coach services	46.664
Regional school bus services	124.586
Rail corridor and residual freight issues	125.674
	1267.454

Expenditure by type for 2014-15	$ million
Employee benefits expense	158.495
Supplies, services and energy	268.310
Depreciation and amortisation	279.938
Finance costs	83.588
Bus, ferry and regional bus operators	359.506
School bus operators	117.617
	1267.454

Revenue and funding sources	$ million
State	740.108
User charges and fees	214.295
Other income	56.760
	1011.163

1.5 Organisational structure



Executive team profiles

Reece Waldock

Chief Executive Officer

Appointed as the head of the State Government's three transport portfolio agencies in May 2010, Reece holds a unique leadership position within the WA public sector, as Director General of the Department of Transport (DoT), Commissioner of Main Roads WA and Chief Executive Officer of the Public Transport Authority.

In this capacity, he is responsible for setting the strategic direction of transport in the State, shaping the development of a number of major integrated transport plans and leading the implementation of some of WA's most transformational capital projects.

With more than 35 years' experience in strategic management with particular expertise in organisational reform, his appointment as DG of Transport culminated a 20-year journey within various State Government transport agencies, with 14 years as a CEO. Before his public sector career, he held a number of senior management roles with BHP.

Reece is also a commissioner of the Western Australian Planning Commission, a board member of Lifeline WA, and a director of the Australian Urban Design Research Centre.

Mark Burgess

Managing Director

Mark has gained extensive logistics, transport and people management skills through 21 years in the army and 18 years in senior public transport management roles.

He joined the PTA at its formation in 2003, after six years with DoT and the Department for Planning and Infrastructure (DPI) when Transperth was managed under those agencies.

As Managing Director, Mark is responsible for the day-to-day operations of the PTA. Before moving to this position five years ago, he was Executive Director of the Transperth system – Perth's integrated bus, train and ferry system – for 12 years.

Pat Italiano

General Manager Transperth Train Operations

In a 42-year career in public transport, Pat has acquired considerable expertise in business and strategic management, risk management, procurement and audit. Since 1995 he has been a leading player in running the Transperth urban passenger rail network, and became GM of TTO in 2004.

Pat has direct line responsibility for all customer service personnel, train controllers, train drivers, service planners, depot staff, rollingstock procurement and maintenance (diesel and electric), and security personnel. He is responsible for promoting and managing the delivery of urban passenger rail to the highest customer service standards and is committed to ensuring the successful integration and delivery of expansions to the network.

Professionally, Pat is a qualified accountant, with a Bachelor of Business majoring in accounting and economics, and a post-graduate diploma in accounting; and is a Certified Practising Accountant.

Richard Wales

General Manager Network and Infrastructure

Richard joined the PTA in March 2014 from the British rail industry where he was the head of engineering for enhancement projects for the UK Rail Infrastructure Manager. He is a Chartered Electrical Engineer and has worked in the rail industry for 24 years.

Richard previously held roles in the private sector as general manager responsible for maintenance, and as a business development manager for an engineering consultancy operating globally, delivering projects and growing the business.

Richard's responsibilities include the asset management of the railway infrastructure and the provision of IT services to support the PTA's operations.

Tim Woolerson

General Manager Transwa

Twenty-one years in the military provided Tim with extensive logistics and management skills along with an Associate Diploma in Engineering Maintenance. Tim joined the PTA 10 years ago as Transperth Fleet Manager after six years in the private sector working in the vehicle fleet management field. For the last three years Tim has been the General Manager of Transwa.

In his current role he is responsible for the delivery of customer-focussed, safe and cost-effective transport services through the regional train and road coach network, the maintenance of infrastructure, and the management of contracts associated with these services.

Martin White

Executive Director Transperth System, Regional and School Bus Services

Martin joined the PTA in 2006 from the Eastern Goldfields Transport Board (trading as TransGoldfields), where he was general manager. He has 25 years' experience in public transport, having previously worked in both DoT and DPI. He is a qualified accountant and has a post-graduate qualification in management.

He is responsible for managing, coordinating and marketing the Transperth system, comprising commercial bus contractors, a commercial ferry contractor and the urban passenger rail services. His role is also responsible for the management of Regional Town Bus Services and School Bus Services throughout WA.

Kevin Kirk

Executive Director Finance and Contracts

Kevin has more than 40 years' experience in public service and has held senior roles in Main Roads WA and DoT. He holds a Bachelor of Business (Accounting) degree and is a CPA and a fellow of the Institute of Public Accountants. His professional interest is in the areas of financial management, business performance and procurement.

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

David Browne

Executive Director Safety and Strategic Development

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

He is responsible for the provision of strategic services in safety, policy, business and information management, workers compensation, risk management, disability access, environment, emergency management and strategic planning, as well as the management of the freight rail network leases and the PTA's involvement in freight rail network development initiatives.

Brian Appleby

Executive Director People and Organisational Development

Brian joined the PTA in February 2008, bringing more than 30 years' experience in labour relations, human resource management, workforce services and learning and development.

After beginning his career in the private sector, Brian undertook a range of roles as an operative, operational manager and director in key public sector agencies and central Government departments. He has a post-graduate qualification in industrial relations and is a former Australian Army Reserve officer. He is vice-chair of the Logistics Training Council and a member of the Australasian Railways Workforce Development Committee.

Along with his responsibility for strategic people management, Brian oversees the delivery of functional human resource services for the PTA's people.

Ross Hamilton

Executive Director Major Projects

Ross has worked for Westrail and the PTA for 28 years in various roles including construction, planning, land rationalisation and maintenance. With the inception of the PTA he worked as manager of track and civil infrastructure, then took over the construction of the Mandurah railway through the critical commissioning phase for the commencement of services in December 2007.

In recent years Ross has overseen the completion of the Perth City Link Rail Project which includes the sinking of the Fremantle Line through Northbridge to allow the removal of the barrier between the city and Northbridge. He also oversaw the extension to the Joondalup Line from Clarkson to Butler, which has increased the PTA's network by 7.5km and has already met the expected patronage targets for 2016.

In his existing role, he is responsible for the delivery of major projects for the PTA and is continuing work on the Perth City Link Bus Project, the transport infrastructure component of the new Perth Stadium project, the new Aubin Grove Station and the multi-storey car park at Edgewater Station.

With the Forrestfield-Airport Link now moving into the procurement stage, the complexity of this project also sees it being managed from within the Major Projects Unit. This includes the construction of the new depots to house the C-Series railcars required to service the extension of Transperth's services into the new Forrestfield Airport Link.

Peter Martinovich

Executive Director Infrastructure Planning and Land Services

Peter began his railway career with WAGR as a junior clerk in 1964 and graduated as an engineer in Westrail's Civil Engineering branch in 1974. He returned to this branch after a two-year secondment with the Australian Railways Research and Development Organisation in Melbourne in the early 80s.

In 1987, he was appointed Maintenance Engineer in the Civil Branch. After serving in the position of Planning Engineer Northern Suburbs Railway, Peter rose to the position of Principal Engineer Planning and Permanent Way.

He then became Manager, Transit Planning with the DoT in 1995, and set up and led the team which developed the South West Metropolitan Railway and Northern Suburbs Extension Master Plans. He was appointed Deputy Project Director of New MetroRail in 2003. After completion of the NMR Project in 2007, he was appointed Director of Railway and Infrastructure Planning within the PTA's Network and Infrastructure division.

In 2009, he was appointed Executive Director of the newly-formed Infrastructure Planning and Land Services division. Peter plans to retire early into the next financial year, capping off over 50 years of service to the rail industry.

David Hynes

Manager Corporate Communications

David brought a wealth of both strategic and practical communications experience to the PTA (then WAGR) when he joined the organisation in 2003 and has been a significant contributor to its communications activities, especially media relations, since then. Immediately prior to his appointment he had been working as a Government media adviser to a senior Cabinet Minister.

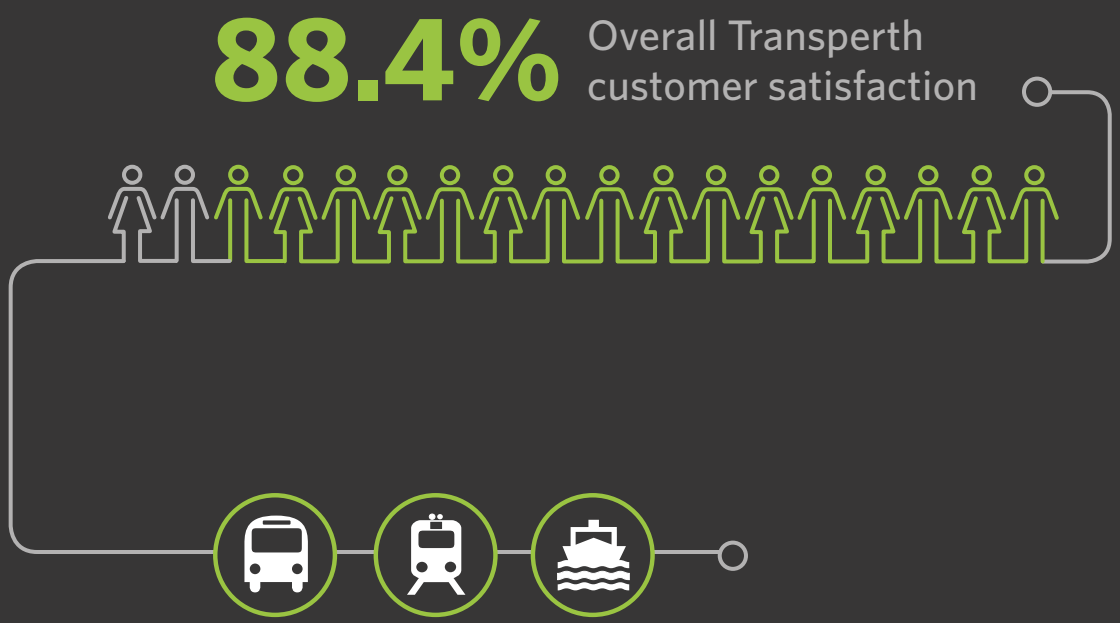
He had previously worked as a freelance journalist, writing for a range of national and international publications, and ran his own public relations consultancy, providing high-level strategic advice to a large number of clients. This followed a 20-year career at WA Newspapers working on the Daily News, Weekend News and Countryman, culminating in a three-year stint as Business and Finance Editor of The West Australian.

2. Operational Report

2. Operational Report

2.1 Customers and community

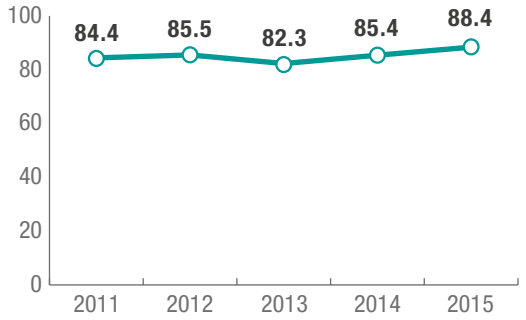
An independent market research organisation is commissioned to undertake annual Passenger Satisfaction Monitors (PSMs) to assess the level of passenger satisfaction with various aspects of Transperth and Transwa services. The survey conducts detailed face-to-face interviews with regular public transport users, covering all the main demographics.



Transperth

The Transperth PSM, which has been running for 24 years, surveyed more than 4300 passengers, covering all modes, all the bus contract areas and all the rail lines.

Transperth: Level of overall customer satisfaction (per cent)



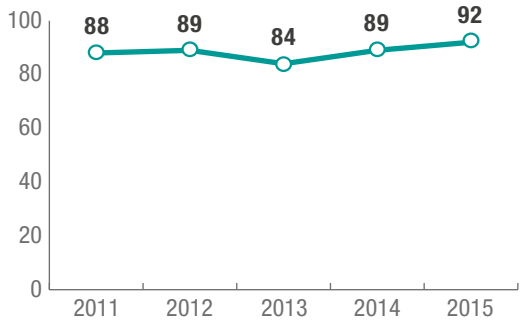
Overall customer satisfaction with Transperth services system-wide (calculated as the weighted average across all modes) recorded a marked improvement in 2015, increasing 3.5 per cent to 88.4 per cent of users from 85.4 per cent in 2014.

Transperth trains

The Transperth train component of the 2015 PSM interviewed 1008 train passengers. The sample consisted of adults aged 18 years and older, residing within the Perth metropolitan area who were current users of Transperth train services and travelled on train services at least once per fortnight. School students were excluded.

The results showed that the proportion of train passengers who were satisfied with Transperth train services overall increased for the second successive year with 92 per cent of users expressing satisfaction in 2015. This was an increase of 3.4 per cent compared with 89 per cent satisfied users in 2014. This also followed the significant six per cent improvement achieved in 2014 over 2013 when the proportion of satisfied users was 84 per cent.

Transperth trains: Level of overall customer satisfaction (per cent)



Among peak passengers, 91 per cent expressed satisfaction in 2015, a 4.6 per cent increase; among off-peak passengers, it was 93 per cent (91 per cent in 2014). The proportion of passengers who were dissatisfied overall fell to its lowest level to two per cent (previously three per cent).

The main reasons for dissatisfaction were “need extra carriages” and “too crowded in peak times”. To address these issues, the PTA has ordered 66 B-Series railcars (22, three-car trains), of which 33 new railcars (11, three-car trains) have been delivered and were in service during the year. These additional railcars were used to increase the number of six-car trains in operation.

The importance rating of the key service characteristics of Transperth train services (other than passenger safety) and the respective levels of satisfaction are as follows:

Service characteristic	Importance rating %		Satisfaction (dissatisfaction) rating %	
	2014	2015	2014	2015
Cost of fares	72	72	52 (16)	48 (15)
Punctuality	63	60	95 (1)	94 (3)
Cleanliness on board	48	57	90 (3)	91 (2)
Speed of the trip	66	55	93 (2)	92 (2)
Availability of seats	56	55	73 (17)	78 (14)
Service frequency weekdays	48	53	83 (6)	77 (10)
Service frequency peak times	43	53	82 (11)	81 (10)
SmartRider		39		97 (1)

In 2015, as in 2014, most respondents rated “cost of the fares” the most important service characteristic. The satisfaction levels fell slightly to 48 per cent in 2015 (from 52 per cent).

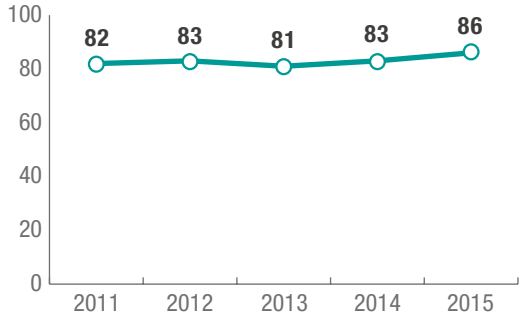
The service characteristic “time waiting for connecting bus” in the 2014 list was replaced by “SmartRider” rated as one of the most important by 39 per cent of the respondents. The proportion of train users who were satisfied with this service characteristic was 97 per cent.

Transperth buses

The 2015 PSM interviewed 2409 regular bus patrons and 704 Central Area Transit (CAT) bus users. The proportion of bus users who expressed overall satisfaction with all Transperth bus services increased for the second successive year reaching 86 per cent, an increase of 3.6 per cent over the 2014 result, which marked an improvement of 2.5 per cent over 2013.

At eight per cent (unchanged from last year), the dissatisfaction rating was the consecutive lowest in the 20 years since bus services have been contracted out. The main reasons cited for dissatisfaction also remained unchanged and were “infrequent services”, “buses never on time”, “insufficient off-peak services”, “buses and trains don’t connect well”, and “rude drivers”.

Transperth buses: Level of overall customer satisfaction (per cent)



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Service characteristic	Importance rating %		Satisfaction (dissatisfaction) rating %	
	2014	2015	2014	2015
Punctuality	70	68	76 (13)	78 (12)
Cost of fares	58	64	56 (13)	56 (13)
Shelter provided at the bus stop	53	54	74 (17)	78 (15)
Cleanliness on board	43	52	94 (1)	94 (2)
Service frequency weekdays	54	48	71 (18)	71 (18)
Bus drivers' handling of the bus		47		87 (3)
Speed of the trip	43	47	89 (4)	92 (3)
Ease of connecting between buses and trains		44		89 (6)

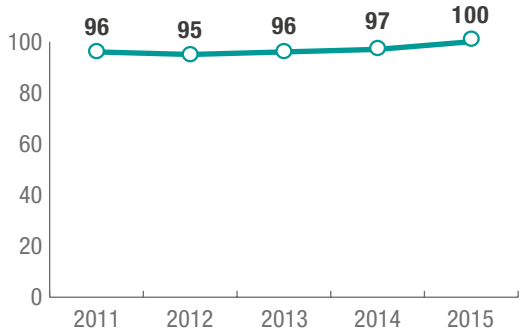
Two new service characteristics "bus drivers' handling of the bus" and "ease of connecting between buses and trains" entered the list in 2015 while "availability of seats" and "service frequency at peak times" dropped out.

Transperth ferries

The 2015 PSM surveyed 200 ferry patrons (divided equally between Perth residents and visitors).

The results over the year have shown that a very high proportion of passengers express satisfaction with the ferry service overall. In 2015, for the first time, the level of overall customer satisfaction reached 100 per cent.

Transperth ferries: Level of overall customer satisfaction (per cent)



The importance rating of key service characteristics (other than passenger safety) and the respective levels of satisfaction are as follows:

Service characteristic	Importance rating %		Satisfaction (dissatisfaction) rating %	
	2014	2015	2014	2015
Cost of the fare	73	73	82 (2)	84 (1)
Cleanliness on board	75	66	100 (0)	99 (0)
Service frequency weekdays	58	66	71 (18)	87 (5)
Punctuality	64	65	99 (0)	98 (1)
Speed of the trip	55	55	99 (0)	98 (1)
Availability of seats	53	54	100 (0)	100 (0)
Shelter at the jetty	48	49	83 (12)	81 (12)
Availability of timetables		41		70 (2)

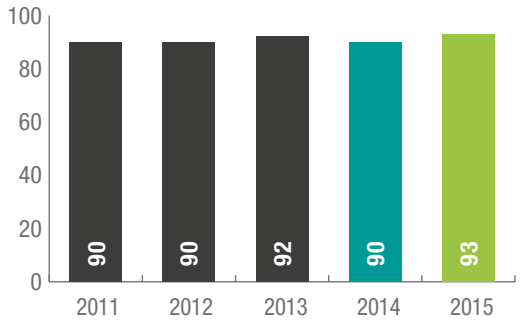
A new service characteristic, “availability of timetables” identified by 41 per cent of respondents entered the list in 2015, with 70 per cent of users satisfied, replacing “service frequency peak times”.

Transwa

The Transwa PSM has been running for 13 years and surveyed 1502 passengers, covering road coach operations as well as all the rail services.

Overall customer satisfaction was maintained at a very high level. The Transwa PSM showed that 93 per cent of passengers were either satisfied or very satisfied with service performance.

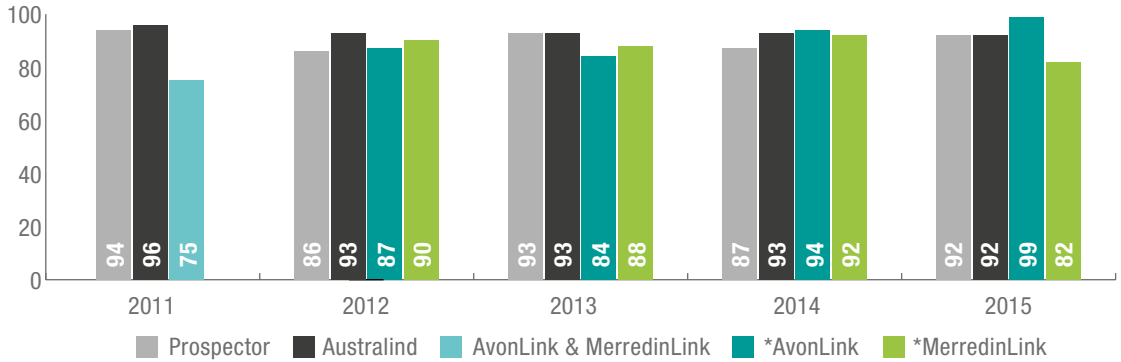
Transwa: Level of overall customer satisfaction (per cent)



Transwa trains

There were excellent satisfaction levels for our trains - the AvonLink rating jumped to 99 per cent (previously 94). A major contributing factor to the significant increase was the introduction of the additional Midland to Northam services, on December 1, 2014. The Australind remained high but dropped one per cent from the previous year to 92 per cent, while the Prospector approvals increased significantly to 92 per cent (previously 87). The MerredinLink dropped significantly to 82 per cent (previously 92); this drop is attributed to the decrease in services to one return service per week.

Transwa trains: Customer satisfaction (per cent)

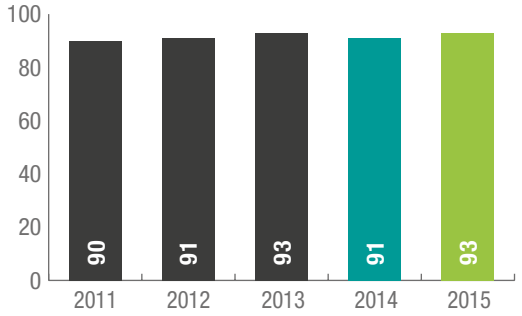


*Note: Before 2012 AvonLink and MerredinLink results were combined.

Transwa road coaches

The road coaches also enjoy a consistently high satisfaction level, with 93 per cent of customers happy with road coach services.

Transwa road coaches: Customer satisfaction (per cent)

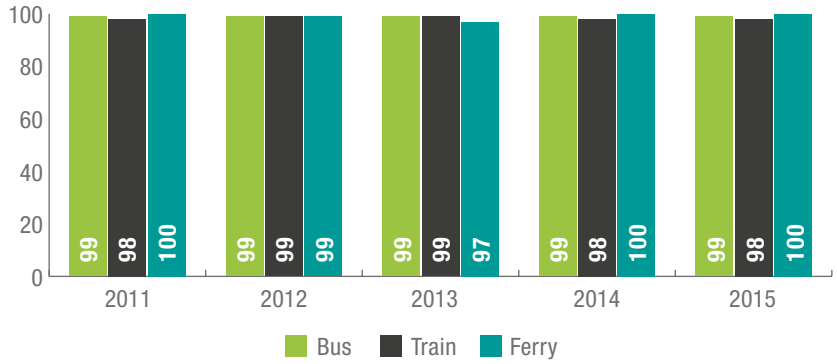


Customer safety and security

The PSM assesses customer perceptions of safety during the day and at night, waiting for and aboard the (bus/train/ferry) service. Across the modes, virtually all passengers feel safe (aboard or waiting) during the day.

Transperth: Customer safety (per cent)

Proportion of respondents who generally feel safe on board during the day.

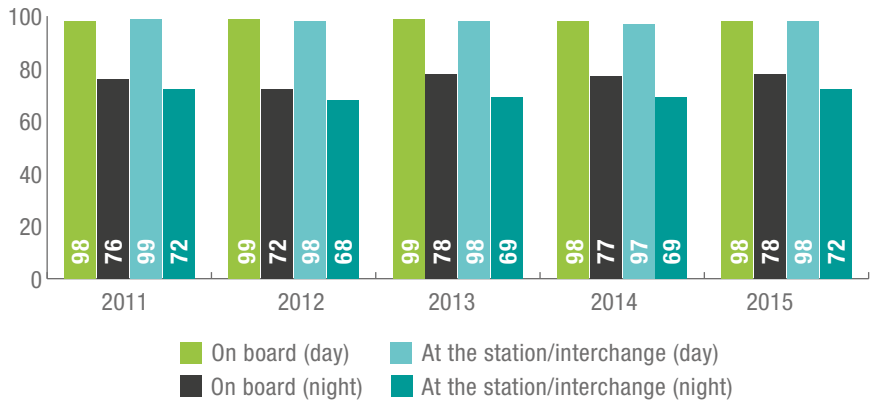


Transperth trains

The 2015 PSM asked train users: *Thinking about the issue of personal safety whilst using the service, that is how safe you feel from personal interference or threat from other passengers, how safe do you generally feel?*

The following chart shows the proportion of respondents who *"always or usually feel safe"* on the train system.

Transperth trains: Customer perception of safety (per cent)



The proportion of users who said they felt safe on board at night increased marginally to 78 per cent (from 77), while the proportion feeling safe at the station/interchange at night increased to 72 per cent (from 69).

During the day, the proportion feeling safe on board and at the station/interchange was 98 per cent in each case (compared with 98 per cent and 97 per cent respectively).

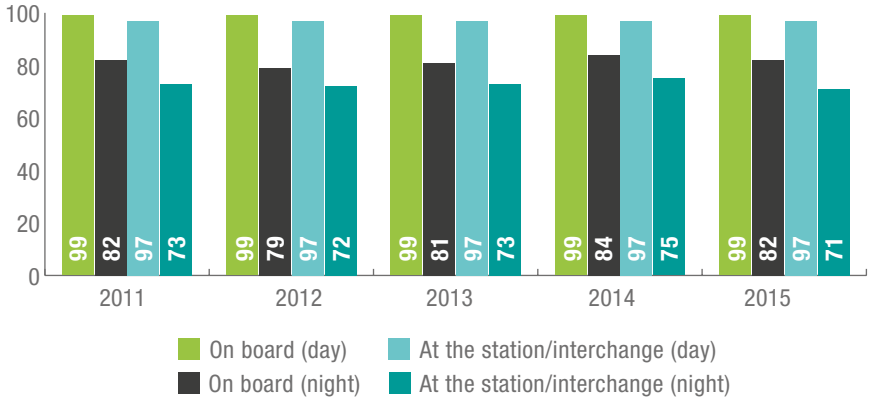
The PTA is committed to ensuring that all passengers feel safe at all times on the train network. To help achieve this aim, digitised CCTV footage from all train stations is monitored at the Central Monitoring Room, a state-of-the-art facility which is manned 24 hours a day, seven days a week.

Transperth buses

Bus users were also asked: *Thinking about the issue of personal safety whilst using the service, that is how safe you feel from personal interference or threat from other passengers, how safe do you generally feel?*

The following chart shows the proportion of respondents who *"always or usually feel safe"* on the bus network.

Transperth buses: Customer perception of safety (per cent)



The proportion of bus patrons who felt safe on board and at the station/interchange in 2015 remained unchanged at the 2014 level of 99 per cent and 97 per cent respectively. However, the proportion of passengers who felt safe on board at night fell from 84 per cent in 2014 to 82 per cent, while the proportion who felt safe at the station/interchange at night fell to 71 per cent in 2015 (from 75 per cent).

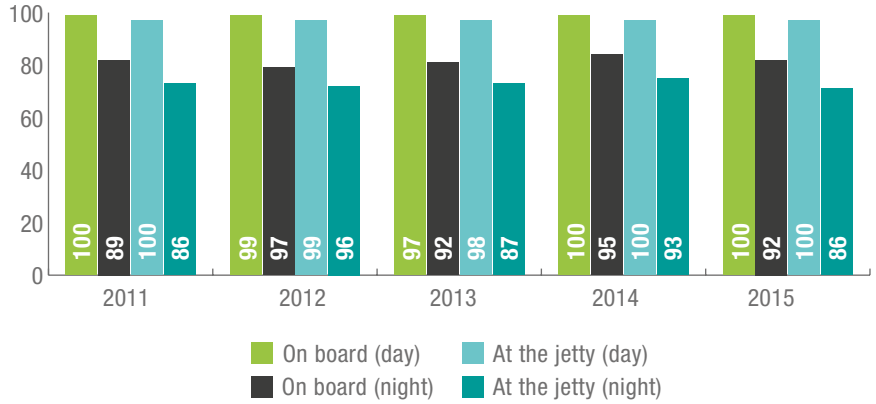
Transperth has extensive security measures in place to address concerns about personal safety expressed by passengers who use our buses and facilities at night. CCTV footage from all bus stations is monitored by Transperth Security located in the CMR on a 24/7 basis, and a fleet of 19 patrol cars manned by security officers provide an effective response to any incidents of anti-social behaviour.

Transperth ferries

Again, ferry passengers were asked: *Thinking about the issue of personal safety whilst using the service, that is how safe you feel from personal interference or threat from other passengers, how safe do you generally feel?*

The following chart shows the proportion of respondents who *"always or usually feel safe"* on the ferry service.

Transperth ferries: Customer perception of safety (per cent)



The 2015 PSM showed that, as in 2014, all ferry passengers felt safe on board and at the jetty during the day. However, at night, the proportion of users who felt safe on board fell to 92 per cent from 95 per cent in 2014 and proportion who felt safe at the jetty was down to 86 per cent from 93 per cent.

Transwa

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

ANZAC Centenary

This year's ANZAC Centenary celebrations saw record crowds attend dawn services around the country, with hundreds of thousands of Australians turning up to pay their respects to servicemen and women both past and present. Transperth was there to ensure the public made it safely and efficiently to ANZAC Centenary events. With free travel across the network on ANZAC Day, along with an increase in services, more than 265,000 passengers used Transperth services during the weekend.

This year marked 100 years since Australian troops landed on the shores of Gallipoli and crafted the ANZAC legacy. A record number of Australians attended ANZAC Day services across the country and Perth was no exception. An estimated 80,000 people attended the ANZAC Centenary dawn service at Kings Park on April 25.

Long before the sun rose over the sombre crowds at dawn services across the city, numerous staff from Transperth and the PTA were busy getting tens of thousands of people to where they needed to go. With the State Government providing free travel for passengers to mark the anniversary, huge crowds were expected.

Over the course of the Saturday, Transperth moved a massive 110,000 people to and from ANZAC Day events, around 26,000 between the football and a further 130,000 'normal' passengers going about their public holiday business.

Additional train and bus services were scheduled, the shuttle bus service to Kings Park was rerouted, and SmartRider and ticket machines were reprogrammed to ensure passengers were not charged for their journey.

From very early in the morning (the first train services kicked off at 2.30am), staff were busy ensuring shuttle buses and trains were able to ferry passengers to the landmark centenary event, and the public had no small amount of praise for their efforts.

From letters to the editor in state and local newspapers, to numerous tweets, Facebook posts and CommentLines, Transperth and the PTA received resoundingly positive feedback from patrons.

"Congratulations on a job well done in moving thousands of people efficiently and courteously on ANZAC Day," said passenger Norm Holtzman. "You have really excelled yourself. I don't think it could have been any better. Your staff were friendly and helpful and obviously enthusiastic and wanting to do a good job, once again, thank you and well done."

Safety audits

Transperth buses

Safety audits and monitoring of Transperth bus contractors continued in line with standard AS4801-OSH Management Systems. Each depot was audited at least once, with other documented site visits throughout the year. These regular audits and inspections have generated improved safety management systems and safety focus, and our contractors' LTI rate continues to be well below the industry standard.

- Swan Transit was re-certified to AS4801 in March 2015 and is current until February 2018. This contractor is also certified as compliant with ISO 14001 Environmental Management Systems valid to February 2018.
- Path Transit is in the process of being re-certified to AS4801 with an expected completion of August 2015 and is current until July 2015. This contractor is also certified as compliant with ISO 14001 Environmental Management Systems valid to August 2015.
- Transdev was re-certified to AS4801 in January 2014 and is current until January 2017. Transdev is also certified as compliant with ISO 14001 Environmental Management Systems, valid to January 2017.

Transdev's Central Operations Support Supervisor was a WA Road Transport Woman of the Year finalist for her role in a "Targeted Collision" campaign. Between 2012 and 2014, this campaign reduced the number of traffic accidents involving buses from the Fremantle depot by about 10 per cent.

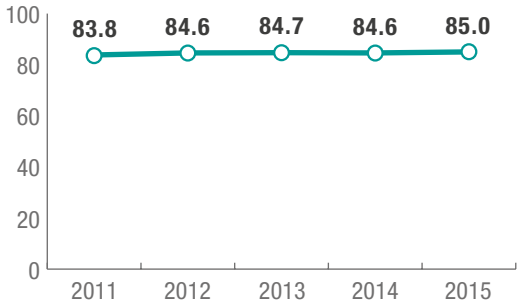
Accessing our services

About 85 per cent of Perth homes have ready access to public transport. This metric – which has been steady for three years – reflects the proportion of PSAs (property street addresses) in the Perth public transport area (PPTA) that are within walking distance (500m) of a Transperth stop or station providing an acceptable level of service (ASL). An ASL is defined as a 20-minute or better service in the peak-flow direction during the peak, and at least an hourly service throughout the core of the day.

Transperth uses GPS data to determine the exact location of all bus stops and train stations. Access to these facilities is measured against other spatial and scheduling data – in this case PSAs and service timetables.

Access to public transport (per cent)

Proportion of property street addresses in the Perth Public Transport Area within 500m of a Transperth stop providing an acceptable service level.



There were 806,483 PSAs within 500m of an ASL stop/station in 2015, up three per cent from 783,270 in 2014, and 9.8 per cent more than the 734,349 reported in 2011.

Disability access

Transperth aims to provide universal access to all its services for the wider community – including the elderly, people with disabilities, and parents with prams.

Disability Access and Inclusion Plan

The PTA continued to improve access to public transport for people with a disability, working through the 2012-17 DAIP, which was released in July 2012. During the year, the PTA carried out a review of the DAIP to include Outcome 7, which covers strategies to promote the employment of people with a disability in the PTA.

Achievements included:

- Continued implementation of a long-term program to progressively replace the existing Transperth bus fleet with new, low-floor, accessible buses – at June 30, 90.3 per cent of our metro fleet (1291 of 1430 buses) and 81 per cent of our regional buses (112 of 138) were accessible.
- Continued recognition of companion cards to allow a companion to travel with a person with a permanent disability at no additional cost.
- Managing accessibility groups via My Alert emails (formerly TravelEasy) as a mechanism to disseminate accessibility-specific updates to relevant organisations.
- During the year, seven accessibility bulletins were distributed via email to 25,954 customers registered with Transperth Accessible Services to advise of system changes, upgrades and other Transperth news relating to accessibility issues.
- Completed the upgrade of Kenwick station.
- Upgrading Transperth bus stops to meet the requirements of the Disability Standards for Accessible Public Transport under the Government's Bus Stop Accessibility Works. Since this program started in 2010, approximately 3300 upgrades have been completed. Of these, 80 bus stops were upgraded in the regional network over the past two years.
- Formation of Perth Busport Accessibility and Inclusion Reference Group.
- The Transperth education team continued to work closely with local government, community organisations and colleges to provide training on-site and at stations to equip staff and clients with the skills and knowledge necessary to become safe and confident public transport users.
- Organisations who participated in the program included the National Stroke Foundation, Goodwill Engineering, Independent Living Centre, InclusionWA, TAFE, ASeTTS and Communicare. Education services were also provided to the key events across the metropolitan area including Abilities Expo, Homeless Connect, CarersWA Big Day Out and Seniors Have-A-Go-Day.
- Delivered 39 presentations through the school-based Get On Board program for Education Support and Intensive English Centres. In addition, 83 tailored Get On Board programs were delivered to seniors and culturally and linguistically diverse (CaLD) groups.
- Translating and Interpreting Service (TIS) - call count for InfoCentres and the CallCentre was 148 (July 2014 – May 2015).
- Active participation as a member of the National Accessible Public Transport Advisory Committee and Accessible Public Transport Jurisdictional Committee.

During the year,

113

new accessible buses were added to the Transperth fleet

and over **625**

bus stops were upgraded to meet Federal Disbility Standards

Buses

Transperth continued its long-term program to increase the number of accessible buses in its fleet. During the year, 113 new buses were added, increasing the number of accessible buses to 1291 out of the total fleet of 1430 at June 30, 2015 (90.3 per cent). At June 30, 2014 accessible buses accounted for 87 per cent of the fleet. Transperth's accessible fleet has expanded by 43 per cent since 2011.

Preference is given to operating accessible buses whenever possible and they are used on most off-peak services. In the peak, both accessible and non-accessible buses are fully committed.

The proportion of service trips operated by accessible buses has increased significantly over the past five years. In 2014-15, out of 4.663 million service trips during the year, 3.191m trips (68.4 per cent) were operated by accessible buses compared with 65 per cent of trips in 2013-14.

In three contract areas, accessible buses were used for more than 90 per cent of service trips: Marmion (98.7 per cent), Claremont (98.5 per cent), and Southern River (91.6 per cent). On Perth CAT services, 97 per cent of the trips were by accessible buses, while on CAT services in Fremantle and Joondalup and on the Midland Shuttle, accessible buses were used on all trips.

Between 2010-11 and 2014-15, while the number of service trips increased by 27.6 per cent, trips by accessible buses went up 85 per cent and the proportion of service trips operated by accessible buses rose 45 per cent. Trip numbers are reported as at June 30.

The PTA also has a responsibility to ensure that bus fleets in regional towns meet Federal accessibility requirements. To meet this responsibility, the PTA progressively transfers low-floor diesel buses from the Transperth fleet to the regional fleet.

Transperth continued its Bus Stop Accessibility Works Program (BSAWP) during 2014-15 with more than 625 bus stops being upgraded to meet the requirements of the Federal Disability Standards for Accessible Public Transport. In 2013-14, 610 bus stops were upgraded.

Upgrades typically involve the construction of a concrete passenger boarding area at correct kerb height, installation of tactile ground surface indicators and a short connection to the existing local footpath network. Since the program was introduced in January 2010, more than 3300 bus stops have been upgraded.

Ferries

Transperth ferry services are provided by two accessible ferries, *MV Phillip Pendal* and *MV Shelley Taylor-Smith*.

The Barrack Street Jetty in Perth meets the Federal accessibility standard. Although the Mends Street Jetty in South Perth is accessible for people in wheelchairs, planning is in progress for the future construction of a new jetty to meet all accessibility standards and provide improved facilities, subject to funding being made available.

The environment

The PTA continues to work to identify opportunities to maximise sustainability during the development and planning of transport services. In the latest year this included:

- Development of a Sustainability Position Statement for the Forrestfield-Airport Link project.
- The Forrestfield-Airport Link project has adopted the Infrastructure Sustainability Council of Australia (ISCA) rating scheme for evaluating sustainability and driving sustainability performance across all stages of the project.
- Integration of infrastructure for pedestrians and cyclists.
- Protection and restoration of air, water, soils, flora and fauna.
- Improving the energy efficiency of the Public Transport Centre.

During the year, the PTA:

- Continued to implement the PTA water efficiency management plan.
- Continued using recycled water and reverse osmosis to wash railcars.
- Continued implementation of the energy efficiency measures identified as part of the energy assessment of the Public Transport Centre, including the installation of LED lights which resulted in a downward trend in energy use during 2014-15.
- Audited Downer Bombardier (the PTA's railcar maintainer) to ensure environmental compliance at the PTA's Claisebrook, Nowergup and Mandurah depots.
- Completed and implemented the PTA's Environmental Management Systems (EMS) manual to support the PTA in achieving legal compliance, controlling risks for operations and capital works, and encouraging continuous improvement in its environmental performance.
- Developed online training for the PTA's EMS manual for staff.
- Took delivery of 13 new articulated buses which comply with Euro 6 exhaust emission standards.

Communicating with our customers

In 2014-15, the Transperth Information and Event Services team successfully undertook a wide range of initiatives:

- Communicated the opening and new timetable for Butler Station.
- Successfully launched the *Show Your Good Side* portrait series – a new behavioural campaign encouraging passengers to consider others and be mindful of their actions.
- Coordinated the transport requirements for ANZAC Centenary commemorations including the Albany Commemoration in October 2014 and the Kings Park Dawn Service in April 2015.
- Launched the *Access All Areas* event guide poster in trains aimed at encouraging use of public transport to special events in the Perth metro area.
- Successfully launched a track closures campaign to educate passengers on how to stay informed of upcoming works and how to keep moving through disruptions.
- Launched the *Get On Board* program dedicated website for students, teachers and parents to encourage better education of public transport amongst these groups.
- Continued to improve signage at a number of bus and train stations as part of a system-wide upgrade. The new signage improves visibility of key components of infrastructure, such as lifts, to make them easier to identify for those who need to use them.
- Continued to provide service disruption information to passengers across all modes of public transport.
- Delivered service change information to passengers following the continued roll out of additional bus service kilometres.
- Continued to deliver *Get On Board* program presentations to a broad range of community groups.
- Continued to work with major event organisers to ensure the provision of special events and promote integrated ticketing.

CASE STUDY

Passenger Satisfaction Monitor – our best ever results

The PTA's annual Passenger Satisfaction Monitor is Australia's biggest and longest-running public transport passenger survey. After extensive interviews of 4300 regular Transperth passengers, the 2015 survey has revealed our best-ever results, with all-time high levels of satisfaction across all transport modes.

Findings from the 2015 PSM displayed multiple all-time best results compared to previous years, revealing that nine in 10 passengers are overall satisfied with our services.

The PSM survey, which measures performance indicators of satisfaction across the Transperth network, is one of the most extensive and in-depth public transport passenger surveys in Australia and we've been conducting it for more than 24 years.

This year's survey spoke to 4300 people, covering all demographics of regular passengers across the entire network. From this sample, high satisfaction results were received from around 90 per cent of customers who said they are happy with the overall level of Transperth train, bus and ferry services.

A stand-out achievement from the 2015 PSM was the Transperth ferry system, which reached 100 per cent overall satisfaction for the first time.

At a glance, below are some of the other outstanding results from the PSM:

- 92 per cent satisfaction from train passengers (91 per cent in peak hour and 93 per cent during off-peak)
- 86 per cent satisfaction from bus passengers
- Up to 97 per cent satisfaction from CAT bus passengers
- Fremantle CAT won the highest satisfaction rating from passengers at 97 per cent
- The 950 Superbus remains the highest performing non-CAT service since its introduction last year with a 94 per cent satisfaction rating
- 99 per cent of users are satisfied with the cashless SmartRider ticketing system

The results provide a holistic look at how our passengers feel about our services so that we can continue what we are doing right and identify the areas we can improve on, to deliver exceptional services into the future.

TTO operates an electrified suburban train system with

more than **1045** services on an average weekday and more than **6645** services weekly

2.2 Performance report

2.2.1 Metro

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

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

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

Passenger information comprising InfoCentre, InfoLine and customer feedback services are provided under contract by Serco.

Fleet

TTO operates an electrified suburban train system with more than 1045 services on an average weekday and more than 6645 services weekly. At June 30, TTO operated a fleet of 267 railcars which can be coupled in configurations of two, three, four or six-car trains.

The system covers 180.8km of track with 70 stations on five lines. The network consists of the Joondalup Line (40.9km), 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).

At June 30, the 1430-vehicle Transperth bus fleet (up 5.6 per cent) was made up of 885 diesel buses (including 440 buses delivered under the current Volvo contract) and 545 CNG buses.

Of these, 13 buses (one per cent of the fleet) conform to the Euro 6 emissions standard, 447 buses (31.3 per cent) conform to the Euro 5 standard and 498 buses (34.8 per cent) meet the Euro 4 standard. The 440 new Volvo buses in the fleet meet the Euro 5 EEV (enhanced environmentally friendly vehicle) standard.

The Volvo contract will deliver 820 new diesel buses over an eight-year period.

In 2014-15, the Transperth bus system operated 315 standard timetabled bus routes, 296 school routes, and nine CAT routes. On a typical weekday this involved operating 14,914 standard service trips, 296 school service trips and 957 CAT service trips. Accessible buses were always used on 205 routes, which included nine CAT routes and 36 school routes. A bus service frequency of 15 minutes or better is provided all day on most major corridors, with higher frequencies in peak periods.

The Transperth bus service network is divided into 11 geographic contract areas which are periodically subject to competitive tender. At June 30, three contractors operated Transperth bus services:

- **Path Transit** – Kalamunda, Morley.
- **Swan Transit** – Canning, Claremont, Marmion, Midland (including Midland shuttle), and Southern River.
- **Transdev** – Fremantle (including Fremantle CAT), Joondalup (including Joondalup CAT), Rockingham-Mandurah, and the Perth CAT contract.

Under the new summer timetable, the ferry service operated an average of

600 trips per week

Two ferries (*MV Phillip Pendal* and *MV Shelley Taylor-Smith*) operate the Transperth ferry service between the city (Barrack Street) and South Perth (Mends Street). The service is operated under contract by Captain Cook Cruises.

The ferry timetables were changed with effect from June 1, 2014. The new summer timetable runs from October to May (previously September to April) and the winter timetable from June to September (previously May to August).

Under the new summer timetable, the ferry service operated 92 trips a day Monday to Thursday and 100 trips on Friday (previously 80 and 88 trips), 74 trips on a Saturday and 58 trips on a Sunday/public holiday. There was no change to the number of trips operated during the winter, 60 trips a day Monday to Friday and 54 trips a day on weekends and public holidays.

The timetable change resulted in an increase in the number of service kilometres operated by the ferry service.

We also continued with the implementation of the bus service expansion program which began in 2011-12, with service improvements prioritised as follows:

- Services which cannot pick up passengers due to overloading.
- Transport corridors we identified as providing access between key primary and secondary centres to help achieve planned land-use outcomes proposed by the Department of Planning in *Directions 2031*.
- New urban areas developing on the fringes of the metropolitan area.

"The Transperth system consists of a bus network, a fully-electrified urban train system and a ferry service."

The bus service expansion program added 2.201 million service kilometres during the year to deliver a total of 65.531m kilometres in 2014-15, up 3.5 per cent from 63.329m kilometres in 2013-14. This followed increases of 4.2 per cent in 2013-14, 4.6 per cent in 2012-13 and 8.5 per cent in 2011-12.

New service routes introduced during the year included:

- Route 406 between Glendalough Station and Edith Cowan University in Mount Lawley.
- Route 491 between Butler Station and Yanchep.
- Route 565 between Warnbro Station and Baldivis.

Service extensions and improvements included:

- Improved frequencies on key corridors, including Alexander Drive, Albany Highway and Canning Highway.
- Extension of Route 100 from Curtin University to Cannington station.

There were also a number of significant new developments during the year:

- The PTA took delivery of a further 24 railcars (eight, three-car trains) of the 66 B-Series railcars on order. In total, 33 new railcars (11, three-car trains) were in service during the year.
- Commenced operation of services to the new Butler Station on the Joondalup Line.
- Facilitated a series of operational and timetable changes.
- Planned for and provided safe and reliable rail services for all special events including the ANZAC Centenary Day.
- Continued recruiting and training of staff for the provision of safe, reliable and customer-focussed services.
- Prepared and evaluated the Expression of Interest for the supply of 300 new state-of-the-art C-Series railcars (50, six-car trains) over a ten-year period.
- Continued planning for the installation of the pantograph Automatic Dropping Device, an overreach and platform detection system on railcars, all of which promote safety of passengers and protects railway assets.
- Commenced planning for the opening of the new Aubin Grove Station on the Mandurah Line.
- Contributed to the Burswood Stadium and Forrestfield-Airport Link projects and related works.

Euro 6 buses for a greener future

Once again, Transperth has embraced newer and greener technology, with the introduction of 70 new Volvo Euro 6 articulated buses to our fleet. A $58.5 million investment by the State Government will see the world's cleanest diesel buses introduced over five years, replacing some of the fleet's oldest buses and placing Western Australia at the forefront of clean public transport. The first of the Euro 6 buses was officially handed over to the PTA in early 2015 after extensive testing and optimisation in both Sweden and Perth.

This year Transperth was at the forefront of introducing environmentally-friendly technology to the streets of Perth, with the introduction of the new Volvo Euro 6 bus.

The Euro 6 vehicles are the world's cleanest diesel buses. Seventy new Euro 6 articulated buses will be introduced over five years, thanks to an investment of $58.5 million by the State Government.

In a boost for local jobs, the Euro 6 vehicle bodies will be assembled by local company Volgren, allowing for the employment of 15 additional staff at Volgren's Malaga facility.

Currently the Australian Capital Territory is the only other state or territory to have Euro 6 buses.

The articulated buses can each carry more than 100 passengers and will be used on Perth's busiest bus routes, for major events, and as rail replacement services for planned disruptions. The new buses are roomy and fully air-conditioned, with low-floor step-less entry to allow wheelchair accessibility.

Volvo Bus Australia

"We are really excited to start using Volvo's latest technology in Perth and even more excited to have a world-class articulated option back in our local product line," Volvo Bus Australia General Manager Sean Copeland said.

Network patronage

Patronage by mode is reported in four categories:

- **Fare-paying boardings** – cash and paid SmartRider boardings plus special event boardings.
- **Cash and SmartRider initial boardings** – fare-paying boardings plus free travel on SmartRider*.
- **Total initial boardings** – cash and SmartRider initial boardings plus free travel on Free Transit Zone (FTZ) services, on CAT services in Perth, Fremantle and Joondalup, and on the Midland Shuttle service.
- **Total boardings** – total initial boardings plus transfer boardings.

**Free travel on SmartRider refers to travel by WA seniors, aged and disability pensioners, and carers on weekdays from 9am to 3.30pm and all day on weekends and public holidays. It also includes all day free travel by veterans.*

The main features of Transperth patronage in 2014-15 were:

- Total boardings which fell 1.4 per cent in 2013-14 recovered in 2014-15 to record a small 0.8 per cent increase to 148.762 million from 147.641m in 2013-14. However, in the two previous years significantly higher growth rates were achieved, 3.9 per cent in 2012-13 and six per cent in 2011-12.
- Total initial boardings also recovered, with an increase of 0.8 per cent in 2014-15 to 104.234m from 103.437m in 2013-14. The 2013-14 result represented a decline of 1.2 per cent over 2012-13, a year which saw growth of 3.7 per cent following an increase of 5.1 per cent in 2011-12.
- The decline in cash and SmartRider initial boardings continued for a second year in succession, falling 1.2 per cent to 86.759m in 2014-15 following the 2.4 per cent fall in 2013-14 to 87.829m. In contrast, growth rates of 4.2 per cent and 6.9 per cent were achieved in 2012-13 and 2011-12 respectively.
- Fare-paying boardings also continued to fall, by 1.5 per cent to 81.188m in 2014-15 following the 2.6 per cent decline to 82.426m in 2013-14. The two previous years recorded increases of 4.1 per cent in 2012-13 and seven per cent in 2011-12.
- Free travel by seniors, aged/disability pensioners, and carers continued to increase and accounted for 9.110m total boardings in 2014-15, up 6.6 per cent from 8.545m in 2013-14. Initial boardings were 5.388m in 2014-15, up three per cent from 5.230m.

Factors contributing to the continuing decline of fare-paying boardings on the Transperth system were:

- Increased unemployment which impacts adversely on commuter traffic.
- Slowing of the rate of growth in population, particularly the significant drop in interstate migration resulting from the reduction in mining investment.
- Cost of living pressures impacting largely on discretionary travel.
- Relatively low fuel prices making driving more attractive to commuters than using public transport.

Despite the unfavourable results in 2014-15, patronage on the Transperth system has increased over the five years since 2010-11; total boardings by 9.4 per cent, cash and SmartRider initial boardings by 7.4 per cent and fare-paying boardings by 6.9 per cent.

On a per capita basis, public transport usage within the Perth metropolitan area (including the City of Mandurah) was 52.2 initial boardings compared with 53.4 in 2013-14, down 2.2 per cent. The decline in per capita usage reflects the fall in patronage combined with an increase in population albeit at a lower rate than previously.

Free travel on special occasions

Free travel to compensate for the carbon tax-related fare increase

The carbon tax, introduced in 2012, added approximately $2 million to Transperth operating costs. This extra cost was passed on to public transport users by adding an extra 1.5 percentage points to the projected increase in CPI of 2.8 per cent applied to the new fares schedule that came into effect on July 1, 2012.

Following the abolition of the carbon tax in July 2014, the PTA was required to return to patrons the additional revenue Transperth received through the higher fares. It was decided to meet this requirement partly by providing a day's free travel on all Transperth bus, train and ferry services to return $0.68m, and partly through a revised fares schedule which came into effect on November 1, 2014 to cover the balance $1.375m.

Free travel for one day was provided on November 3, 2014 and was estimated to have resulted in 503,000 total boardings. The boardings estimate was based on recorded boardings on a similar day (i.e. a Monday with both schools and tertiary institutions in session).

Free travel on ANZAC Day

The ANZAC Centenary Day was declared a free travel day on all Transperth services. Normal boardings for the day were estimated based on data from Sunday April 26, 2015. System-wide, event-specific total boardings were estimated at 110,000.

The Giants event

In February 2015, Transperth successfully met an unprecedented demand for its services for *The Giants*, a popular feature of the 2015 Perth International Arts Festival.

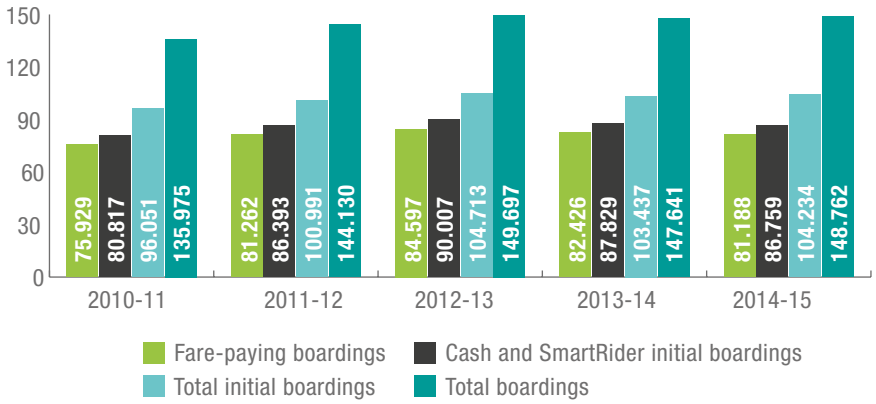
During the three-day event (February 13-15, 2015), estimated patronage on Transperth bus, train and ferry services was 1.748m total boardings, based on recorded boardings, passenger counts using CCTV, and staff monitoring.

Patronage specific to *The Giants* event was estimated at 1.085m – the highest ever for a special event – comprising 522,000 recorded boardings (242,000 on bus, 276,000 on train, and 4000 on ferry) and an estimated 563,000 unrecorded boardings (bus 94,000, train 457,000 and ferry 12,000).

Boardings were not recorded because Transperth, for operational and safety reasons due to the pressure of the large crowds, allowed passengers at particular locations to travel without having to purchase a ticket or tag on their SmartRider.

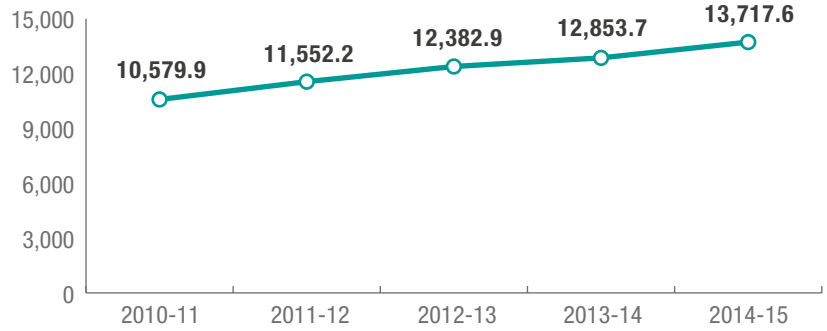
Free travel on November 3, 2014, estimated event-specific free boardings on the ANZAC Centenary Day, and estimated unrecorded boardings during The Giants event (February 13-15, 2015) have been reported as "free travel on special occasions" and form part of total boardings on each mode.

Transperth: Patronage (millions)



Passenger place kilometres represent the carrying capacity of the Transperth bus, train and ferry network. This metric is based on service kilometres and the average capacity of the fleet, and has been increasing steadily in recent years as new buses and trains come on stream and our networks expand.

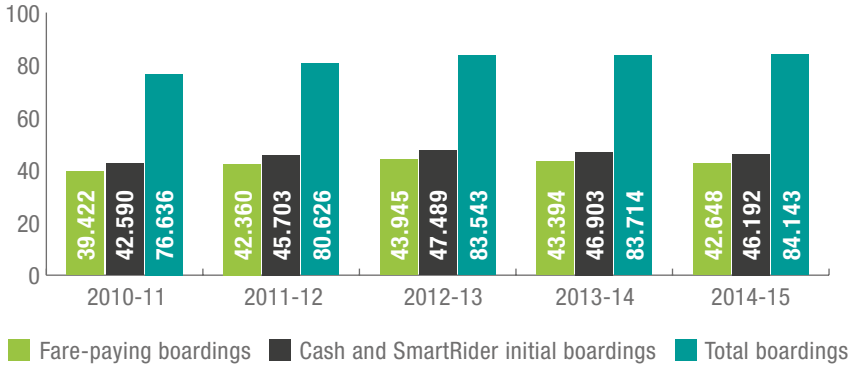
Transperth: Passenger place kilometres (millions)



Buses

Total boardings on Transperth buses continued to increase but the rates of increase in the last two years have been significantly below the rates achieved in the past. In 2014-15, total boardings rose to 84.143m from 83.714m in 2013-14, up 0.5 per cent, a marginal improvement on an increase of 0.2 per cent in 2013-14.

Transperth buses: Patronage (millions)



Total boardings by contract area were:

Contract area	2013-14	2014-15	Change
Kalamunda	7.580m	7.261m	-4.2%
Morley	11.399m	11.379m	-0.2%
Canning	8.399m	8.416m	0.2%
Claremont	4.373m	4.320m	-1.2%
Marmion	7.629m	7.510m	-1.6%
Midland	2.409m	2.445m	1.5%
Southern River	3.918m	3.944m	0.7%
Fremantle	9.551m	9.412m	-1.5%
Joondalup	7.171m	7.096m	-1.0%
Rockingham	6.146m	6.155m	0.1%

84.143 million

total boardings on Transperth buses in 2014-15

Average boardings on the bus system continued to fall due to the fact that, since 2011-12, bus service kilometres increased at higher rates than boardings. Furthermore, in the case of cash and SmartRider initial boardings, a decline was recorded in 2013-14 and 2014-15.

Road congestion, particularly in peak periods, and the lack of significant bus priority measures on major roads in Perth, impacts on service reliability and may have affected patronage on Transperth bus services.

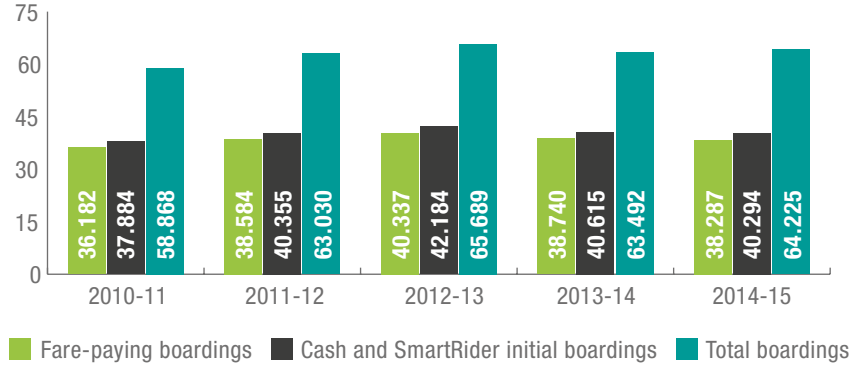
To address this, the PTA's Bus Priority Program completed a number of initiatives in 2014-15 including:

- The construction of a left-only turning lane into Hay Street from William Street to improve north-bound traffic flows previously interfering with bus movements.
- Construction of a roundabout on Hospital Avenue at QE2 Medical Centre to facilitate faster turning of the high frequency 950 service.
- Construction of a bus priority turning lane at Albany Highway and Nicholson Road to allow buses to bypass significant traffic congestion.
- Completion of the Cockburn Link bus access tunnel, connecting Cockburn Central Station and Gateways Shopping Centre via a dedicated bus road.

Trains

Total boardings on our trains recorded a small 1.2 per cent increase in 2014-15 to 64.2m, following the 3.3 per cent decline in 2013-14.

Transperth trains: Patronage (millions)



Cash and SmartRider initial boardings (including free travel on SmartRider but excluding free train travel within the FTZ) fell 0.8 per cent and fare-paying boardings fell 1.2 per cent.

Total boardings by line were:

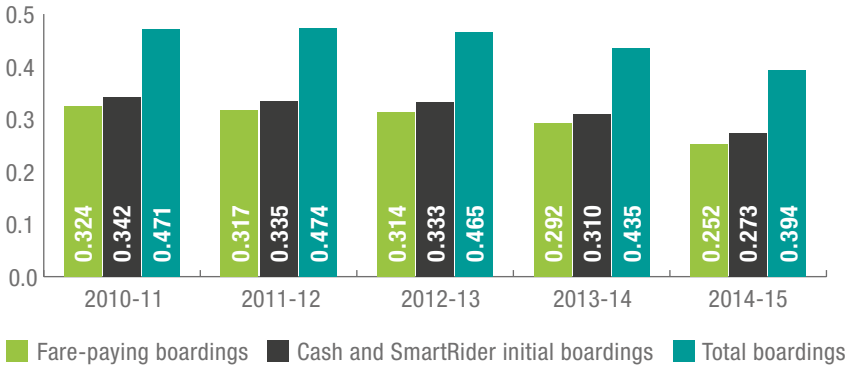
Line	2013-14	2014-15	Change
Armadale Line	9.176m	9.067m	-1.2%
Fremantle Line	8.285m	8.228m	-0.7%
Joondalup Line	16.897m	17.106m	1.2%
Mandurah Line	20.664m	20.700m	0.2%
Midland Line	6.646m	6.661m	0.2%

The decrease in boardings combined with the increase in service kilometres resulted in average boardings recording a significant decline. Total boardings per service kilometre fell five per cent, to 3.622 in 2014-15 from 3.814 in 2013-14. The cash and SmartRider initial boardings number was down 6.8 per cent at 2.273.

Ferries

The ferry service represents only a very small proportion of Transperth system patronage (less than 0.5 per cent). Fluctuations in the tourism market have a significant impact on ferry boardings with tourists accounting for about half.

Transperth ferries: Patronage (millions)



In 2014-15, total boardings on ferry fell by 9.3 per cent to 0.394 million from 0.435m in 2013-14. Cash and SmartRider initial boardings fell 12.1 per cent to 0.273m from 0.310m and fare-paying boardings were down 13.5 per cent to 0.252m from 0.292m.

Total boardings per service kilometre fell 12.7 per cent to 10.468 from 11.995 in 2013-14, while cash and SmartRider initial boardings fell 15.4 per cent to 7.244 from 8.563.

Capacity

Total capacity provided on the Transperth system increased by 6.7 per cent in 2014-15, following a 3.8 per cent increase in 2013-14.

During 2014-15, the train network operated 17.73 million service kilometres, up 6.5 per cent from 16.648m service kilometres in 2013-14.

Total capacity provided on the train network increased 8.5 per cent to 8544.7m passenger place kilometres in 2014-15 from 7878.1m in 2013-14.

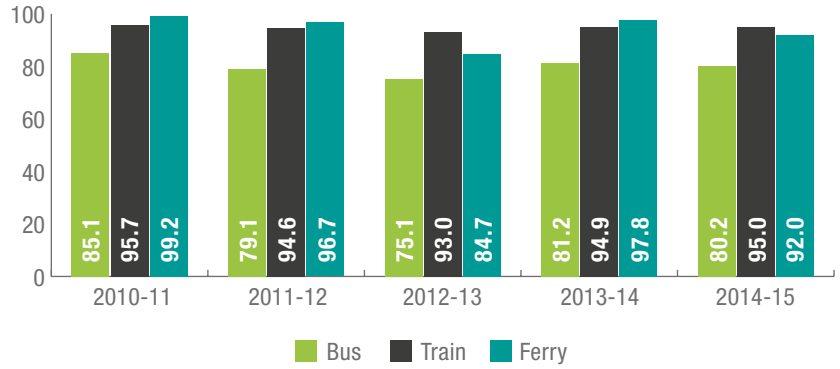
The increase in both service kilometres and passenger place kilometres resulted from the delivery of additional B-Series railcars, allowing for more six-car trains being brought into service during the year in addition to the extension of the Joondalup Line to Butler Station.

Reliability

Transperth uses technology-based monitoring methods which allow precise data-gathering to measure on-time running (OTR). On its bus and ferry services, OTR is measured using GPS information functions in SmartRider, while the train control system is used to measure train OTR.

Transperth: OTR by mode

Proportion of services meeting on-time targets



Transperth trains

The service reliability target for Transperth trains is for 95 per cent of services to arrive within four minutes of the scheduled time.

In 2014-15, on average, 95 per cent of train services met the target, up from 94.9 per cent in 2013-14.

Transperth buses

The service reliability target for Transperth buses is for 80 per cent of services to arrive at timing point within four minutes of the scheduled time, and never leave a terminus, or travel through a mid-way timing point early.

Reliability is monitored through a random sample of one per cent of trips in each bus contract area using the GPS information functions in SmartRider which provides an accurate assessment of bus on-time performance. The one per cent sample is substantial given that there are more than 14,900 bus trips on a typical weekday. GPS information functions help to identify under-performing services which, after a careful review, can be re-scheduled to ensure improved performance.

In 2014-15, bus services in the CBD were adversely affected by major works resulting in OTR on Transperth buses falling 1.2 per cent to 80.2 per cent compared with a significant 8.2 per cent improvement to 81.2 per cent in 2013-14.

Transperth ferries

The service reliability target for the ferry service is for 98 per cent of services to arrive within three minutes of the scheduled time. On average, 92 per cent of services met the target in 2014-15 compared with 97.8 per cent in 2013-14. This decrease of 5.8 per cent is attributable to ongoing construction works associated with the development of Elizabeth Quay at and around the Barrack Street ferry terminal.

Maintenance

The Network and Infrastructure (N&I) division is responsible for the asset management of the urban passenger rail network, the asset management of the country stations, the asset investment program (with the exception of major projects) and the delivery of information technology services.

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

Most of the division's resources are allocated to maintenance, both planned and breakdown. Routine maintenance is planned carefully to ensure the infrastructure is safe and highly reliable. This ensures that our customers continue to enjoy a safe and dependable train service. The division also deploys its resources to ensure a rapid response to any infrastructure faults to minimise delays and customer impact.

The rail network's 70 urban stations and 29 country stations are highly visible infrastructure assets. As well as ensuring that all station facilities are reliable, considerable effort is made to have them well presented. This is achieved through regular cleaning and periodic large maintenance items such as high-pressure water cleaning and painting.

Most of the work undertaken by the PTA in this area remains unseen by the public. However, the impact on our customers if the infrastructure fails is significant, so therefore remains a key focus.

Upgrades

- A program to improve the reliability and disability access of lifts and escalators is continuing. Lifts at Warwick, Whitfords, Stirling and Joondalup stations have been completed along with escalators at Warwick, Joondalup and one at Whitfords.
- An upgrade to security access systems to the bike shelters was completed in April 2015. This new system will increase security with ingress and egress to the bike shelters, with patrons required to register onto the system.
- The new City West substation at Sutherland Street was delivered into service in April 2015. This new substation provides increased traction power supply resilience, and improved flexibility for track access to maintain the rail network.

- The Bus Priority Program delivered road infrastructure upgrades in William Street Perth, Stage 2; bus priority queue-jump lanes at the intersection of Nicholson Road and Albany Highway to counter traffic congestion; and a two-lane roundabout on Aberdare Road, Shenton Park to accommodate the bus terminus at QEII Medical Centre for the high-frequency Route 950 bus service.
- Upgrades to the public address system at Perth, Fremantle, Subiaco and Stirling stations were completed, with Glendalough, Bull Creek, Canning Bridge and Murdoch planned for late 2015.
- The CCTV camera upgrade program delivered 140 digital cameras across 16 stations with another 190 cameras at 20 stations planned for 2015-16.
- A works program to improve the overhead line reliability started, and has eliminated all defects on 50 per cent of the lines.
- Alignment of overhead line equipment and signalling infrastructure with track at West Leederville and the installation of a crossover at City West have improved the resilience of the system.

Major initiatives

Future initiatives include:

- The replacement of escalators at Perth Underground and Esplanade stations.
- The rollout of a modern digital rail mobile radio system over the next five years.
- The continuation of the change out of Passenger Information Displays at Perth station.
- The delivery of new bus lanes on Stirling Highway near UWA and a bus priority queue-jump lane at the Albany Highway intersection with Nicholson Road.
- Additional car parking capacity at Guildford Station is scheduled for completion in September 2015, delivering an estimated 350 bays.
- The purchase of a dedicated rail infrastructure inspection vehicle to gather asset data.
- The continuation of the resilience program to reduce the impact on services following incidents on the network.

CASE STUDY

Asbestos management

The IPLS environment branch managed the expenditure of $2.5m relating to asbestos management in 2014-15 and has an approved budget of $1.8m for this task in future years.

The expenditure is in response to the PTA's obligations under the *Occupational Safety and Health Regulations 1996*, which require the PTA to identify, regularly inspect and manage asbestos in its buildings. The PTA has an Asbestos Working Group, which consists of members from IPLS, Safety and Strategy, Network and Infrastructure and Transperth Buses. The Asbestos Working Group oversees the management, review and monitoring of asbestos-containing materials in all areas of the organisation.

The PTA owns 75 buildings which contain asbestos, the majority of which are in regional locations. Asbestos only poses a health risk when asbestos fibres can be inhaled. When asbestos-containing materials are in good condition and regularly inspected they pose no health risk to people. The PTA has an Asbestos Management Plan and an Asbestos Register which outlines the known locations and condition of asbestos in each building and assists in the prioritisation of asbestos removal.

In 2014-15 the PTA engaged a licenced contractor to inspect all of its regional asbestos buildings. Asbestos-containing materials were removed from the Public Transport Centre and PTA-owned buildings in Kalgoorlie, Bridgetown, Boyanup, Merredin, Watheroo and Mount Barker.

Infrastructure Planning and Land Services

IPLS provides the PTA with professional resources to support and undertake major planning and business objectives, railway engineering, and land and environmental management.

Environmental management

The IPLS environment branch provides environmental support to the whole of the PTA. Key services include:

- Coordination of environmental approvals
- Environmental input into Project Definition Plans
- Response to noise and vibration complaints regarding passenger and freight trains
- Management of the PTA's contaminated sites and asbestos-containing buildings

Land and property services

IPLS plans, manages and optimises the PTA's land assets (acquisition, disposal, leasing and maintenance).

Rail infrastructure

The provision of railway engineering expertise from IPLS provides the PTA and other State agencies, design solutions with sufficient detail to inform planning decisions and provide the basis for costing and scope for the State's public transport strategies.

Route Utilisation Strategy

The PTA's RUS provides a holistic approach to planning for the operational changes and resulting investment required to meet forecasted future patronage demands on the urban passenger rail network.

Highlights

Environmental management

- Coordination of asbestos removal from ceiling voids of the Public Transport Centre.
- Department of Environment Regulation (DER, formerly DEC) classification to allow development of the Kewdale Freight Terminal for industrial/ commercial purposes.

Land and property services

- Implemented a new geographical Land Management System and completed an audit of existing data.
- Audited 65 per cent of non-rail assets within the Rail Freight Corridor with Brookfield Rail and mitigated medium risks on the PTA's non-operative railway lines.
- Supported Perth City Link, Forrestfield-Airport Link and Edgewater projects with acquisitions and other land-related matters.
- Assisted with land matters associated with Rail Freight Corridor land (e.g. Lloyd Street grade separation and Manjimup Railway Reserve) and North Fremantle.
- Collected $15.5m revenue from leases.

Rail infrastructure

- Concept through to detailed design of turn-back and crossover facilities at key locations on the suburban rail network as part of the program to provide greater operational reliance in the event of unplanned interruptions and system failures.
- Provision of railway engineering expertise to the Department of Transport for the Inland Freight Corridor Development plan.
- Provision of railway engineering expertise and oversight for the design and construction of railway works as part of grade separations over the freight network.
- Provision of preliminary concept route drawings in support of planning of future extensions and additions to the suburban railway network.

Route Utilisation Strategy

- Reviewed and formalised future annual rail patronage forecasts out to year 2031, in line with revised *WA Tomorrow* forecasts for a population of 2.7 million.
- Finalised and submitted the C-Series railcars business case as part of the 2015-16 budget process; successful in securing $1.198 billion for the acquisition of 50, six-car trains.
- Finalised the business case for the extension of the James Street Bus Bridge to Charles Street.
- Undertook detailed analysis of future vertical transport demands (lifts/stairs/ escalators) at Perth Underground and Esplanade stations to meet forecast passenger demands.
- Completed a critical review of the PTA's future urban railcar depot maintenance and stabling strategy. This included development of a fully calibrated and functioning OpenTrack simulation model of the urban passenger network and analysis of various potential sites for future railcar operations.
- Undertook a case study assessment of platform lengthening at Guildford, Bassendean, Bayswater and Maylands stations on the Midland Line to accommodate potential future six-car train operations.
- Preparation of a draft Project Definition Plan for the acquisition of the C-Series railcars.

2.2.2 Regional (Transwa)

Transwa is the brand and operating name for the road and rail public transport system serving regional centres.

The Transwa network links more than 240 locations from Meekatharra and Kalbarri in the north, throughout the south-west region and east to Kalgoorlie and Esperance. Our purpose is to provide a customer-focussed, safe and cost-effective public transport service to regional WA.

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

Fleet

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

- The Prospector provides a daily service (and two on Mondays and Fridays) each way between Perth (the East Perth terminal) and Kalgoorlie for a total of 18 services a week.
- The Australind operates two daily return services between Bunbury and Perth for a total of 28 services a week.
- The AvonLink services Northam to Midland, provides three return services Monday, Tuesday, Thursday and Friday (except public holidays), one return service on a Wednesday and one return service on the weekend (either Saturday or Sunday), for a total of 28 services a week.
- The MerredinLink provides an all-stops return service between Perth (the East Perth terminal) and Merredin on a Wednesday, for a total of two services a week.

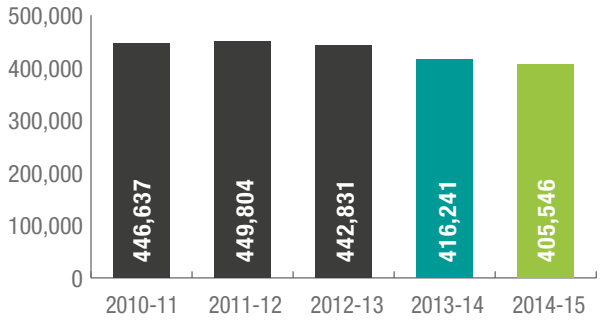
In 2014-15 Transwa employed 20 railcar drivers based at East Perth and Bunbury. Australind on-board services are provided by Bunbury-based Transwa staff, while a contractor provides on-board services on the Prospector, AvonLink and MerredinLink trains.

The road coach fleet consists of 22 five-star vehicles, operating 144 services a week. We employ 34 road coach operators.

Patronage

Overall patronage decreased from 416,241 (2013-14) to 405,546 (2014-15). This can be attributed to a lower patronage on the Australind train and road coaches (down 4.81 per cent and 4.93 respectively). Patronage on the MerredinLink train decreased by 34.96 per cent, attributed to the reduced number of services. Patronage on the Prospector increased slightly by 0.42 per cent, while the AvonLink increased by 51.78 per cent, which is attributed to the increase in services.

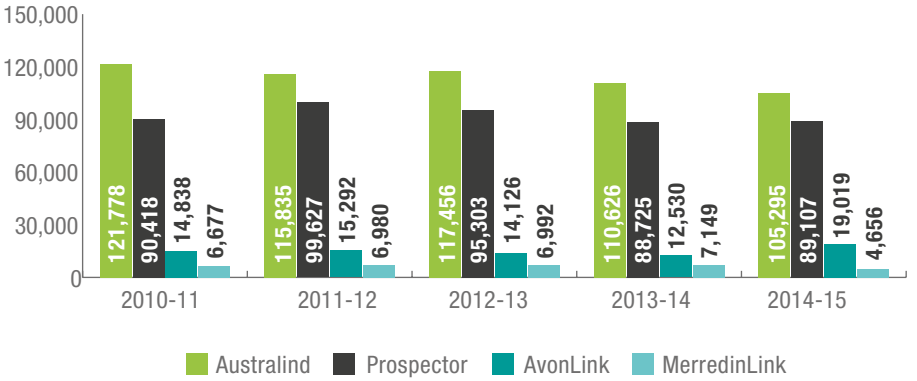
Transwa: Total patronage



Patronage – trains

Patronage on regional trains fell 0.43 per cent, from 219,030 to 218,077. This decrease can be attributed to a decline in patronage on the Australind train (down 4.81 per cent). The Prospector and AvonLink train services saw an increase in patronage (up 0.42 and 51.78 per cent respectively) from 2013-14. MerredinLink train patronage decreased by 34.87 per cent mainly due to the reduced frequency to services.

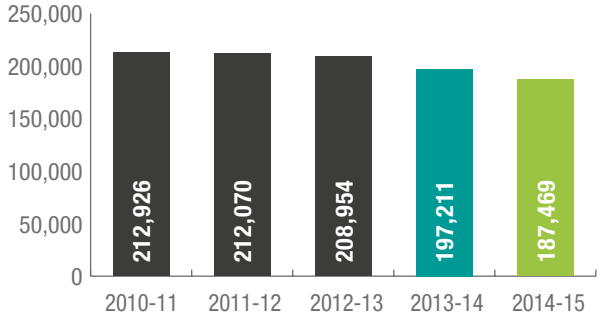
Transwa trains: Patronage



Patronage – road coaches

Patronage on most of our coach routes slipped slightly throughout the year. The overall result was down 4.93 per cent at 187,469.

Transwa road coaches: Patronage

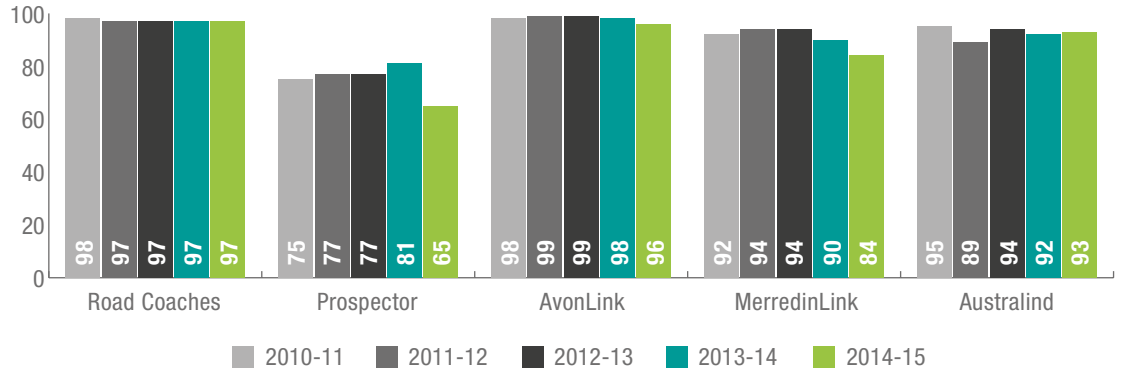


Reliability

The key performance indicator for service reliability is on-time running. Our 2014-15 OTR targets were:

- Prospector – 80 per cent of services to arrive within 15 minutes of schedule
- Australind – 90 per cent (10min)
- AvonLink – 95 per cent (10min)
- MerredinLink – 95 per cent (10min)
- Road coaches – 95 per cent (10min)

Transwa: OTR performance (per cent)



The performance of the AvonLink and Australind trains were within reliability targets (96 per cent and 93 per cent respectively). The MerredinLink was below target, achieving 84 per cent service reliability, with the Prospector achieving 65 per cent (down from 80.78 per cent).

The road coaches maintained a high level of reliability of 97 per cent, continuing a long record of achieving or improving on performance targets.

Maintenance

Transwa entered into a new maintenance service level agreement with Transperth Train Operations for maintenance work following the introduction of an enhanced AvonLink service.

The AvonLink enhancement provides more services, giving passengers more opportunity and flexibility to travel between Northam and Midland (via Toodyay).

The rectification work to the Prospector intermediate car was completed in October 2014. The re-introduction of the railcar gives Transwa greater flexibility to Prospector services.

Upgrades

The ongoing review of Transwa road coach bus stop locations (including refreshment facilities) over all services during the year improved the running times.

Continuation of the road coach Preventative Maintenance Program (PMP) ensured that we maintained a high level of comfort for customers and improved coach reliability and safety. Phase seven of the PMP focussed largely on the road coach water pumps, turbo-chargers, wheel bearings, air bags, mufflers, starter motors, alternators, injectors and suspension components that were beginning to age over time.

In the future

The infrastructure project for a second high-level platform at Merredin remains ongoing. Construction is expected to be complete by the end of the 2015-16 financial year.

A contract with Volvo Bus Australia (in partnership with Irizar), to replace the Transwa road coach fleet, was executed in May 2015. It is anticipated that the prototype road coach will be delivered by December 2015. All 23 new road coaches will be delivered by June 2017.

Infrastructure

The construction of the second high-level platform at the Merredin Station will facilitate greater operational flexibility for when the Prospector trains cross between Perth and Kalgoorlie.

2.2.3 Regional (RTBS)

The PTA's Regional Town Bus Services team manages school and town public bus services in regional towns throughout WA.

RTBS is responsible for providing bus services in 14 major regional towns in rural WA and seven inter-town regional bus services – four in the Pilbara and one each in the Gascoyne, Goldfields and Mid-West regions.

Fleet

This year, the RTBS fleet grew to 154 vehicles, with the total number of PTA-owned buses increasing to 136 and the number of low-floor accessible buses at 124.

Patronage

Total RTBS boardings decreased by 0.5 per cent from 2.537m in 2013-14, to 2.524m. Fare-paying boardings decreased 0.6 per cent from 2.189m to 2.175m.

On intra-town bus services, total boardings decreased 0.6 per cent to 2.513m, while fare-paying boardings decreased 0.7 per cent to 2.165m. On inter-town services, total boardings increased 23.4 per cent to 10,886, while fare-paying boardings increased 16.4 per cent to 10,275.

Intra-Town	2010-11	2011-12	2012-13	2013-14	2014-15
Total boardings (millions)	2.411	2.417	2.484	2.528	2.513
Fare-paying boardings (millions)	2.017	2.064	2.116	2.181	2.165

Inter-Town	2010-11	2011-12	2012-13	2013-14	2014-15
Total boardings	6,532	8,610	8,193	8,825	10,886
Fare-paying boardings	6,532	8,610	8,193	8,825	10,275

Upgrades

RTBS has recently tendered and awarded contracts for the Bunbury, Busselton, Broome, Manjimup and Collie contract areas. The Bunbury and Busselton contract areas are the largest of the RTBS contracts, with these contracts awarded to Swan Transit in early 2015. Several more contract areas will be tendered in 2015-16 as part of the RTBS procurement tendering strategy.

The RTBS fleet replacement program continued, based around rolling out low-floor (accessible) buses from the Transperth fleet to regional areas, with a view to reduce the average age of regional buses and increase the percentage of low-floor vehicles.

This program ensures that the regional bus fleet meets Federal disability access standards, and passenger comfort continues to improve. It is anticipated nine buses will be placed in Port Hedland and one in Carnarvon over the next year. Currently the RTBS fleet is 80 per cent accessible.

RTBS conducts field visits and audits contractors' performance and passenger boardings. Service audits of contractors conducted this year include Albany, Carnarvon, Esperance, Karratha, Kalgoorlie, Port Hedland and Collie. Service reviews were conducted in Busselton, Carnarvon and Port Hedland to develop solutions for regional transport issues, in consultation with local communities.

Community consultation and information sessions were held in Bunbury and Port Hedland to seek feedback from residents about local public transport services and inform the public about changes to the services.

Forty accessible bus stops have been introduced in Albany as part of the Regional Bus Stop Accessibility program.

Service improvements were implemented in Dunsborough, Carnarvon, Bunbury, Karratha and Broome. RTBS also implemented a trial service for the local community in Broome North.

Looking ahead

The rollout of 'Trans' branding to the State's regional centre bus operations has been very effective in lifting the profile of public transport in regional WA. The rebranding for Port Hedland will be the biggest initiative for RTBS in 2015-16. This will involve the supply and delivery of nine PTA-owned low-floor buses, the implementation of the SmartRider ticketing system and the purchase of a dedicated depot facility in Port Hedland. This significant investment will vastly improve the level of services for the local community.

The TransRegional website is soon to be released and is in the final stages of testing. This will improve web-based and contact centre customer service information for all regional customers.

All school and town services will continue to be renumbered with unique route numbers to facilitate the incorporation of regional services into the Transperth Information Centre's database and to allow the development of a regional service journey planner.

All regional town service timetables continue to be standardised in colour and format. The implementation of a standard format will provide uniformity and a readily-identifiable timetable suite for all regional town bus services.

Major initiatives scheduled for RTBS 2015-16 include:

- The rollout of TransHedland and the installation of bus stops throughout the town in partnership with the Town of Port Hedland. The implementation of SmartRider will also be a highlight.
- Service improvements are planned for Busselton and Albany, with a view to coordinating services for better integration with School Bus Services.
- RTBS will be procuring maintenance services for bus stop contracts in the towns of Kalgoorlie, Geraldton, Bunbury, Busselton, Albany and Carnarvon.
- A bus stop review for Kalgoorlie is planned which will include the installation of accessible bus stops.
- Community consultation for enhancements is planned for Kalgoorlie, Bunbury and Port Hedland.

This year, the RTBS fleet grew to **154** vehicles

2.2.4 Regional (orange school buses)

The PTA sets the policy and entitlement framework, provides system support and manages the contract arrangements of more than 952 orange school bus services around the State.

These buses provide access to school for students in rural areas, picking them up from the farm gate (where appropriate) as well as providing access to schools in the metropolitan area for students attending special education facilities. Responsibility for the management of these services rests with the School Bus Services (SBS) branch.

These numbers include four cluster contracts made up of 52 contract school buses that are funded by the Department of Education (DoE) and administered by SBS. These services do not form part of the policy and entitlement framework for transport assistance.

Where eligible students cannot be accommodated on a school bus, their parents/carers are paid a conveyance allowance to offset the cost of getting their children to the nearest appropriate school.

Fleet

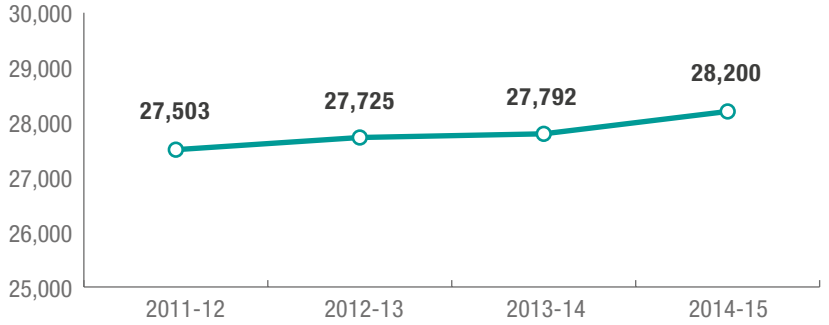
As at June 30, the school bus network was made up of 823 contract school buses servicing mainstream schools, and 129 servicing special education facilities. All orange school buses are operated by private contractors and in 2014-15 there were three contract service models.

- ECM (evergreen contract model) contracts (five-year term) – 685 contracts (685 services).
- CRM (composite rate model) contracts (balance of 20-30-year term) – two contracts (two services).
- Fixed-term contracts (1-15-year tendered term) – 150 contracts (150 services).
- Regional school bus cluster contracts (15-year contract term) – six contracts (63 services).
- DoE funded cluster contracts – four contracts (52 services).

Patronage

Around the state, the services were accessed each school day by 28,200 students, using mainly the contracted orange school buses.

SBS: Student patronage



The 2014-15 student data snapshot shows a 1.5 per cent increase in the number of eligible students receiving school bus transport assistance.

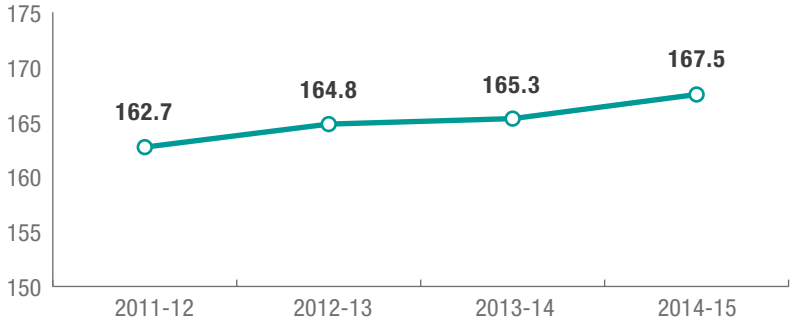
The number of student travellers in the specific operational regions was as follows:

Region	2014-15 Student data	2013-14 Student data	Percentage change
Gascoyne	145	172	-15.7%
Goldfields Esperance	1,291	1,206	7.0%
Great Southern	2,894	2,780	4.1%
Kimberley	978	877	11.5%
Metropolitan	5,719	5,693	0.5%
Mid West	1,525	1,508	1.1%
Peel	2,382	2,879	-17.3%
Pilbara	410	316	29.7%
South West	7,919	7,578	4.5%
Wheatbelt	4,838	4,783	1.1%
Total	**28,200**	**27,792**	**1.5%**

Capacity

Around the State, our services covered an average of 167,493km each school day, totalling 32.8 million contract service kilometres for the year.

SBS: Average daily service kilometres (thousands)



Around the State, the services were accessed each school day by

28,200 students

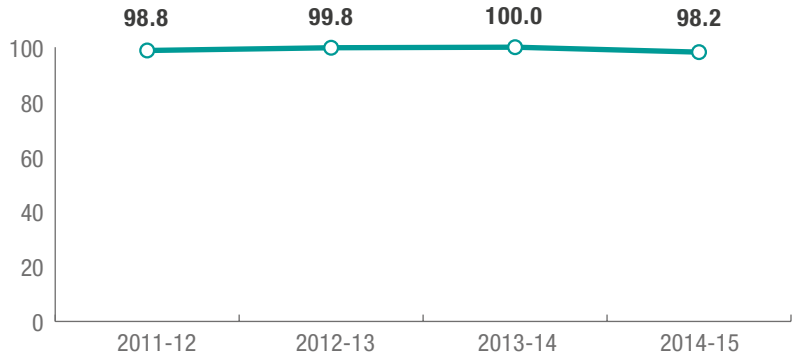
In the specific operational regions, service kilometres were:

Region	2014-15 Average daily kilometres	2013-14 Average daily kilometres	Percentage change
Gascoyne	507	521	-2.6%
Goldfields Esperance	9,867	9,560	3.2%
Great Southern	19,970	19,398	2.9%
Kimberley	5,114	5,440	-6.0%
Metropolitan	27,562	26,610	3.6%
Mid West	11,938	11,566	3.2%
Peel	11,307	11,562	-2.2%
Pilbara	2,784	2,630	5.9%
South West	30,781	29,943	2.8%
Wheatbelt	47,662	48,085	-0.9%
Total	**167,493**	**165,314**	**1.3%**

Reliability

The service reliability measure covers rural mainstream services and education support school buses in the metropolitan area, and is based upon arrival less than 10 minutes before school starts and departure less than 10 minutes after school finishes.

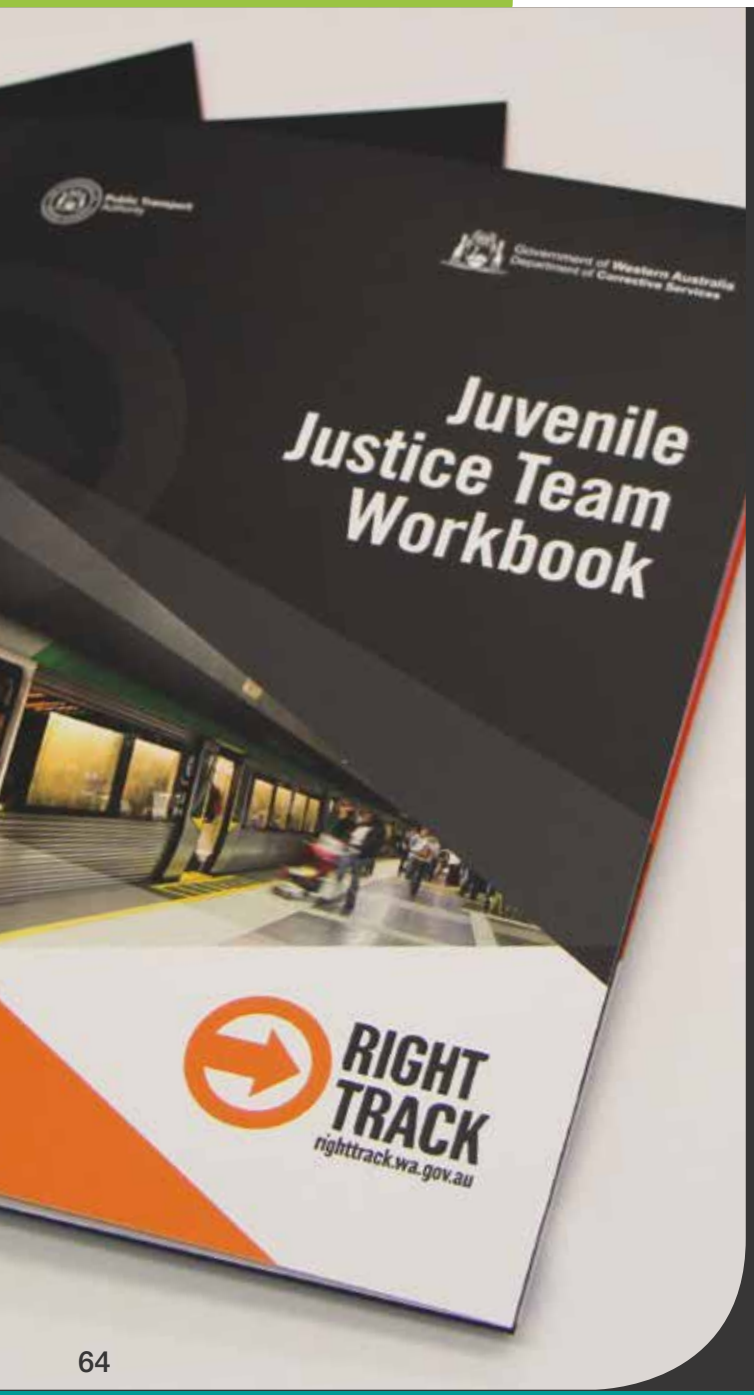
SBS: Reliability (per cent)



Looking ahead

In 2014-15, SBS initiated a retrofitting program for child check alarms to be fitted on all existing orange buses under contract over a two-year period commencing on November 1, 2014 and concluding on October 31, 2016. The safety device is de-activated by the driver who must walk to the rear of the bus where the device is located and so ensure that no child remains on the bus. The cost of this project is $1.05m.

CASE STUDY



Right Track program and Banksia Hill Juvenile Detention Centre

The PTA's Right Track program (a targeted education program and community outreach initiative to promote responsible and positive choices around public transport) continued to grow in 2014-15 by working with the Banksia Hill Juvenile Detention Centre (BHJDC) on a joint program. The first three-week, six-session education program, specifically developed for high-risk young people, was delivered at the BHJDC in 2015.

After this program was completed and the education outcomes achieved, students went on to participate in a three-week Urban Art program which tackled the issue of graffiti vandalism and resulted in the creation of legitimate urban art murals within the detention centre.

When implementing the education program at BHJDC the circumstances were quite different from many other stakeholder collaborations. The Right Track program collaborated with Community and Youth Training Services (CYTS) who have unique experience in offering specialised training for at-risk young people and are able to continue the educational care of the young people within the detention centre once they have been returned to the community. CYTS had the flexibility to travel to Banksia Hill Detention Centre and engaged two dedicated staff members to deliver the specialised Right Track education program.

Some key evaluation results from the program so far, based on participation feedback include:

- 65 per cent of participants said the program made a difference to the way they will act around public transport in the future.
- 62 per cent said they would not consider trespassing now that they are aware of the dangers.
- 94 per cent said they would not get involved with illegal graffiti vandalism in the future (after completing the urban art aspect of the program).
- 100 per cent would recommend the program to their mates.

2.3 Working with our community

What sets the PTA apart is our pride in delivering our customers safely and on time to their destinations. We realise that our network is integral to the smooth operation of WA's metropolitan and regional towns, so this year we continued to meet customer demand and expectations by working hard to improve the efficiency and quality of our public transport services.

To reach these outcomes our focus has been on planning and reviewing our services and projects in consultation with, and for the benefit of, the community. With plenty of major projects and upgrades proposed or under way across the State, there has been no better time to work with our community and stakeholders to identify transport solutions to suit their needs.

After listening to our customers we've invested in smart, integrated transport options that are set to change the way public transport is supplied across the State. We've also continued to maintain and upgrade our network so that it remains resilient, safe, accessible and reliable for our passengers for years to come.

Some of this year's highlights follow.

New Perth Stadium transport – designing for the people

Work on the $336 million integrated transport solution for the new Perth Stadium is well under way. Two major contracts were awarded in 2014-15, the design is significantly progressing, and forward works are almost completed to prepare for construction to begin.

The proposed transport infrastructure follows the new Perth Stadium's fan-first philosophy with a focus on making it as easy as possible to move 83 per cent of a capacity crowd on event days.

The Stadium Station, to be constructed by the PRISM Alliance (PTA, Laing O'Rourke and AECOM), will cater for up to 28,000 people on event days and has been designed to complement the new Perth Stadium with the passenger in mind. It will rival the public transport options at some of the world's most popular sporting venues and will allow for a train to leave the station every few minutes from one of six platform faces.

To maximise movements to and from the stadium across the Swan River, a spectacular pedestrian bridge is set to become a new landmark in Perth. Joint venture York Rizzani De Eccher, has designed and will construct the Swan River Pedestrian Bridge, which will be 65m tall at its highest point and stretch 400m from bank to bank, with a steel cable-stay span of 160m at its centre. Only two piers will be driven into the river bed to respect the area's heritage and minimise the impact on the river.

The construction of the station and pedestrian bridge will begin in 2015 and will be completed ahead of the stadium's first major event in 2018.

DDA upgrade to Kenwick Station

In December 2014, Kenwick Station was the fourth Armadale Line station to be upgraded as part of a $30 million commitment to meet Disability Discrimination Act (DDA) standards.

While many of the PTA's facilities are years ahead of official disability standards, some of our older stations require works to meet modern compliance standards.

"What sets the PTA apart is our pride in delivering our customers **safely** and **on time** to their destinations."

The $8.5m upgrade to Kenwick Station involved improving platforms with new paving and drainage, key tactile markers to define key areas for people with vision impairments, and compliant access ramps. To create a more enjoyable experience for passengers, the shelters were replaced with longer canopies for more platform coverage and also incorporate bright public art.

Aubin Grove Station – the community has spoken

The communities of Success, Hammond Park and Aubin Grove are one step closer to having a new train station, with significant planning and design works now completed for the future Aubin Grove Station.

Announced in July 2014, the rail and bus station located north of Russell and Gibbs roads in the median of the Kwinana Freeway, will open its doors in early 2017 for an expected 3900 boardings each weekday. While local residents are excited about the project, the PTA has made a conscious effort to address concerns about traffic, noise and other impacts the station may have.

Seeking to work with the community from the onset, the project team delivered a consultative engagement program that involved hearing the various concerns and suggested alternatives of the local community by coordinating information sessions, working with key stakeholders such as local government, and establishing a residents' reference group.

This, coupled with robust design reviews and smarter optimisation of the surrounding traffic network, saw a number of changes to the station access design and also helped secure investment to double the number of lanes on Russell Road.

A recent survey, completed by more than 380 local residents, saw that there is high support for the $105 million project with 91 per cent of the respondents feeling positive towards the construction of the new station.

Construction of the Aubin Grove Station is expected to begin in late 2015 for completion in early 2017.

Perth City Link Bus Project – an inclusive design approach

The $213 million Perth Busport, set to open in mid-2016, is the final piece of transport work for the visionary Perth City Link project.

The underground station will be a far cry from the now-demolished Wellington Street Bus Station that it's replacing, and sets a new level of public transport for Perth with Australia's first airport-style dynamic stand-allocation technology for a bus facility.

A dynamic stand system, similar to those used at airports, will enable 50 per cent increased capacity, to cope with future rises in bus service demand.

The 116 screens dotted throughout the air conditioned and comfortable waiting lounge will alert passengers from which stand their bus will leave, and when.

Though the technology has been used overseas, the design presents unique challenges, particularly for passengers with a vision impairment or disability. Ensuring all passengers can easily use the future underground Perth Busport is critical – which is why a Perth Busport Accessibility and Inclusion Reference Group was created in 2014, with representatives from

various disability associations to offer advice on how to best cater for passengers with different needs.

David Vosnacos, Metro Services Coordinator for VisAbility (formally known as Association for the Blind) welcomed the opportunity to provide input on the project.

“Through our involvement we are able to present the different views of our members,” he said.

“By being involved in the planning process we are able to develop training strategies for our members in how to navigate through the Perth Busport before it is even physically completed.”

In addition to the reference groups, a 1.5m tactile model of the future Perth Busport has toured various disability organisations. With tactile markers and braille in the model, visually-impaired passengers can touch and interact with the model to become familiar with the new Perth Busport’s layout and features.

The Perth Busport construction is 65 per cent complete and is on track for the first of 25,000 passengers and 150 buses to begin using the facility in mid-2016.

Bike shelter upgrade

To continue improving bike shelter access, security and reliability at our train stations, six new bike shelters were constructed and five existing shelters extended this year.

Stations with high bike patronage had their existing shelters extended or new shelters constructed with the electronic Lock ‘n’ Ride bike parking system which requires users to register their SmartRider card to access the shelter.

The installation of the card reader system has allowed an extra 4900 registered users to easily gain access to the shelters via their SmartRider. The system allows us to centrally monitor shelter access and has made bike theft more difficult, as users are unable to exit the shelter without their card.

The construction of six new shelters and extension of five others has increased bike parking capacity to approximately 1150 spaces.

Forrestfield-Airport Link – engaging our stakeholders

Following State Cabinet endorsement of the PDP for the Forrestfield Airport Link in August this year, the aim has been to heavily involve stakeholders and the local community with the project from start to finish.

Right from the project’s launch, the intention has been to inform the community not only about the benefits of the project broadly but also the potential impacts and opportunities it can present. Carrying out a number of ongoing engagement activities has so far been successful in gaining stakeholder and community input.

In particular, technical working groups have been formed to focus on the two proposed suburban stations - Airport West and Forrestfield - to achieve combined benefits of development in the area and improve access to public transport and associated amenities. With the help of the City of Belmont, a community reference group was also established to decide the likely final position of the future Airport West Station as well as best approaches to improve the station’s surrounds to complement community growth in the area.

The project has partnered with Perth Airport Pty Ltd on the anticipated below-ground station at its Airport Central Precinct to better cater for the expected increase of air passengers and employees at this major aviation hub in the future.

To deliver a project that is innovative and sustainable, it was decided to seek endorsement from the Infrastructure Sustainability Council of Australia (a first for the PTA). Avoiding negative environmental impacts has been a priority since the beginning, so the project has carried out rigorous environmental studies and has lodged for both State and Federal approvals.

Aboriginal participation has also been identified as a major cornerstone of success and engagement for the project and for the PTA's ongoing relationship with the Aboriginal community. Consultation has continued with the Whadjuk Working Party and a detailed Aboriginal Participation Plan will be developed by the construction contractor to meet specified targets for employment and business opportunities for Aboriginal people.

Construction will begin in 2016 with the first trains running on the line in 2020.

Escalator and lift upgrade

In June 2013, the PTA began a $7.1 million project to replace escalators and lifts at five stations along the Joondalup Line and four escalators at Perth Station to ensure a more reliable service for station users.

Replacing the escalators and lifts will minimise long-term passenger inconvenience and allow a much larger lift with wider doors to be installed for improved pram and wheelchair access.

To date, six escalators have been replaced and all stations (except Glendalough) have undergone a lift replacement. Upgrades to Joondalup and Warwick stations were finalised this year and works to Perth, Glendalough, Whitford and Stirling stations are currently under way.

The project, which aims to ensure our stations remain accessible and operating at all times, is due for completion by late 2016.

New City West crossover and Sutherland Street Substation

To improve our system and make it more resilient, rail infrastructure near City West Station was upgraded as part of a $5 million venture in strengthening the Fremantle Line's operational capability.

Works involved the installation of a new crossover and associated rail between City West and West Leederville stations, the construction of a new power feeder station on Sutherland Street and generally realigning rail systems in the area.

Construction of the 15MVA (megavolt amp) electrical substation on Sutherland Street was completed in April 2015 and will supply traction power to both the Fremantle and Joondalup lines. Together, the substation and the fitting of overhead line equipment and two motorised isolators now has the capability to power trains over the City West crossover and allow them to turn back at West Leederville Station. This will allow trains to operate between City West and Fremantle in the event of the railway being shut down in Perth.

These upgrades have improved network safety and performance, increased efficiency, and provided contingency options for instances like disruption.

CASE STUDY

Transperth rail services voted best in the nation

Transperth won *City Trains - Most Satisfied Customers* award for the fourth time - in other words, every time the survey has been conducted over the past five years.

An independent survey shows Transperth operates the best trains in the country, with maximum five-star ratings received in six of the eight categories assessed.

National consumer research company, Canstar Blue, has again presented Transperth with the award after surveying and measuring train commuter satisfaction across the country.

Transperth was the only train service provider in Australia to be awarded five stars (outstanding value) under the category of overall satisfaction. It also achieved the maximum five-star rating in the categories of service reliability, trip comfort, train/station cleanliness and ticketing system.

Four stars out of five were received for ticket price and safety.

2.4 Fares and other revenue

Metro

Transperth applies a common fare structure across its integrated bus, train and ferry service network. Fares are based on a zonal system with nine concentric bands – travel within zone one covers a distance of eight kilometres, zones two and three each covers nine kilometres, and each zone in zones four to nine covers 10km.

Fares are set for travel within a specified number of zones. A short distance fare is available for trips of up to 3.2km (two sections). Students up to Year 12 pay a flat fare for all travel during the gazetted school year except on weekends. In addition, there are multi-trip daily tickets for individuals (DayRider) and groups (FamilyRider).

Passengers are able to transfer between services and modes without extra charge within two hours on journeys of up to four zones and within three hours on journeys of between five and nine zones. This free transfer facility is available on the two-section fare only if the transfer can be made without a break in the journey and if the boarding and alighting points are within one section of the zone boundary or within one section of the transfer point.

The two cash fares schedules that were implemented during 2014-15 are shown below.

Transperth cash fares schedule 2014-15

	Effective July 1, 2014			Effective November 1, 2014 (following abolition of the carbon tax)		
	Standard	**Concession**	**Other**	**Standard**	**Concession**	**Other**
2 Sections	$2.10	$0.80		$2.00	$0.80	
1 Zone	$2.90	$1.20		$2.90	$1.20	
2 Zones	$4.40	$1.80		$4.40	$1.70	
3 Zones	$5.30	$2.10		$5.20	$2.10	
4 Zones	$6.30	$2.50		$6.20	$2.50	
5 Zones	$7.80	$3.10		$7.70	$3.10	
6 Zones	$8.80	$3.50		$8.70	$3.50	
7 Zones	$10.30	$4.10		$10.20	$4.10	
8 Zones	$11.10	$4.40		$11.00	$4.40	
9 Zones	$12.10	$4.80		$11.80	$4.70	
DayRider	$12.10	$4.80		$11.80	$4.70	
FamilyRider			$12.10			$11.80
Student (a)			$0.60			$0.60
24 Hour SmartRider (b)			$5.10			$5.00
Unrestricted half-yearly (c)			$98.40			$98.40
Unrestricted monthly (c)			$16.40			$16.40

(a) Available only as a SmartRider. Valid for all travel on Transperth services from Monday to Friday from the first to the last gazetted school day of the year; during mid-year school term holidays; and on public holidays that fall on a weekday during the school year.

(b) Only sold to welfare agencies to be given to their clients.

(c) Only available to persons receiving the disability support pension and employed in a supported employment setting. Persons receiving the disability support pension but not employed in a supported employment setting may apply for this ticket if they satisfied specified criteria.

In 2014-15, SmartRider accounted for

77% of all initial boardings on the Transperth network

Discounts on cash fares are provided through the SmartRider system and are based on the reload method used. A discount of 25 per cent is available to users choosing Autoload through direct debit or credit card, and a discount of 15 per cent to those who choose other reload methods (i.e. through BPAY, add-value machines, on board bus/ferry, and at retail sales outlets and InfoCentres).

SmartRider continues to lead Australia in smartcard ticketing technology and during 2014-15 accounted for 77 per cent of all initial boardings on the Transperth network. It provides a complete and accurate record of SmartRider boardings because users are required to tag on and tag off on smartcard processors on board buses and ferries and at train stations.

The 2015 PSM showed that 99 per cent of bus passengers (97 per cent in 2014), 97 per cent of train passengers (97 per cent) and 97 per cent of ferry passengers (97 per cent) expressed satisfaction with SmartRider.

Ticketing facilities provided for passengers who choose to pay cash for their travel are electronic ticket issuing machines (ETIMs) on all buses and ferries, and ticket vending machines (TVMs) at all train stations and ferry jetties.

Fare-paying boardings (including special events) accounted for 55 per cent of total boardings in 2014-15 compared with 56 per cent in 2013-14. Free travel accounted for 15 per cent (14 per cent) and transfers were 30 per cent (unchanged).

SmartRider accounted for 75 per cent of fare-paying boardings (including special events), up from 74 per cent in 2013-14. Cash boardings made up 25 per cent (26 per cent) and special events two per cent (unchanged).

Excluding special events, standard-fare passengers accounted for 52 per cent of cash and paid SmartRider boardings (54 per cent in 2013-14), concessions 32 per cent (unchanged) and students up to Year 12 were 13 per cent (12 per cent in 2013-14), while FamilyRider numbers contributed three per cent (two per cent previously).

Free travel on Transperth services comprises SmartRider-based free travel by seniors, aged/disability pensioners and carers which is electronically recorded on all modes, free travel on passes (manually recorded on bus and ferry but not recorded on train), bus and train travel within the FTZ, and travel on CAT and Midland Shuttle services.

Boardings on bus services within the FTZ and boardings on Perth CAT services are estimated based on surveys carried out at regular intervals by independent consultants; boardings on Fremantle and Joondalup CAT services and on the Midland Shuttle service are reported by the contractors. Free train travel within the FTZ is available only to SmartRider users and boardings are recorded on the SmartRider system.

Transfers by SmartRider users accounted for 79 per cent of total transfers in 2014-15, up from 78 per cent in 2013-14.

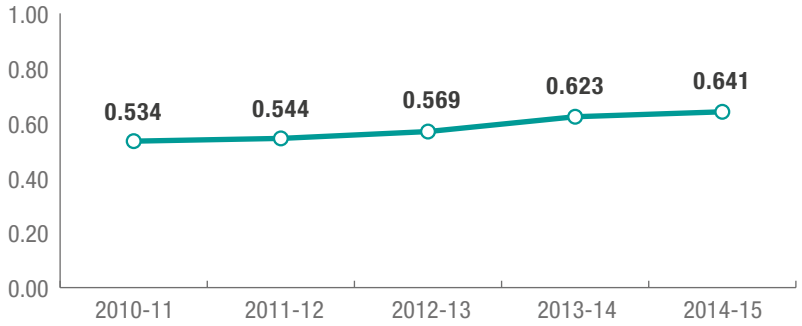
The 2013-14 State Budget announced the introduction of paid car parking for all Park 'n' Ride bays at metropolitan train stations from July 1, 2014. The move to all paid parking provided the PTA with an opportunity to streamline the existing cash payment process. The new arrangement, branded SmartParker, enables patrons to register up to three cars in the My Account function on the Transperth website and pay for parking with their SmartRider card, without the need to display a ticket on the vehicle. The ability to purchase a cash parking ticket still exists at most stations.

The SmartParker system has been very successful with 131,178 vehicles registered against 110,981 SmartRider cards in the first year of operation. SmartParker accounted for 83 per cent of all paid parking transactions.

Revenue and expenditure

In 2014-15, the total cost per passenger kilometre (i.e. including capital charges) for Transperth bus, train and ferry services rose 2.8 per cent to $0.641 compared with $0.623 in 2013-14. The 0.9 per cent increase in passenger kilometres combined with an increase of 3.8 per cent in system total cost contributed to the increase in the average cost.

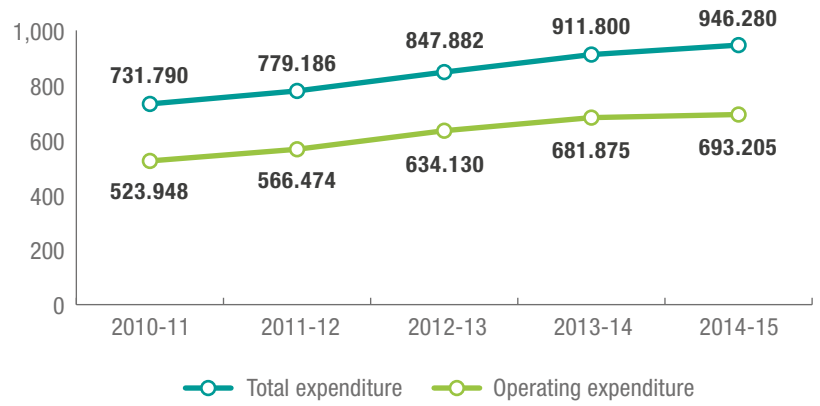
Transperth: Total cost per passenger kilometre ($)



Passenger kilometres are calculated using the average trip length for each mode derived from SmartRider tag on/tag off data. The tag on/tag off process accurately records the length of each SmartRider journey leg including transfers. The average trip length calculated for SmartRider users is applied to cash boardings to estimate transfers by cash passengers. Estimated trip lengths are applied to boardings on bus services in the FTZ and on CAT and Midland Shuttle services. The average trip length on free train travel within the FTZ, which is available only to SmartRider users, is recorded on the SmartRider system.

System expenditure and revenue

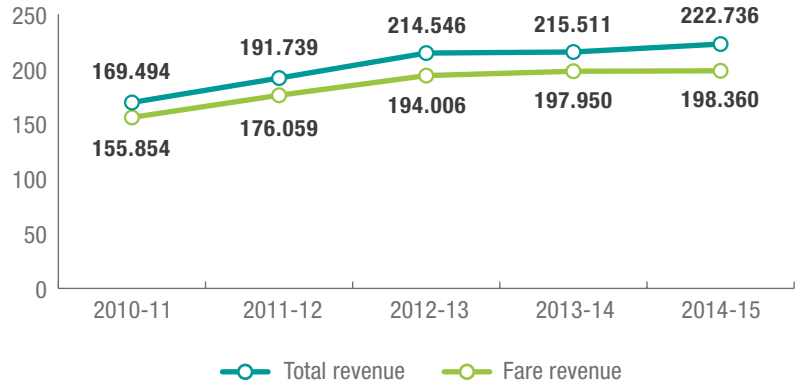
Transperth: System expenditure ($ millions)



Total expenditure on Transperth services increased 3.8 per cent in 2014-15 to $946.280m from $911.800m in 2013-14. Operating expenditure (excluding annual capital charges) increased 1.7 per cent to $693.205m from $681.875m in 2013-14.

Across the modes, total expenditure on train increased 4.8 per cent, 2.8 per cent on bus and 1.1 per cent on ferry. Operating expenditure increased 1.3 per cent on train and 2.0 per cent on bus.

Transperth: System revenue ($ millions)



Transperth revenue continued to increase, although at a lower rate. Total revenue (which, in addition to fares includes income from parking, advertising, rent, infringements and other miscellaneous items) increased by 3.4 per cent in 2014-15 to $222.736m from $215.511m in 2013-14 compared with increases of 0.4 per cent in 2013-14, 11.9 per cent in 2012-13, and 13.1 per cent in 2011-12.

Fare revenue includes revenue from cash tickets and SmartRider paid boardings, full or part funding for CAT services, funding contributions for the provision of specific bus services, revenue from joint ticketing for special events (where the public transport fare is included in the price of the event ticket), and income from the sale of SmartRider cards.

In 2014-15, fare revenue on the Transperth system increased by 0.2 per cent to $198.360m from $197.950m in 2013-14 compared with increases of 2.0 per cent in 2013-14, 10.2 per cent in 2012-13, and 13 per cent in 2011-12.

Across the modes, train fare revenue rose 1.4 per cent to $114.798m from $113.222m, while bus recorded a decrease of 1.0 per cent to $81.987m from $82.811m. Fare revenue on the ferry fell for the second year in succession by 13.3 per cent to $0.417m from $0.481m.

Costs of the service

In 2014-15, the total cost of providing Transperth train services, including annual capital charges, was up 4.8 per cent, from $466.246m in 2013-14, to $488.395m. Annual capital charges (interest and depreciation) rose 10.8 per cent to $188.747m.

Train operating costs – direct operating costs and transfer expenses (infrastructure maintenance and corporate overheads) – rose 1.3 per cent to $299.648m. Direct operating costs increased 4.4 per cent to $189.055m from $181.118m in 2013-14. This increase was primarily attributed to the opening of Butler Station and the introduction of additional B-Series railcars.

The total cost of operating Transperth bus services was $456.931m, up 2.8 per cent from $444.610m in 2013-14. Operating costs rose two per cent to $392.692m from $385.086m, while annual capital charges (interest and depreciation) increased 7.9 per cent to $64.238m from $59.524m.

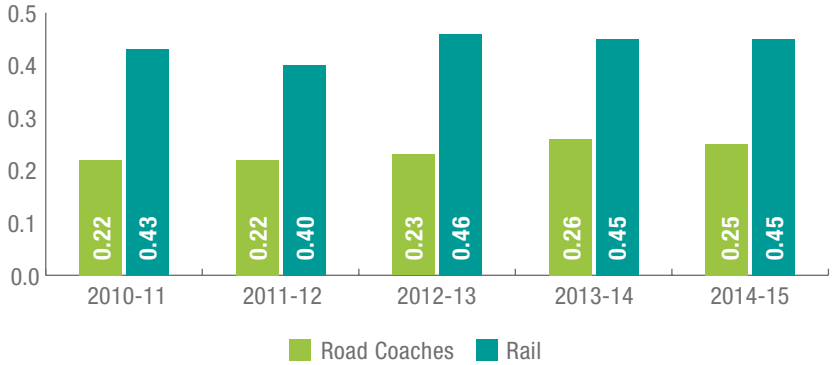
The increase in operating costs is attributable to the continuation of the bus service expansion program which increased the annual service kilometres, Transperth's primary cost driver, by 2.201 million kilometres. This program and the additional service levels needed to cater for the change of Year Seven students starting high school, have also required an increase to the bus fleet size, the main cause of the increase in capital costs.

Regional

Transwa

The average cost per passenger kilometre went down 3.6 per cent for road coaches to $0.25, and increased for rail by 0.9 per cent to $0.45.

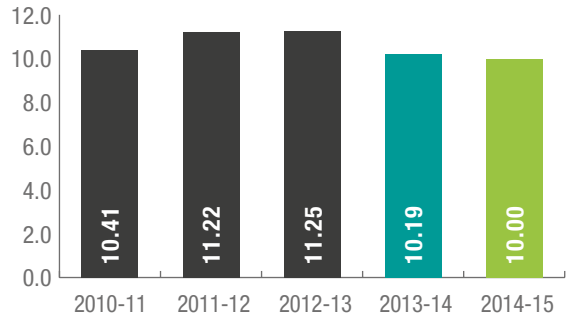
Transwa: Average cost per passenger kilometre ($)



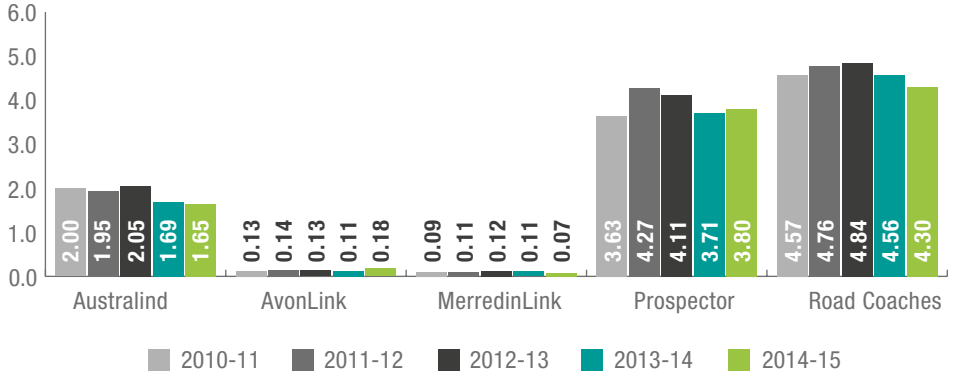
Revenue and expenditure

Revenue was down 1.86 per cent at $10m, due primarily to a decrease in passenger numbers on the Australind train service. Expenditure was also lower – down 2.52 per cent to $46.66m.

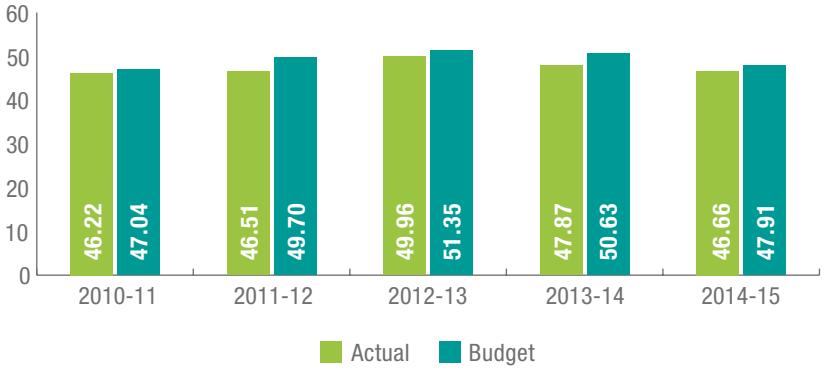
Transwa: Revenue ($ million)



Transwa: Revenue by service ($ million)



Transwa: Expenditure ($ million)



Regional Town Bus Services

Cost of the service

The cost of operating regional town bus services in 2014-15 was $18m, up 3.4 per cent from $17.4m in 2013-14. The cost of intra-town services increased 3.7 per cent from $16.3m to $16.9m, while the inter-town services cost increased 8.4 per cent from $1,050,602 to $1,138,529.

Keeping fare evasion at bay

With fare evasion rates up to 10 times lower than other cities, how does Transperth manage to discourage potential fare evaders? With watchful Transperth staff and the state-of-the-art SmartRider ticketing system, we've managed to ensure Transperth experiences the lowest rate of fare evasion in Australia.

Did you know Transperth has the lowest rate of fare evasion in the country?

With less than one per cent of passengers on the Transperth network evading fares, compared to between five and 10 per cent in other cities, it begs the question – how does Transperth do it?

Director of Security Services Steven Furmedge puts it down to a multi-disciplinary approach, with PTA staff working hard over the last ten years to bring the rate of fare evasion down.

"There are about 500 staff who conduct regular ticket checks on board trains, at stations and at fare gates," Steve said. "Everyone works really hard to make sure that only people with a valid ticket are on our services."

Transperth's revenue protection officers, transit officers, customer service assistants and passenger ticketing assistants all do their bit to ensure passengers are using services fairly.

The highly-successful SmartRider system also plays an important role in preventing fare evasion. Transperth staff can efficiently assess a passenger's right to travel without having to check individual paper tickets for expiry dates and zoning information.

"We can carry out about half a million ticket checks a week by scanning the cards and checking if they have been validated before someone boards a service," Steve said.

The visible presence of Transperth staff across the network helps to dissuade anti-social behaviour, including fare evasion. The PTA employs about 270 transit officers, transit supervisors and transit shift commanders; which is more security personnel per passenger than any other public transport system in Australia.

"All Transperth staff who conduct ticket checks provide a visible security presence on our network and there is evidence to suggest it makes all our passengers feel even safer," Steve said. "We issue about 1500 to 2000 fines each week. Obviously we would like it if we didn't have to issue any but that's probably not realistic."

2.5 Our people

The People and Organisational Development (POD) division contributes to the PTA's business performance through the provision of strategic people and organisational development programs and projects and a range of essential human resource policies, processes, systems and services.

14.8% culturally diverse workforce

4940 job applications received for 176 positions offered

Thirteen employees recognised for **40+ years' service**

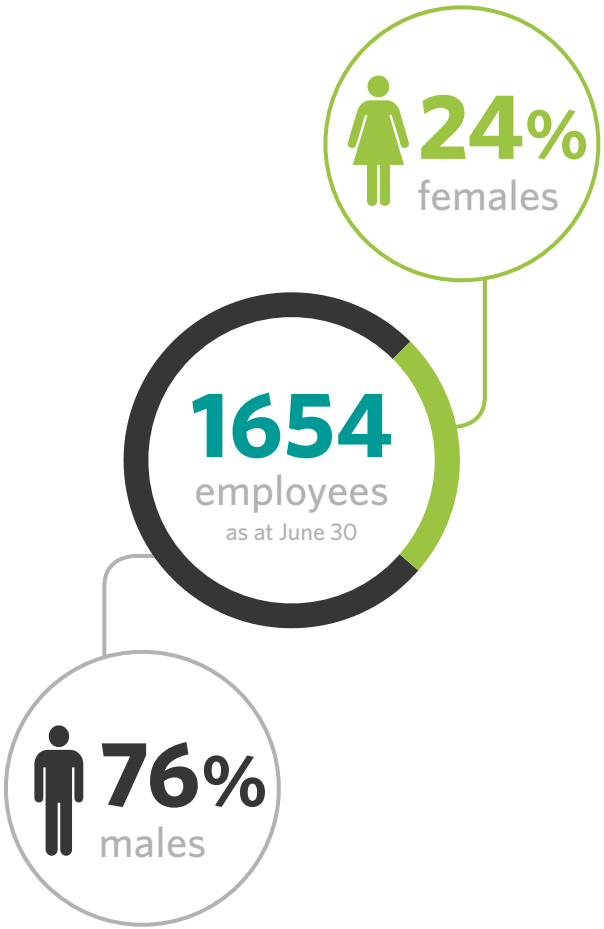
60% of the workforce is employed in operational areas

The POD division takes the lead role in ensuring the PTA achieves its KRAs to *Secure a workforce with the right capabilities and attitudes to realise our vision*. To accomplish this, POD works collaboratively with the other PTA divisions to design and implement initiatives to attract, support, develop, manage and retain people with the right skills and qualities to achieve the PTA's current and future goals. In 2014-15, the focus was on attracting, developing and retaining people with the skills needed to perform the PTA's critical roles particularly in the Network and Infrastructure division.

POD consists of four branches which work together to deliver integrated products and services. They are:

- Learning and Development
- Human Resource Services (HR Consultancy, Recruitment and Establishment, Personnel and Payroll)
- Human Resource Strategy
- Labour Relations

People matrix



1. Total number of employees:
   - 1654 as at June 30, 2015
   - 1594 as at June 30, 2014
2. Percentage gender split as at June 30:
   - 24 per cent females
   - 76 per cent males
3. Percentage of workforce from culturally diverse backgrounds:
   - 14.8 per cent
4. Percentage of employees with the PTA for more than five years:
   - 61 per cent
5. Number of applications received in 2014-15:
   - 4940 applications received (176 were offered positions, including offers to appointment pool)
6. Number of people commenced employment in 2014-15:
   - 164 commenced with the PTA

Occupational groupings

- 60 per cent are employed in operations which involves looking after the day-to-day processes of delivering a public transport system
- 20 per cent are employed in infrastructure which relates to the construction and maintenance of tracks, signals, stations and other facilities which allow trains to run
- 20 per cent support the service delivery in the areas of policy development and implementation, safety, contracts, communication and other corporate areas
- Train drivers: 15 per cent
- Transit officers: 16 per cent
- Customer and ticketing service staff: 11 per cent
- Engineers: 4 per cent
- Road coach operators: 2 per cent
- Signal and electrical technicians: 1 per cent
- Catenary maintainers (electrical overhead): 2 per cent
- Railway track maintainers: 2 per cent
- Train controllers: 1 per cent
- Contract administrators: 3 per cent

Strategic people management

To provide safe, customer-focussed, integrated and efficient transport services to the people of Western Australia and be recognised as a leader in public transport services and solutions, a key focus of the PTA is to secure a workforce with the right capabilities and attitudes (KRA 2 of the Strategic Plan 2014-2017). POD's branches collectively address the strategic people management challenges facing the PTA and this is achieved through a variety of strategies.

Leadership development of employees within the PTA continues to be a key strategy to reinforce the values, capabilities and attitudes required of our workforce. The cohort of 20 key leaders selected for development in the previous year successfully completed the nationally-recognised qualification.

In addition, new leadership short-series workshops were conducted and well attended. The Human Synergistics' Lifestyles Inventory has been selected as the primary 360deg feedback tool to support the improvement of our managers' core leadership capabilities. Development of a Management Capability Framework will complement the Leadership Capability Framework and align management capabilities to support the achievement of the PTA's business goals. The PTA maintains its focus on providing experiential learning and regular feedback in the development program for employees.

The advancement and implementation of the Succession Risk Management Program has continued across the PTA with its focus on reducing succession risk in critical roles. Establishing a system to facilitate the long-term development of high-potential employees is another strategy being introduced to consolidate and secure our current and future workforce needs.

The PTA's performance appraisal system, My Action Plan (MAP), continues to be an important tool for identifying and building the workforce capabilities for all employees and reinforcing the required behaviours and values. The PTA exceeded the target of 75 per cent completion rate with 81 per cent employees reporting they had a MAP discussion within the past 12 months. In 2014-15, employees received feedback for the first time on their professional behaviour as part of the MAP process.

Workforce planning was conducted across the PTA with a sustained emphasis on the key operational areas of N&I and TTO. The PTA's focus is on clearly identifying both current and future workforce needs and capabilities through workforce forecasting. There has been a shift in focus in the approach to ensuring a suitable supply of employees for critical roles within N&I, moving towards a 'grow your own' approach rather than relying on the external marketplace and graduates. This shift is most notable in critical infrastructure roles such as signals and overheads. The introduction of development programs and competency pathways complements this approach. Moreover, this is necessary for securing the required workforce in this critical division in the longer term.

Rolling transit recruitment campaigns and targeted recruitment are two other strategies that have continued to help secure our workforce, as has continued streamlining of recruitment and induction processes.

The PTA maintains a strong commitment to continuously reviewing our processes in accordance with public sector standards in human resource management to sustain a high standard of merit, equity and probity. As part of our continuous improvement strategy, reviews of key policies and procedures have been undertaken with subsequent guidance and support to our managers and employees to ensure an approach that is fully aligned to the PTA values.

Learning and Development

In 2014-15, the Learning and Development branch has worked with our business partners to deliver training/learning with the core outcomes of safety and technical competence.

Learning and Development is developing and delivering all internal training relating to the Network Rules 2015 project. This project sees a major revamp to rail safety rules relating to working on the railway perway and requires the re-training of employees and contractors.

Our e-learning training continues to grow, delivering mandatory training to our operational employees at various locations around the network. E-learning training includes:

- Emergency Management Manual
- Westplan
- Environmental Supervisor

Learning and Development is a Registered Training Organisation. It is recognised that to continue to deliver high-quality services, our employees need to be technically competent. As the rail industry is unique, business decisions have been made to update qualifications and include new qualifications to our scope.

Qualifications updated or being updated are:

- Certificate II Customer Service
- Certificate IV Railcar Driver

The new qualification added to our scope is:

- Certificate III Track Protection

These changes will ensure the PTA is able to adapt more quickly to changes in industry expectations and can continue to be a leading provider of passenger rail services in Australia.

Labour Relations

The remuneration and employment conditions for PTA employees are governed by industrial agreements registered in the WA Industrial Relations Commission.

The Labour Relations branch has continued to undertake a key role in dispute resolution, policy development, enterprise bargaining and the provision of strategic advice to operational managers in relation to work reform initiatives.

CASE STUDY

School Bus Services – Year Seven transition

For the first time in WA, the start of 2015 saw a new school arrangement where Year Seven students were transitioned from primary school to high school as part of a restructure to the public education system. After intensive operational planning and logistical changes to both SBS' orange school bus arrangements as well as Transperth's metro-area school bus services network (the most significant ever undertaken), the PTA was there to assist the smooth transition of primary school students to secondary school across the state.

After years in the making, February 2 was the day that approximately 12,000 Year Seven students made the move from primary school to high school for the first time. Alongside the restructure of WA's public education system, came a greater demand for Transperth to get students to and from school.

In response, significant changes were made to the metropolitan and regional school bus services network to boost capacity and realign services to offer the best possible service across the network.

The changes to the school bus services were the most significant ever undertaken. Planning for the change was years in the making – with the PTA working closely with the Department of Education three years prior to the transition to guarantee measures were taken to assist students to adjust to their new schools.

Considerable time and effort was invested in making sure this large logistical project was well planned, by:

- Monitoring the number of students using our services to determine where to allocate extra resources.
- Speaking to schools and bus drivers to determine where the demand was greatest and what services needed to be adjusted.
- Adding extra services at some schools between July and October 2014 in preparation for the 2015 school year.
- Combining under-performing services to free up buses to supplement heavily loaded trips.

From extensive research and planning, it was estimated that there'd be a high increase in routes used by secondary school students. To accommodate the demand for services, significant changes were made to bus routes and timetables, and an additional 36 buses were added to the Perth metropolitan network and 10 additional buses added to regional town services around the state.

In the lead up to the changes, Transperth undertook a comprehensive communications campaign, *It's Revision Time*, to ensure everyone was aware of the changes and planned their journey prior to the first day of school.

It was a critical time for Year Seven students, and the alterations to Transperth's school bus services network enhanced their journey into secondary school.


EMERGENCY EXIT
gasbus
NATURALLY
Transperth
1296
gasbus
NATURALLY

In 2014-15, the PTA's **Health and Wellbeing program** continued to pursue a shift from focussing on activities to results

Diversity

The PTA's Workforce and Diversity Plan 2012-2016 identifies a range of strategies to ensure that we have the right workforce to deliver business objectives.

The WDP establishes targets for workforce participation of various groups consistent with core business goals and in line with the *WA Equal Opportunity Act 1984* and other relevant legislation. It also considers untapped sources of potential employees. Utilising all sources and encouraging applicants from all diversity groups will enhance the performance of the PTA and its ability to meet core business needs in a changing business landscape.

The PTA also has a Reconciliation Action Plan 2013-2015, that identifies, in practical ways, how it promotes the shared interests of Aboriginal and Torres Strait Islander people and other Australians through measurable actions that support relationships, foster respect and provide opportunities.

The PTA aims to employ a workforce that reflects the community's diversity and provides a workplace where differences are valued and respected. We are committed to creating an environment where all employees and members of the public are treated with fairness, dignity and respect in accordance with equal opportunity laws and principles.

Health and lifestyle

In 2014-15, the PTA's Health and Wellbeing program continued to pursue a shift from focussing on activities to results. In support of this, more attention has been given to rolling out different programs to all PTA employees, irrespective of their locations.

Data shows that the program's participants are almost balanced between the Public Transport Centre and the PTA's operations-based locations. Several initiatives such as tailored programs and seminars on specific topics such as sleep and fatigue were implemented to better accommodate the needs of operational employees.

Educational workshops have been delivered across the different operational areas to increase the program's visibility and raise employee awareness. With these initiatives, both participation and engagement rates increased, especially in the PTA's operational areas.

Greater emphasis was also based on the reporting and evaluation of different activities and challenges the program offered. Employee feedback has assisted in the evaluation of the delivery of the current program and provided further ideas for increasing participation rates across operational areas, accommodating the varied work schedules present in the PTA.

In the coming year, the program will completely shift to an operational focus with more seminars and tailored programs. It will continue its focus of improving its metrics, and refining its ability to demonstrate the PTA's return on investment. Greater consultation with stakeholders continues to be a key driver in the ongoing success of the Health and Wellbeing program.

Service milestones

A number of our people achieved significant service milestones in 2014-15. Awards recognising 40 and 50 years of service went to the following employees:

Name	Position	Service milestone
Lenard Papprill	Senior Customer Service Officer	50-year award (Aug 2014)
Michael Watts	Passenger Service Manager Fremantle/Midland	50-year award (Jan 2015)
Brian Sutherland	Senior Customer Service Officer Bunbury	50-year award (Jan 2015)
Arthur Austin	Railcar Driver Claisebrook	50-year award (Mar 2015)
Stephen Elliott	Railcar Driver Nowergup	40-year award (Aug 2014)
Douglas Burrows	Suburban Operations Coordinator	40-year award (Sep 2014)
Graham Payne	Train Controller	40-year award (Oct 2014)
Eric Doust	Driver Coordinator Nowergup	40-year award (Oct 2014)
Giuseppe Faranda	Customer Service Assistant Armadale	40-year award (Oct 2014)
John Kitis	Transit Manager Admin Revenue	40-year award (Nov 2014)
Ray Rebeiro	Railcar Driver Trainer East Perth	40-year award (Feb 2015)
Timothy Trigwell	Manager Safeworking	40-year award (Feb 2015)
John Turner	Mechanical Fitter	40-year award (Apr 2015)

CASE STUDY

SmartParker – freeing up bays for our customers

To ensure Transperth car parks are reserved for the use of patrons, from July 1, 2014, the SmartParker system was introduced. A $2 per day parking fee was rolled out across the network, with some clever initiatives to ensure that patrons are indeed using Transperth services. By encouraging patrons to link their vehicle registration with their SmartRider to pay for parking, the SmartParker system is a highly-efficient way to ensure that parking bays will remain available for Transperth customers.

In an effort to keep Transperth parking bays free for our customers, the PTA introduced SmartParker across the network – an efficient and cashless way of paying for parking using an existing SmartRider.

Passengers are now required to pay $2 per day to park at Transperth car parks. Commuters rose to the occasion with more than 20,000 SmartRiders registered for paid parking before the change was introduced on July 1, 2014.

By registering their car vehicle registration number with their SmartRider using the My Account section of the Transperth website, passengers are able to park their cars, motorbikes or scooters, swipe their cards on the machine and then head straight to the station without having to display a ticket on their dashboard.

While passengers at most stations also have the option to buy a cash ticket at the station, the relative ease of the SmartParker system encourages passengers to register.

To ensure that patrons are indeed parking with the intention of using a Transperth service, they must tag on to a Transperth bus or train or they will not be able to swipe into SmartParker the next time they park. If a vehicle isn't registered or no ticket is displayed, a $50 infringement awaits, with parking attendants able to use license plate recognition software to check if parking has been paid for.

Parking on weekends and public holidays is free, as is parking outside the hours of 5am and 9pm on weekdays.

3. Governance and compliance

3. Governance and compliance

3.1 Governance and compliance – KPIs

Key performance indicators are an integral part of managing outcomes in areas that have been identified as being critical to our business. The following is a summary of our progress in delivering agreed outcomes in accordance with the 2013-17 PTA Strategic Plan including other regulatory requirements.

Rail safety performance report

KPIs	Measures	Target	Results	Level of achievement	Status	Comments
Safety incidents per million passenger decrease	Notifiable occurrences Category A per million passenger boardings	0.27	0.17	36.78% below target	⊙ Met Target	
	Notifiable occurrences Category A per million train kilometres	1.00	0.56	43.54% below target	⊙ Met Target	
	Notifiable occurrences Category B per million passenger boardings	9.30	10.09	8.46% above target	☑ Close to Target	Ref #1
	Notifiable occurrences Category B per million train kilometres	32.00	33.37	4.27% above target	☑ Close to Target	Ref #2
Obligations under the lease are adhered to	Lease breaches	0	0	100%	⊙ Met Target	
	Five-year independent audit	0	n/a	n/a	n/a	

Key

⊙ Met Target
☑ Close to Target
☒ Desired results not achieved – taking action

Reporting of notifiable occurrences to the rail regulator

Under the *Rail Safety Act (2010)*, specific railway safety incidents must be reported to the Office of Rail Safety (ORS). These 'notifiable occurrences' are defined in the *Rail Safety Regulations (2011)* as Category A (death, serious injury, or significant property damage) or Category B (incidents that may have the potential to cause a serious accident). They do not cover non-rail operations.

Note:

Ref#1

Category B per million passenger boardings benchmark value (target – 9.30)

The number of Category B notifiable occurrences reported to the ORS in accordance with the Rail Safety Act and Regulations and ONS1-WA 2008 in 2014-15 totalled 650 (589 in 2013-14).

The Category B target was set at 9.30 at the beginning of the year based on projected estimations of passenger boardings being 63,710,713 (TTO and Transwa) and using historical trends in the number of notifiable incidents on the PTA's network.

The total number of passenger boardings at end of the 2014-15 year is 64,442,972. The figures demonstrate a variance of 0.79 (10.09 – 9.30) which represents an 8.46 per cent increase against the target of 9.30.

The increase was due to the following contributing factors:

- Approximately 80 per cent (522) of notifiable occurrences were related to public behaviour on the PTA's network, which is beyond the PTA's control.
- The introduction of the new Incident and Prosecution (IAP) system that has the ability to capture a comprehensive and factual recording of incidents such as: Alleged Assault on Public Officer, Vandalism, Disorderly Conduct, Nuisance, Stealing, Trespass, Violent/Offensive Behaviour, Weapons and Terrorism/ Sabotage on the PTA network.
- The extension of the Joondalup Line from Clarkson to Butler resulted in an increase of five per cent.
- Increases over 2013-14 in the following categories: Slip Trip or Fall (156 vs 134), Trespass (103 vs 80), Level Crossing Occurrence (103 vs 94), Alleged Assault (45 vs 32), Safeworking Rule or Procedure Breach (33 vs 12), Alcohol or Drugs Irregularity (20 vs 5), Suspected Suicide or Attempted Suicide (12 vs 3), Railcar Fault (9 vs 6), Fire (9 vs 8), Proceed Authority Exceeded (7 vs 3), Collision in Yard (2 vs 1) and Terrorism/Sabotage (1 vs 0).

There were improvements in the following categories: Vandalism (61 vs 70), Signals Passed at Danger (29 vs 61), Collision on Running Line (13 vs 16), Security Issue (8 vs 13), Electrical Infrastructure (5 vs 9), Derailment (0 vs 5) and Operational Irregularity (0 vs 3).

The following categories remained static: Track & Civil Infrastructure Irregularity (26), Signalling & Proceed Authority System Irregular (7) and Rollingstock Irregularity (1).

Ref#2

Category B per million train kilometres benchmark value (target – 32.00)

The total number of Category B notifiable occurrences reported to the ORS in accordance with the Rail Safety Act and Regulations and ONS1-WA 2008 in 2014-15 totalled 650 (589 in 2013-14).

The Category B target was set at 32.00 at the beginning of the year based on projected estimations of train kilometres being 18,356,692 (TTO and Transwa) and using historical trends in the number of notifiable incidents on the PTA's Network.

The total number of train kilometres at end of the 2014-15 year is 19,481,182. The figures demonstrate a variance of 1.37 (33.37 – 32.00) which represents a 4.27 per cent increase against the target of 32.00.

The contributing factors for the per million train kilometres are identical as outlined in Ref#1.

Some of the PTA's strategies to reduce the incident rates are as follows:

PTA strategies for slip, trip or fall incidents:

- Monitoring trend analysis through business objects which produces reports of 'Slip Trip or Fall' incidents daily. This data analysis is presented to the weekly executive group meeting.
- Monthly station inspections by N&I supervisors.
- Improved proactive warning signage at escalators, including yellow hatching at the entrances.
- Installation of new emergency buttons on escalators for clear visibility and accessibility.
- Engagement of additional customer service assistants to monitor the movement of passengers on escalators located at the Perth Underground and Esplanade stations from 6am – 6pm (Monday to Friday).
- The PTA is developing an educational video for all commuters on the safe use of escalators on the PTA's network.

PTA strategies for trespass incidents:

- Introduction of the new IAP system which allows for a more comprehensive and factual recording of all offences on the PTA network.
- Target hardening of safety-critical areas of strategic importance (razor wire and palisade fencing).
- The PTA and TrackSAFE Education have collaborated their Right Track program and Be on the Safe Side programs respectively, aiming to work together to offer appropriate activities for teachers to introduce rail safety to their students. This includes the provision of teacher resources and co-branded education materials.
- In support of Rail Safety Week 2014, the PTA put up more than 300 posters across the Transperth train network as well as raising awareness through the promotion of Rail Safety Week on our staff intranet.

PTA strategies for level crossing incidents:

- The PTA's Crossing Improvement Program, includes upgraded lighting at 34 pedestrian level crossing along the Armadale, Midland and Fremantle lines (20 completed).
- The PTA, Main Roads WA and the Department of Transport developed a strategy for short, medium and long term improvements to level crossings, including the prioritisation of crossings for grade separation.
- The PTA has written to the ORS requesting a review of the penalty for breaching regulations 101-104 of the Road Traffic Code.
- The PTA has written to the WA Police requesting their participation in a targeted joint level crossing campaign that involves the PTA and Main Roads WA.
- As part of the Right Track program, rail safety ambassador and double amputee Jonathan Beninca presented at schools and youth organisations across the metropolitan area to promote rail safety.
- Transit officers visited schools in suburbs identified as high risk. This was due to a response to feedback from teachers reporting unsafe behaviour at local level crossings and train stations.

PTA strategies for safeworking incidents:

- Publishing a PTA N&I Access and Information Book (NIAIB) which provides track workers with additional safety checks.
- Development of new PTA Network Rules to align with the Australian Rules and Procedures Project.
- Development of Rule 3013 Lookout Working, which was endorsed by the ORS in June 2015, for implementation in August 2015.
- The establishment of visual management cells at N&I divisional levels. This process quantifies and tracks measurable key performance indicators.

OSH performance report

KPIs	Measures	2011-12	2012-13	2013-14	2014-15	Target	Level of achievement	Ref
OSH	Lost-time injury/disease (LTI/D incident rate)	6.96	6.30	5.78	3.60	Zero, or 10% improvement on the previous three (3) years	⊙ Met Target Achieved 43.28% improvement over the last 3 years average.	
	Lost time injury severity rate	28.21	26.67	38.30	24.39	Zero, or 10% improvement on the previous three (3) years	⊙ Met Target Achieved 21.47% improvement over the last 3 years average.	
	% of injured workers returned to work within (i) 13 weeks and (ii) 26 weeks	 75.64% 93.59%	 76.67% 97.78%	 65.96% 85.11%	 75.61% 89.02%	Greater than or equal to 80% return to work within 26 weeks	⊙ Met Target Achieved 9.02% improvement for return to work within 26 weeks	
	% of managers trained in OSH and injury-management responsibilities	45%	76%	94%	82%	Greater than or equal to 80% managers trained in OSH injury management responsibilities	⊙ Met Target Achieved 2.00% above set target	
	Number of fatalities (employees/contractors)	1	0	0	1	0	☒ Desired results not achieved – taking action	Ref #3

Key

⊙ Met Target
☑ Close to Target
☒ Desired results not achieved – taking action

Note:

Ref #3

The employee fatality incident is currently under investigation.

Organisational commitment to safety

A strong focus on safety as a core value of the PTA continued in a very positive manner during the year. In the 2014-15 financial year the Safety and Strategy division developed a number of new strategic initiatives.
The aim is to reduce the PTA's exposure to safety-related risks which include, but are not limited to:

- In October the Managing Director of the PTA launched the new safety program 'Everyone home safe, every day'.
- As a part of the ANZAC commemorative train service from Midland to Fremantle on Friday October 31, Safety and Strategy liaised with internal and external stakeholders to ensure rail safety compliance and ORS endorsement. The train had approximately 120 army cadets, with 12 supervisors and 15 members of the 11th Battalion Living History Unit. The Safety and Strategy division assisted to ensure all activities were undertaken in a safe manner.
- A gap analysis has been conducted on the impending new Rail Safety National Law (WA) Bill 2014 against the existing legislation to ensure the PTA's processes are aligned.
- Meetings were held with external providers including Main Roads WA to discuss new traffic management initiatives for incidents on the rail network and improving level crossing safety.
- The Safety and Strategy division has facilitated the development of the strategic safeworking group and resourced a dedicated team to project manage the process during the PTA's Safeworking Rules planning phase. This included drafting, internal and external consultation, approval and training of the new PTA Safeworking Rules. The project has been successful to date and the PTA Safeworking Rules are currently with the ORS for endorsement.
- In addition to the PTA Safeworking Rules project, the Safety and Strategy division has developed and resourced a dedicated project team for the early implementation of Rule 3013 Lookout Working. The early introduction of Rule 3013 will improve the safety of the PTA's track access holders who perform lookout working or act as a lookout. Endorsement from the ORS has been completed and Rule 3013 is to be implemented in August 2015.
- Commissioning of a new Critical Incident Response provider. The Safety and Strategy division proactively ensured that the transition process was seamless and undertook a review of the Critical Incident Procedure.
- Investigation of several category 2 and 3 incidents including the Meadow Street fatality and the Fremantle Rail Bridge incident. An outcome from the Fremantle Bridge incident was the development and implementation of a new Fremantle Rail Bridge emergency response procedure.

Mandatory requirements met during the year included:

- The Annual Rail Safety Audit.
- Compliance with Rail Safety Reporting Statistics.
- Preparation of the Rail Safety Annual Report.
- Completion of the Annual Report.
- Weekly Executive Safety Report.
- Notifiable Occurrences to Office of Rail Safety.

Health and safety

The provision of a healthy and safe workplace is the prime responsibility of management at all levels of the PTA. Management are committed to safety and everyone's safety is valued. This is an integral part of our business, ensuring that we are making public transport safe, customer-focussed, integrated and efficient.

Elected safety representatives attend divisional and cross-divisional safety committee meetings. Members include management/supervisors and safety representatives who consult and cooperate to initiate, develop and carry out measures for the safety and health of all PTA employees and customers. The PTA executive meets on a quarterly basis to review its corporate safety KPI performances.

The Health Safety and Environment Committee Procedure identifies the OSH roles and responsibilities of all employees and includes the OSH issue resolution process.

HSE management system

The Safety and Strategy division continues to monitor and review the Health, Safety and Environmental System and has a comprehensive strategic audit program in place. The purpose of the audit program is to ensure that all aspects of the safety management system are compliant and working effectively. The audit process provides feedback and identifies areas for continuous improvement and ensures corrective actions are implemented, monitored and reviewed.

The PTA's safety management system extends to contractors to ensure that they understand the PTA's safety requirements and reinforces the PTA's commitment to safety.

The ORS undertakes annual compliance audits against PTA's Safety Management Systems.

Reporting systems

The PTA has two reporting systems; STARRS and IFRS.

The STARRS reporting system enables the efficient reporting, recording and analysis of hazards, near-misses, incidents, injuries and workers' compensation claim data.

IFRS is the rail safety reporting system, which enables the reporting and storage of information regarding rail-related incidents, in particular, notifiable occurrences. This system is compliant with the national reporting requirements defined in the *Rail Safety Regulations 2011* and ONS-1 (WA) 2008 and is regularly updated.

The information collated by the PTA's reporting systems is used to identify incident trends, perform trend analysis and implement corrective actions.

Injury management

The PTA is committed to reducing work related injury and illness and it promotes a safe and healthy workplace by providing prompt and effective injury management. The PTA assists injured workers to return to work as soon as medically appropriate and adheres to the requirements of the *Workers Compensation and Injury Management Act 1981*.

Supervisors, managers, divisional safety teams and executive management actively support the injured worker to return to the workplace as soon as possible. They do this by ensuring suitable duties are available to meet the medical conditions whenever possible.

Health assessment standards and management systems

All employees who have track access continue to be monitored and reviewed in accordance with the PTA's Health Management Policy, which incorporates the requirements of the National Standard for Health Assessment of Rail Safety Workers. The PTA has a robust health and wellbeing program, which is accessible to all employees and includes but is not limited to:

- Onsite gymnasiums
- Influenza vaccination program
- Employee Assistance and Critical Incident Program
- Mole check clinics

Drug and alcohol testing

The PTA has a zero tolerance to the use of alcohol and other drugs in the workplace. Alcohol and other drugs are recognised as an occupational health and safety risk.

In the 2014-15 financial year a total of 1353 employees and contractors undertook alcohol and other drug testing as part of the PTA's commitment to this critical area.

Risk management

The PTA is committed to ensuring that a proactive approach is maintained in managing and controlling risk at all levels of the organisation. The PTA is focussed on delivering its strategic plan's vision – "To be recognised as a leader in providing world-class public transport services and solutions" – and purpose – "To provide safe, customer-focussed, integrated and efficient transport services."

Our success in achieving this is closely aligned to the effectiveness of the management framework in place that provides the foundations and arrangements to embed risk management throughout all levels of the organisation.

The PTA is focussed on ensuring that risk is managed to a level deemed As Low As Reasonably Practicable (ALARP) across all facets of its business. Effective risk management is evidenced when strategic, operational and project risks are proactively identified, assessed and treated, with opportunities being recognised and capitalised on.

Detailed quarterly risk reports are tabled at the executive monthly meetings that documents risk trends in the organisation across the strategic, operational and project areas of the business.

Key updates from the PTA's risk management portfolio during 2014-15 include:

- Comprehensive risk management portal on the PTA's intranet (Transnet)
- Ongoing structured risk management training programs within the PTA for all levels of staff
- The better recognition of risks and opportunities captured in the PTA's risk management system (RiskBase)
- Identification of risk trends and the strategies implemented to ensure ongoing efficient risk management
- Joint transport portfolio initiative to procure a cross-agency (PTA, DoT and MRWA) risk system
- Ongoing structured quarterly Divisional Risk Coordinator Group (DRCG) and Strategic Risk Management Group (SRMG) meetings
- Quarterly risk reporting to the executive committee.

Record-keeping

The PTA has revised its record-keeping policy and three records management procedures: Access to and Storage of Records, Disaster Mitigation and Recovery of Hard Copy Records. In addition, the PTA is in the process of collecting those items which could be considered a legal deposit for despatch to the State Records Office and/or National Archives.

The PTA has continued with the disposal of records in accordance with State Records Office requirements and provided refresher disaster recovery training for records services staff.

The records services section has participated in a records management audit conducted by KPMG. Several improvements were identified and are in the process of being implemented.

Other records management milestones achieved this year include:

- 6764 documents registered by the records services team (including incoming mail scanned to files)
- 9048 files created
- 950 archive boxes created
- 678 archive boxes destroyed
- 607 files destroyed
- 708 Ministerials processed
- 50 barcode compliance audits completed (work areas, compactus units and other storage areas)
- Several new work instructions developed.

Record-keeping at the PTA continues to be improved and the agency remains committed to progress towards compliance with the *State Records Act 2000* as well as the policies, procedures and guidelines of the State Records Commission.

Pricing policy 2014-15

Government continued to maintain public transport fares at an affordable level. Transperth fares were initially increased by an overall average of 4.8 per cent with effect from July 1, 2014. In accordance with Government policy, concession fares were maintained at 40 per cent of standard fares. The flat fare for students up to Year 12, which had remained unchanged at 50c since it was introduced on October 10, 2005, was increased to 60c.

A new fares schedule was introduced from November 1, designed to return to public transport users the additional cost added to fares by the carbon tax, which was abolished in July 2014.

Transwa fares are established by Government to ensure affordability for regional West Australians. For the 2014-15 financial year, Transwa fare increases were restricted to 2.5 per cent in line with the projected rate of increase in CPI. Concession fares were set at 50 per cent of standard fares. Transwa fares are rounded to the nearest 5c.

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

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

3.2 Compliance Statements

Statement of Compliance with Public Sector Standards

The 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

The PTA is established under the *Public Transport Authority Act 2003*, an Act to establish a State agency responsible for providing public passenger transport services anywhere in the State and performing functions under other Acts, including the *Rail Freight System Act 2000* and the *Government Railways Act 1904* as well as the construction of railways under various railway enabling Acts. Currently the Minister responsible for the PTA is the Minister for Transport.

Legislation impacting on the PTA's Activities

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

Financial Management Act 2006; Electoral Act 1907; Equal Opportunity Act 1984; State Superannuation Act 2000; 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 2010; Railways (Access) Act 1998; State Trading Concerns Act 1916; Occupational Safety and Health Act 1984; Environmental Protection Act 1986; Contaminated Sites Act 2003; Auditor General Act 2006; State Records Act 2000; Salaries and Allowances Act 1975; 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 the PTA, we have complied with the requirements of the *Financial Management Act 2006*. We have also complied with every other relevant written law and exercised controls to provide reasonable assurance that the receipt and expenditure of moneys, the acquisition and disposal of public property and the incurring of liabilities have been in accordance with legislative provisions.

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

Stephen Troughton
Acting Accountable Authority
8 September 2015

Kevin Kirk
Chief Finance Officer
8 September 2015

3.3 Key performance indicators

Financial targets: Actuals compared to budget targets

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

	2014-15 Target	2014-15 Actual	Variation	
	$000	$000	$000	
Total cost of services	1,291,733	1,267,454	-24,279	Note 1
Net cost of services	1,019,268	996,399	-22,869	Note 1
Total Equity	4,667,167	5,349,090	681,923	Note 2
Net increase/(decrease) in cash held	-58,100	24,188	82,288	Note 3

	Number of FTEs	Number of FTEs	Number of FTEs	
Full time equivalent	1,615	1,596	-19	

Notes:

1. Total cost of services and net cost of services decreased due to lower labour and energy costs and lower borrowing expenses.
2. Total equity increased mainly due to revaluation of the freight network
3. Net increase in cash held is mainly due to cash transferred in from other Government agencies of $63.645m and delays in delivering PTA's approved asset investment program.

Summary of key performance indicators: Actual compared to budget targets

	2014-15 Target	2014-15 Actual	Variation
Outcome: Accessible, reliable and safe public transport system			
Key effectiveness indicators			
Use of public transport – passengers per service kilometre:			
• metropolitan bus services	1.33	1.28	-0.05
• metropolitan train services	3.56	3.62	0.06
• metropolitan ferry services (a)	12.08	10.47	-1.61
• regional bus services	0.752	0.755	0.003
• country passenger rail services	0.231	0.218	-0.013
• country passenger road coach services (b)	0.070	0.060	-0.010
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	86.00%	85.00%	-1.00%
Metropolitan and regional passenger services reliability:			
• bus services within four minutes of scheduled time	80.00%	80.00%	0%
• train arriving within four minutes of scheduled time	95.00%	95.00%	0%
• ferries arriving within three minutes of scheduled time	98.00%	92.03%	-5.97%

Summary of key performance indicators: Actual compared to budget targets (continued)

	2014-15 Target	2014-15 Actual	Variation
Country passenger rail and road coach services reliability:			
• Prospector arriving within 15 minutes of scheduled time (c)	80%	65%	-15%
• Australind arriving within 10 minutes of scheduled time	90%	93%	3%
• MerredinLink arriving within 10 minutes of scheduled time (d)	95%	84%	-11%
• AvonLink arriving within 10 minutes of scheduled time	95%	96%	1%
• Road coaches arriving within 10 minutes of scheduled time	95%	97%	2%
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	99.00%	98.00%	-1.00%
Level of overall customer satisfaction – customer satisfaction index:			
• metropolitan bus services	81%	86%	5%
• metropolitan train services	90%	92%	2%
• metropolitan ferry services	98%	100%	2%
• country passenger rail and road coach services	92%	93%	1%
Customer perception of safety – independent external surveys:			
• train station – daytime	96%	98%	2%
• on board train – daytime	97%	98%	1%
• train station – night-time	69%	72%	3%
• on board train – night-time	75%	78%	3%

	2014-15 Target	2014-15 Actual	Variation
• bus station – daytime	97%	97%	0%
• on board bus – daytime	99%	99%	0%
• bus station – night-time	73%	71%	-2%
• on board bus – night-time	81%	82%	1%
Level of notifiable safety occurrences – notifiable occurrences:			
• Category A: occurrences per million passenger boardings (e)	0.27	0.17	-0.10
• Category A: occurrences per million train kilometres (e)	1.00	0.56	-0.44
• Category B: occurrences per million passenger boardings	9.30	10.09	0.79
• Category B: occurrences per million train kilometres	32.00	33.37	1.37
• Regional school bus services: notifiable occurrences (accidents) reported each school year (f)	21	16	-5
Outcome: Protection of the long-term functionality of the rail corridor and railway infrastructure			
• Number of lease breaches	Nil	Nil	Nil
Key efficiency indicators			
Service 1: Metropolitan and regional passenger services			
Average cost per passenger kilometre			
• Transperth bus operations	$1.03	$1.02	-$0.01
• Transperth train operations	$0.50	$0.48	-$0.02
• Transperth ferry operations (g)	$1.37	$1.75	$0.38

Summary of key performance indicators: Actual compared to budget targets (continued)

	2014-15 Target	2014-15 Actual	Variation
Average cost per 1000 place kilometres			
• Regional bus services	$75.58	$74.20	-$1.38
Total passenger place kilometres (millions)			
• Regional bus services	237.848	239.162	1.314
Service 2 : Country passenger rail and road coach services			
Average cost per passenger kilometre			
• Transwa rail	$0.49	$0.45	-$0.04
• Transwa road coaches	$0.27	$0.25	-$0.02
Service 3 : Regional school bus services			
Average cost per contracted kilometre: School bus services	$3.73	$3.73	$0
Service 4 : Rail corridor and residual freight issues			
Total cost of managing the rail freight corridor and residual freight issues (h)	$108,775,000	$125,674,000	$16,899,000

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

Notes:

a) Passengers per service kilometre on ferry was 13.34 per cent below the 2014-15 target mainly due to a 3.20 per cent increase in service kilometres following additional summer services introduced in June 2014, and a 10.59 per cent decrease in patronage resulting from service disruptions caused by work on the Elizabeth Quay and the slowing economy and population growth rate.

b) Road coach passengers per service kilometre was 13.71 per cent below the 2014-15 target mainly due to a 2.13 per cent increase in service kilometres and a 11.57 per cent decline in patronage following the termination of the five on-demand and charter road coach services and the withdrawal of the road coach replacement service proposed for the AvonLink in 2014-15.

c) The on-time running of the Prospector was 19.11 per cent below the 2014-15 target due to daily speed restrictions, delays and disruptions in services resulting from crossings, track works, signalling and late running by other rail users.

d) The on-time running of the MerredinLink in 2014-15 was 11.15 per cent below the 2014-15 target mainly due to service delays associated with the inherent issue of operating a passenger train on a predominantly freight line (i.e. crossings, speed restrictions). Delays were also caused by signal failures.

e) Category A incidents per million passenger boardings and per million train kilometres were 36.78 per cent and 43.54 per cent below the respective targets mainly due to a 35.29 per cent decrease in Category A occurrences, a 1.15 per cent increase in boardings, and a 6.13 per cent increase in total train service kilometres following the introduction of additional railcars into service and the extension of the Joondalup Line from Clarkson to Butler in 2014-15.

f) Notifiable occurrences (accidents) of regional school bus services were 23.81 per cent below the 2014-15 target with no fatalities or serious injuries recorded. This was mainly due to ongoing measures in maintaining and improving road safety standards such as the requirement for all contractors to have in place a School Bus Contract Safety Management Plan (SMP); regular random audits of the SMP for compliance of safety standards; and educating school bus contractors and drivers on road safety matters and risks associated with accidents.

g) Ferry average cost per passenger kilometre was 28.04 per cent higher than target mainly due to a 10.65 per cent decrease in passenger kilometres caused by the decline in ferry patronage, and a 14.59 per cent increase in costs of services as a result of additional summer services introduced since June 2014, and costs associated with the repair of the *MV Phillip Pendal* ferry.

h) The cost of managing the rail corridor and residual freight issues was $16.9 million above target due to increases in depreciation following the review of the freight network assets and write-down of non-current assets classified as held for sale.

Electoral Act 1907 – Section 175ZE

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

The details of the report are as follows:

	2014-15
	$
Expenditure with Advertising Agencies:	
303 Lowe Group Pty Ltd	716,403
ADCORP Australia Limited	68,116
Key2Creative	56,865
Exposure Print and Design	18,940
ICON Illustrations	13,350
Southern Cross Austereo	11,357
Definition Pty Ltd	9,765
Concept Media	9,000
Radiowest Broadcasters	8,778
Temple Dog	6,514
Design Co-operative Limited	6,403
Graduate Careers Australia	6,320
Cooch Creative	5,830
Visual Publications	5,273
Rare	4,703
Countrywide Publications	4,545
Whiz Digital	4,545
Experience Perth	3,132
LinkedIn	2,849
Australia's South West	2,496
Kalgoorlie Boulder Visitor Centre	2,455
Regional Publishers	2,271
Australia's Golden Outback	1,991
	971,901
Expenditure with Market Research Agencies:	
Painted Dog Research	674,838
	674,838
Expenditure with Polling Agencies:	**Nil**
Expenditure with Direct Mail Agencies:	**Nil**
Expenditure with Media Advertising Agencies:	
Carat Australia Media Services	79,980
Media Imagineers Pty Ltd	4,795
	84,775
Total Expenditure	**1,731,514**

Explanation of Major Capital Expenditure Variations 2014-15

(a) Budgeted estimates and actual results for 2014-15

	Budget	Actual	Variation	Comments
	$000	$000	$000	
Perth City Link	99,684	76,869	22,815	Project scheduling
Forrestfield-Airport Link	12,000	32,596	(20,596)	Land acquired ahead of schedule
New Perth Stadium Transport Project	80,617	60,834	19,783	Project scheduling
Extension of the Northern Suburbs Railway to Butler	26,583	9,144	17,439	Project scheduling and saving
Fremantle Swan River Bridge – Pier Protection	9,960	(819)	10,779	Delayed to align to Main Roads WA works on Fremantle Traffic Bridge
Aubin Grove Station	9,888	2,699	7,189	Project scheduling
Purchase of 22 Railcars	60,861	67,517	(6,656)	Project scheduling
Edgewater Multi-Storey Car Park	6,353	552	5,801	Project scheduling
Road Coach Replacement Program	4,991	10	4,981	Project scheduling
Resilience Package	6,651	10,563	(3,912)	Works completed ahead of schedule
Bus Replacement Program	36,994	33,383	3,611	Project scheduling
Regional Bus Acquisition (R4R funding)	–	3,466	(3,466)	Project approved post 2014-15 Budget Paper
Disability Access for Intermediate Minor Stations & Track Works – Stage 2	1,700	5,040	(3,340)	Project scheduling
Car Park Upgrade Program	3,381	330	3,051	Project scheduling
DAVS Replacement	4,337	6,399	(2,062)	Project overspend
Better Transport System (3000 parking bays)	–	1,957	(1,957)	Funds carried over from 2013-14
Power sub-station and stow roads to support new railcars	881	2,266	(1,385)	Project delays
Other	59,582	72,081	(12,499)	Project scheduling
Grand Total	**424,463**	**384,887**	**39,576**	

(b) Major Works in progress and completed

Description of Work	2014-15 Estimated Total Cost	Estimated Cost to Complete	Total Cost of Project Actual	Expected Year of Completion
	$000	$000	$000	
Perth City Link	569,269	86,820	482,449	2016/17
Bus Acquisition and Replacement Program	287,615	136,295	138,450	2018/19
New Perth Stadium Transport Project	358,641	248,651	87,590	2017/18
Extension of Northern Suburbs Railway to Butler	220,730	12,453	196,152	2014/15
Purchase of 22 Railcars	244,142	35,393	209,074	2016/17
Aubin Grove Station	57,000	48,094	8,907	2016/17
Better Transport System (3000 parking bays)	54,137	38	54,800	2014/15
Edgewater Multi-Storey Car Park	46,482	28,454	1,028	2016/17
Disability Access for Minor Stations & Track Works	29,404	168	30,236	2014/15
Forrestfield-Airport Link	2,021,000	1,980,831	40,169	2019/20

Independent audit opinion

Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

PUBLIC TRANSPORT AUTHORITY OF WESTERN AUSTRALIA

Report on the Financial Statements

I have audited the accounts and financial statements of the Public Transport Authority of Western Australia.

The financial statements comprise the Statement of Financial Position as at 30 June 2015, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Chief Executive Officer's Responsibility for the Financial Statements

The Chief Executive Officer is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive Officer, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Public Transport Authority of Western Australia at 30 June 2015 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by the Public Transport Authority of Western Australia during the year ended 30 June 2015.

Controls exercised by the Public Transport Authority of Western Australia are those policies and procedures established by the Chief Executive Officer to ensure 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.

Chief Executive Officer's Responsibility for Controls

The Chief Executive Officer is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Public Transport Authority of Western Australia based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Authority complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the controls exercised by the Public Transport Authority of Western Australia are sufficiently adequate to 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 during the year ended 30 June 2015.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Public Transport Authority of Western Australia for the year ended 30 June 2015.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

Chief Executive Officer's Responsibility for the Key Performance Indicators

The Chief Executive Officer is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Chief Executive Officer determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Chief Executive Officer's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the key performance indicators of the Public Transport Authority of Western Australia are relevant and appropriate to assist users to assess the Authority's performance and fairly represent indicated performance for the year ended 30 June 2015.

Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Public Transport Authority of Western Australia for the year ended 30 June 2015 included on the Authority's website. The Authority's management is responsible for the integrity of the Authority's website. This audit does not provide assurance on the integrity of the Authority's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.

Colin Murphy
Auditor General for Western Australia
11 September 2015

Audited Key Performance Indicators

Certification of Key Performance Indicators

For the year ended 30 June 2015

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Public Transport Authority's performance, and fairly represent the performance of the Public Transport Authority of Western Australia for the financial year ended 30 June 2015.

Stephen Troughton
Acting Accountable Authority
8 September 2015

Key Performance Indicators – Relationship to Government strategic goal

The following table depicts the relationship between the Government's goals and the outcomes and services that the PTA provides in order to achieve those goals.

Government Strategic Goal	PTA Outcomes	PTA Services
Results-Based Service Delivery: Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.	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

Note: The key performance indicators and the variances are calculated based on original source data and the results are reported with rounding to the nearest appropriate decimals.

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 occurrences

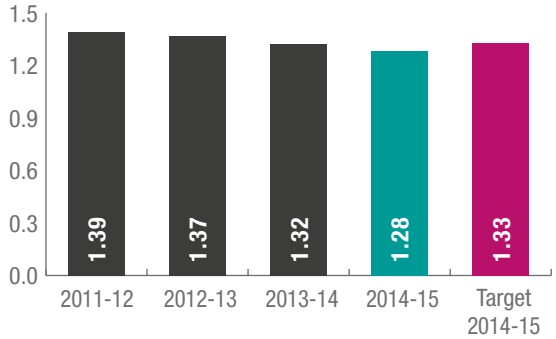
1. Use of public transport

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



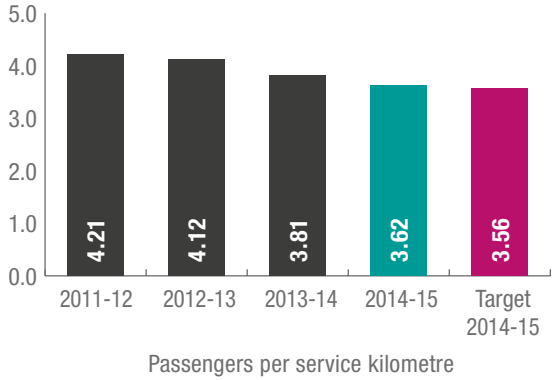
Passengers per service kilometre on Transperth buses was 2.86 per cent below the 2013-14 result and 3.46 per cent below the 2014-15 target.

Total boardings reached 84.143 million, marginally (0.51 per cent) above the 2013-14 result of 83.714m and 1.90 per cent below the 2014-15 target of 85.769m.

The ongoing bus service expansion program, including the introduction of the 950 SuperBus in 2013-14 and additional services in 2014-15, continued to increase bus service kilometres to 65.531m kilometres, 3.48 per cent above the 2013-14 result of 63.329m and 1.35 per cent above the 2014-15 target of 64.659m.

Since 2010-11 there has been a gradual annual decline in passengers per service kilometre, brought about by a large annual increase in the bus service kilometres rolled out since 2011-12. While additional service kilometres has made public transport more accessible to many more areas and people, the volume of new passengers utilising the new services, much of which is in expanding outer suburbs, is less than in the densely populated inner suburbs. With the slowing economy in 2014-15 as well as the completion of major road works and lower fuel price (which made driving an attractive alternative to public transport), the slowing population growth rate (particularly interstate and international migration) and the cost of living pressures impacting largely on discretionary travel – there was a further decline of this indicator in 2014-15.

Transperth train services



Passengers per service kilometre on Transperth trains reached 3.62, 5.02 per cent below the 2013-14 result and 1.75 per cent above the 2014-15 target.

This was mainly due to a 6.50 per cent increase in service kilometres offset by a 1.15 per cent increase in patronage.

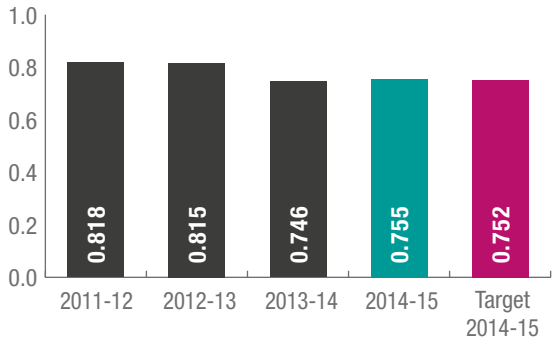
During the year, train service kilometres reached 17.730 million kilometres compared to 16.648m in 2013-14. This is 0.54 per cent below the 2014-15 target of 17.826m following the introduction of additional railcars into service and the extension of the Joondalup Line from Clarkson to Butler.

Total boardings also increased by 1.15 per cent to 64.225m from 63.492m in 2013-14 and exceeded the 2014-15 target of 63.429m by 1.25 per cent.

Regional town bus services

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

Intra-town and inter-town service



Passengers per service kilometre

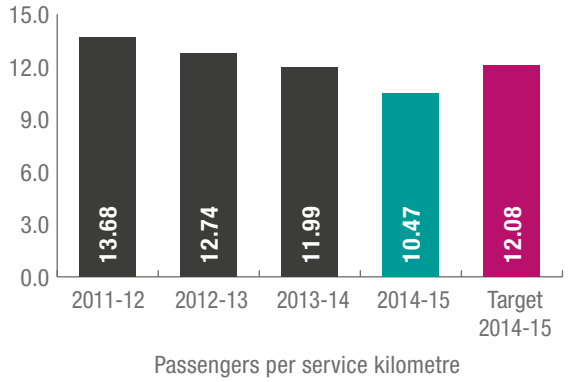
Passengers per service kilometre reached 0.755, 1.23 per cent above the 2013-14 result and 0.39 per cent above the 2014-15 target.

This was mainly due to a 1.72 per cent decrease in service kilometres to 3.344 million from 3.402m in 2013-14, offset by a 0.51 per cent decrease in patronage to 2.524m from 2.537m.

In 2014-15, intra-town patronage decreased 0.59 per cent to 2.513m from 2.528 million in 2013-14 while service kilometres decreased by 2.85 per cent to 2.876m kilometres from 2.961m kilometres. This was mainly due to decreases in service kilometres and patronage of Dunsborough and Bunbury services (following services changes introduced in Bunbury and Collie to increase operating efficiency), which was offset by significant increases in service kilometres and patronage of the Busselton bus service.

Inter-town service kilometres increased by 5.87 per cent to 467,484km from 441,550km in 2013-14 while patronage increased significantly by 23.35 per cent to 10,886 from 8,825 in 2013-14 as a result of the inclusion of the Mandurah-Waroona-Pinjarra shopper service in the inter-town operations and the increases in patronage recorded for Roebourne, Kalgoorlie to Laverton, Kalbarri and Monkey Mia services.

Transperth ferry services

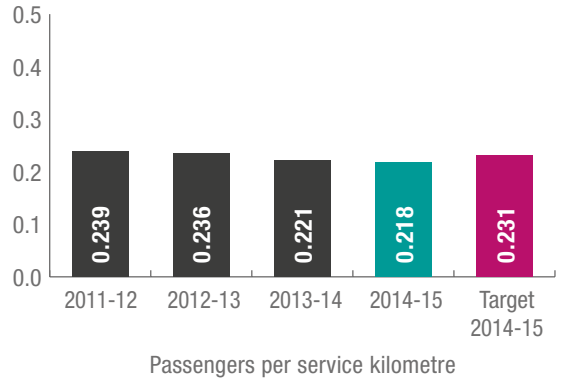


Passengers per service kilometre reached 10.47, 12.73 per cent below the 2013-14 result of 11.99 and 13.34 per cent below the 2014-15 target of 12.08.

During the year, service kilometres reached 37,668km, 3.89 per cent above the 2013-14 result of 36,258km and 3.2 per cent above the 2014-15 target of 36,500km mainly due to the additional summer services introduced from June 2014.

Total boardings reached 394,317, 9.33 per cent below the 2013-14 result of 434,914 and 10.59 per cent below the 2014-15 target of 441,000 partly due to service disruptions caused by work on the Elizabeth Quay and the slowing economy and population growth rate.

Transwa rail services

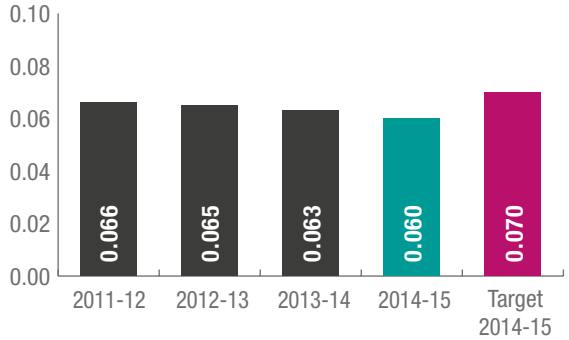


Passengers per service kilometre reached 0.218, 1.62 per cent below the 2013-14 result of 0.221 and 5.71 per cent below the 2014-15 target of 0.231.

During the year, service kilometres increased by 1.20 per cent from 0.989 million kilometres in 2013-14 to 1.001m, but was 1.08 per cent below the 2014-15 target of 1.012m kilometres. The increase in service kilometres is driven mainly by a significant increase of 101.21 per cent in AvonLink service kilometres due to 18 additional weekly services introduced in December 2014 as part of the Government's enhanced service initiative.

Patronage decreased marginally by 0.44 per cent from 219,030 in 2013-14 to 218,077 in 2014-15 and was 6.69 per cent below the target of 233,700. The decrease is largely driven by decreases in patronage of Australind (due to disruptions requiring replacement road coach services) and Merredin (following services reductions) offset by a significant 51.79 per cent increase in Avonlink patronage resulting from additional weekly services.

Transwa road coach services



Passengers per service kilometre

Passengers per service kilometre reached 0.060, 4.50 per cent below the 2013-14 result of 0.063 and 13.71 per cent below the 2014-15 target of 0.070.

This was due to a 4.94 per cent decline in patronage from 197,211 in 2013-14 to 187,469 in 2014-15 and a marginal (0.46 per cent) decrease in service kilometres from 3.118 million kilometres in 2013-14 to 3.104m in 2014-15 mainly due to the termination of five on-demand and charter road coach services and the withdrawal of the road coach replacement service proposed for the AvonLink in 2014-15.

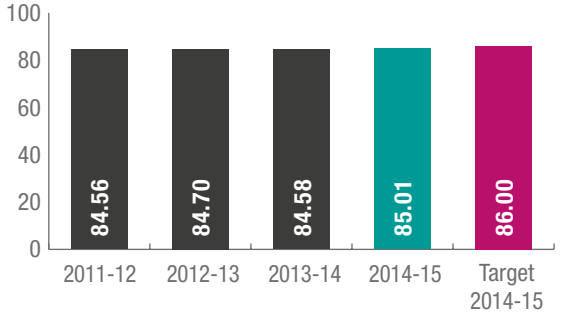
2. Accessible public transport

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

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

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

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



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

Accessibility to public transport was 0.51 per cent above the 2013-14 result but was 1.15 per cent below the 2014-15 target.

In 2014-15, the number of PSAs within the PPTA increased by 2.44 per cent to 948,657 from 926,050 in 2013-14. The number of PSAs within 500 metres of an ASL stop also increased by 2.96 per cent to 806,483 from 783,270 in 2013-14.

The 2014-15 result indicates that 806,483 PSAs in Perth out of 948,657 (85.01 per cent) have ready access to an acceptable level of public transport services.

3. Service reliability

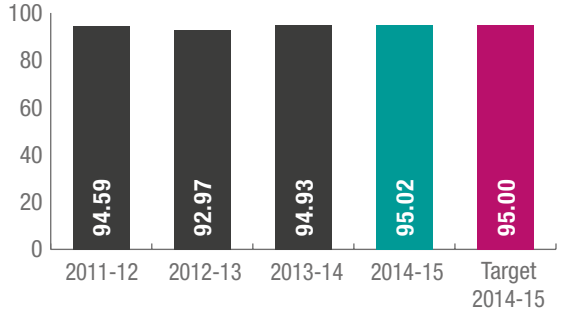
According to an independent survey which measured customer satisfaction, service reliability is regarded as one of the most significant characteristics of a quality service. Service reliability is essentially a combination of two main factors, punctuality and consistency.

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 Running” (OTR).

Operation	OTR 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 OTR measure demonstrates the extent to which the PTA meets its service reliability standards.

Transperth train services



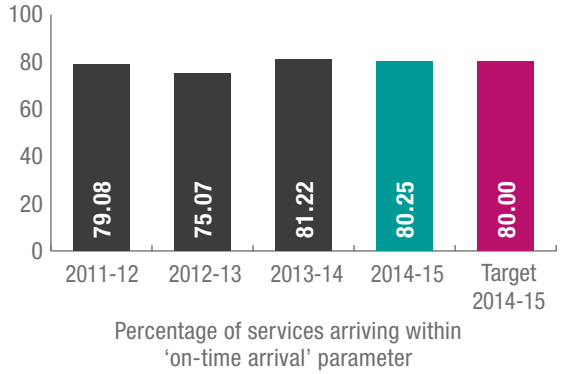
Percentage of services arriving within ‘on-time arrival’ parameter

The OTR of Transperth trains in 2014-15 reached 95.02 per cent, marginally above the previous year’s result and the 2014-15 target.

Factors affecting service reliability include passenger related delays causing longer dwell times at stations, electrical and mechanical issues, special events and bad weather which resulted in slippery track conditions and trains travelling at a reduced speed.

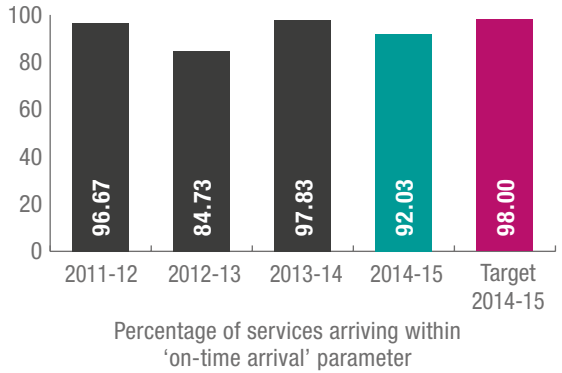
In 2014-15, following substantial improvement in 2013-14, the number of cancelled services continued to decrease by 34.95 per cent and delays due to mechanical issues also decreased by 21.32 per cent.

Transperth bus services



The OTR of Transperth buses in 2014-15 reached 80.25 per cent, 1.20 per cent below the 2013-14 result and 0.31 per cent above the target.

Transperth ferry services

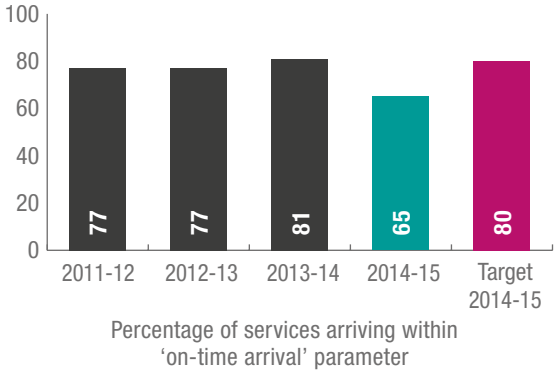


The OTR of Transperth ferries in 2014-15 reached 92.03 per cent, 5.93 per cent below the 2013-14 result and 6.09 per cent below the 2014-15 target, mainly due to service disruptions caused by work on the Elizabeth Quay.

Transwa rail services

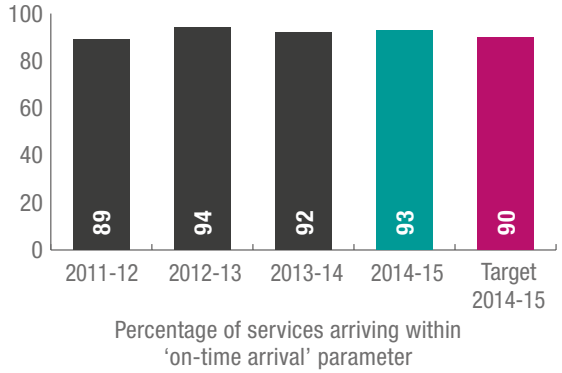
Indicators of the OTR performance for Transwa rail services are reported separately for each service.

a. Prospector



The OTR of the Prospector reached 65 per cent, 19.89 per cent below the 2013-14 result and 19.11 per cent below the 2014-15 target mainly due to daily speed restrictions, delays and disruptions in services resulting from crossings, track works, signalling and late running by other rail users.

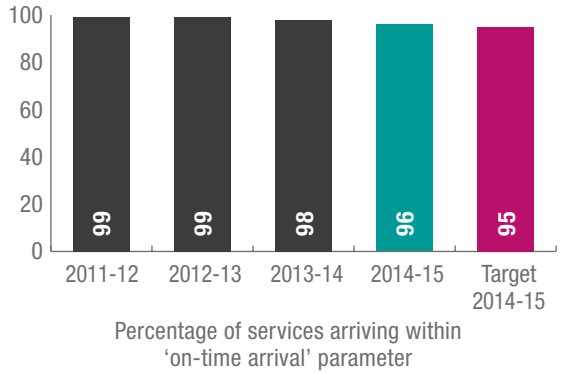
b. Australind



The OTR of the Australind reached 93 per cent, marginally above the 2013-14 result and 2.87 per cent above the 2014-15 target.

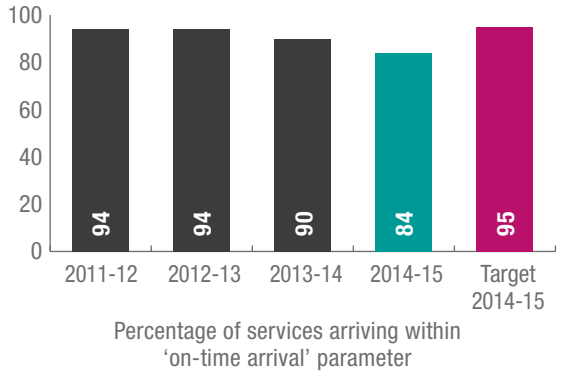
The OTR over the past three financial years has been achieved by a significant reduction in the number of services delayed due to crossings. The introduction of Burekup as a crossing loop has improved the ability for the Australind to maintain OTR.

c. AvonLink



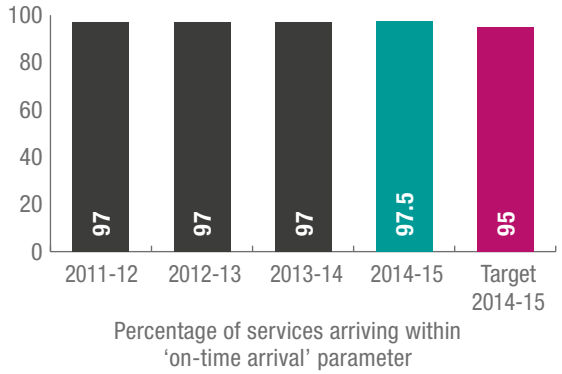
The OTR of the AvonLink reached 96 per cent, 1.34 per cent below 2013-14 and 1.37 per cent above the 2014-15 target. The OTR has been achieved given the AvonLink operates on a double line railway.

d. MerredinLink



The OTR of the MerredinLink reached 84 per cent, 6.64 per cent below 2013-14 and 11.15 per cent below the 2014-15 target mainly due to service delays associated with the inherent issue of operating a passenger train on a predominantly freight line (i.e. crossings, speed restrictions). Delays were also caused by signal failures.

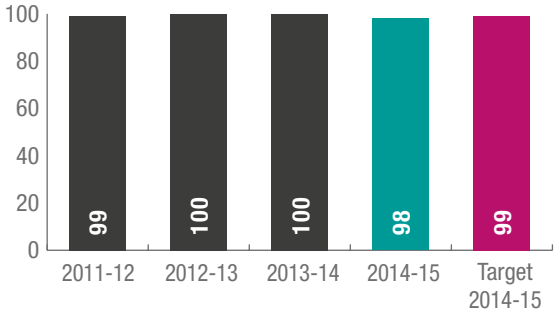
Transwa road coach services



The OTR of the road coach services remained high at 97.5 per cent, marginally above 2013-14 and 2.63 per cent above the 2014-15 target.

Regional school bus services

This indicator measures school bus timetable reliability for rural mainstream services and special education school buses operating in the metropolitan area. The OTR parameter is to arrive at school no less than 10 minutes before school starts and depart within 10 minutes of school ending.



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

The OTR in 2014-15 reached 98 per cent, 1.85 per cent below the 2013-14 result and 0.86 per cent below the 2014-15 target.

In 2014-15, 379 mainstream and education support services were randomly monitored for OTR, and 372 were within the time standard. The number of observations was within the acceptable limit of sampling error rate.

This indicator is calculated using a random sampling process which entails observing bus arrival times at various schools throughout WA and the timing is linked to the scheduling of the vehicle safety inspections.

The table shows five-year performance to June 30, 2015:

Year	Number of observations for compliance with 'on-time' arrival	Observations that were compliant
2010-11	976	970
2011-12	647	639
2012-13	844	842
2013-14	693	693
2014-15	379	372

The error rate of ± 3.05 per cent is within the ± 5 per cent 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 Transperth'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.

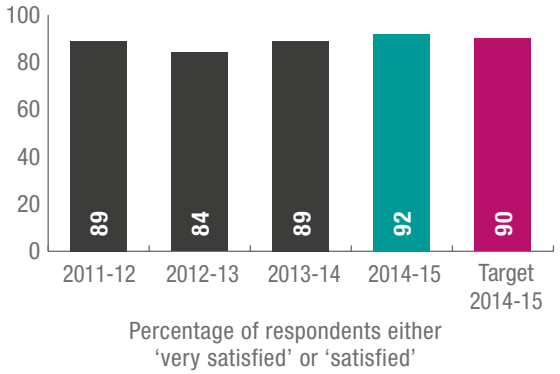
The pollsters interview a large sample of passengers in lengthy face-to-face surveys. Interviewers are assigned to various services and transit station locations over a four-week period covering the working week and weekend.

Transperth train services

For the train PSM, a total of 1008 train patrons were surveyed. The overall sample comprised of:

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

The sample error estimate was within ± 3 – 4 per cent and represents score differences required to reach the 95 per cent confidence level.



Overall satisfaction reached 92 per cent, 3.37 per cent above the 2013-14 result and 2.22 per cent above the target in 2014-15, representing the highest result achieved since 2010-11.

The results were driven largely by a 4.60 per cent increase in overall satisfaction of peak-time travellers (from 87 per cent in 2013-14 to 91 per cent in 2014-15).

The level of dissatisfaction decreased significantly by 33.33 per cent from three per cent in 2013-14 to two per cent in 2014-15 with Joondalup and Fremantle lines recording zero dissatisfaction.

The main reasons for dissatisfaction related to crowding issues (0.89 per cent) and seat availability in peak times (0.79 per cent).

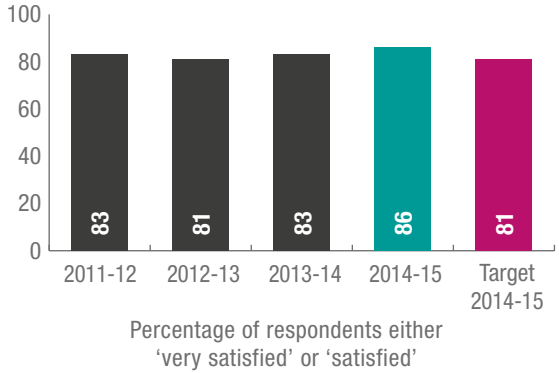
The increased satisfaction is due to reduced crowding resulting from increased capacity following the introduction of additional railcars into service.

Transperth bus services

For the Transperth bus PSM, a total of 3113 bus patrons were surveyed. The overall sample comprised of:

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

The sample error estimate was within ± 2 – 3 per cent and represents score differences required to reach the 95 per cent confidence level.



Overall satisfaction reached 86 per cent, 3.61 per cent above the 2013-14 result and 6.17 per cent above the 2014-15 target. It was the highest result for 20 years mainly due to significantly higher satisfaction levels recorded for the 950 Superbus and all CAT services (ranging from 94 per cent to 97 per cent), Joondalup (92 per cent), Rockingham/Mandurah and Claremont (91 per cent).

Levels of dissatisfaction remained unchanged at eight per cent compared to 2013-14, representing the lowest dissatisfaction level for 20 years.

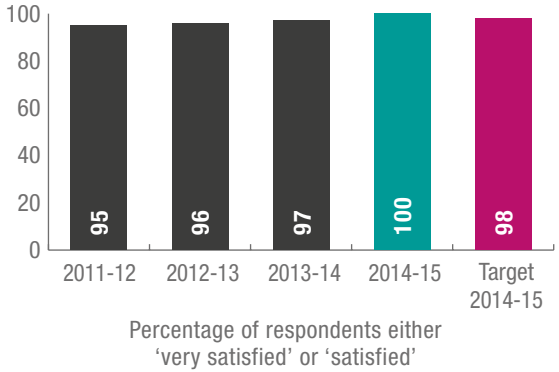
The most frequent reasons for dissatisfaction with the bus system were issues relating to service frequency, punctuality, insufficient off-peak, weekend/evening services and limited connection of buses and trains.

Transperth ferry services

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

- Adults aged 18 years or older, resident within the Perth metropolitan who used the ferry at least once a fortnight
- Patrons who were users of Transperth ferry services while visiting Perth
- School students were excluded from the sample.

The sample error estimate was within ± 10 per cent and represents score differences required to reach the 95 per cent confidence level.



Overall satisfaction with Transperth ferry services reached 100 per cent, 3.09 per cent above the 2013-14 result and 2.04 per cent above the 2014-15 target, representing the highest result achieved in 20 years.

No respondents indicated that they were dissatisfied with the overall service level, maintaining the long-term trend of minimal or zero dissatisfaction. The proportion of users who were 'very satisfied' with the ferry increased to 78 per cent compared with 70 per cent in 2013-14.

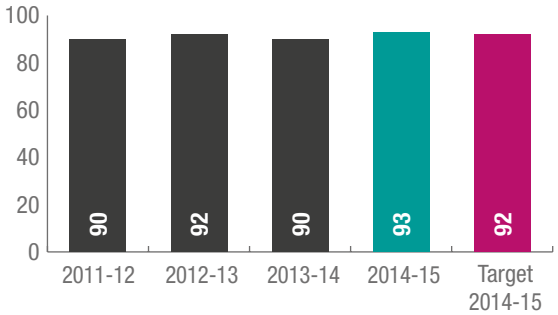
The increased satisfaction (with zero dissatisfaction) is mainly due to significantly higher satisfaction levels recorded for safety perception at the jetty and on board during the day (100 per cent), the availability of seats (100 per cent), cleanliness on board (99 per cent), punctuality and speed of the trip (98 per cent).

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 2014-15, a total of 1502 country services patrons were surveyed via a self-completion questionnaire.

The sample error estimate was within ± 3 – 5 per cent and represents score differences required to reach the 95 per cent confidence level.



Percentage of respondents either 'very satisfied' or 'satisfied'

Overall satisfaction reached 93 per cent, 3.33 per cent above the 2013-14 result and 1.09 per cent above the 2014-15 target of 92 per cent, representing the highest level achieved since 2005.

This was due to increases in overall satisfaction with the Prospector, road coach and AvonLink services offset by decreases in satisfaction with the Australind and Merredin services.

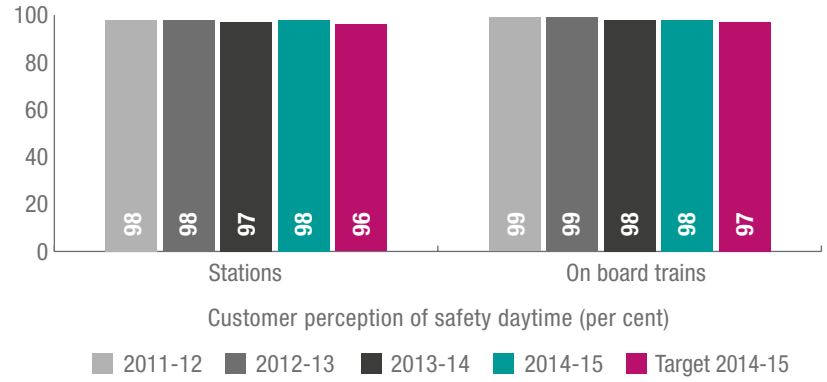
In 2014-15, overall satisfaction with the AvonLink increased to 99 per cent from 94 per cent in 2013-14, while the Prospector recorded an increase to 92 per cent from 87 per cent in 2013-14.

5. Customer perception of safety

Safety perceptions are an important factor in the public deciding whether to use public transport. The PTA is continuing to invest in security-related infrastructure and uses risk based resource allocation to enhance security staffing in specific areas of vulnerability. This increase in presence at strategic times and locations has ensured that customers can see the tangible measures being taken to increase their safety.

Customer perceptions of safety are measured through data gathered in the 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

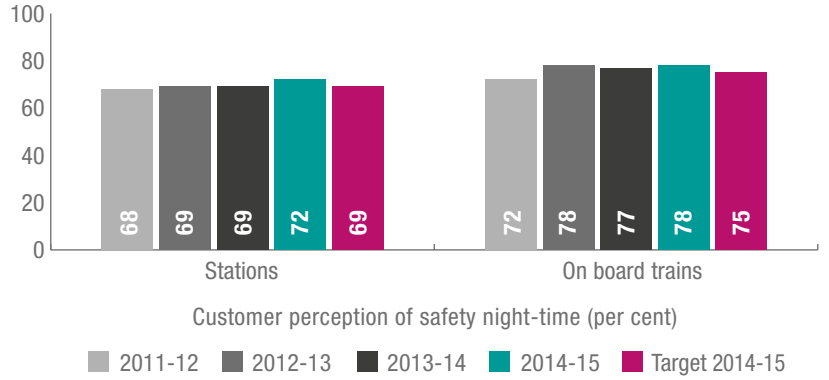


The indicator for perceived safety at train stations during the day remained very high at 98 per cent, 1.03 per cent above the 2013-14 result, 2.08 per cent above the 2014-15 target of 96 per cent and is consistent with the results of the past six years ranging from 97 per cent to 99 per cent.

The indicator for perceived safety on board trains reached 98 per cent, the same as the 2013-14 result, 1.03 per cent above the 2014-15 target of 97 per cent and is consistent with the results of the past nine years ranging from 98 per cent to 99 per cent.

Perceived safety on board during the day on the Fremantle and Armadale lines increased significantly by 25.49 per cent and 23.21 per cent respectively.

Daytime safety perception at stations for Fremantle and Armadale lines also increased by 22.81 per cent and 13.79 per cent respectively.



The indicator for perceived safety at train stations at night reached 72 per cent, three points better than both the 2013-14 result and the 2014-15 target and same as the 2010-11 result, representing the highest level since 2005-06.

The indicator for perceived safety on board trains reached 78 per cent, up from the 2013-14 result of 77 per cent, the 2014-15 target of 75 per cent and the equal highest level since 2005-06.

During the year, night-time safety perception at stations for Midland, Joondalup and Fremantle lines increased by 16.67 per cent, 14.49 per cent and 13.04 per cent respectively.

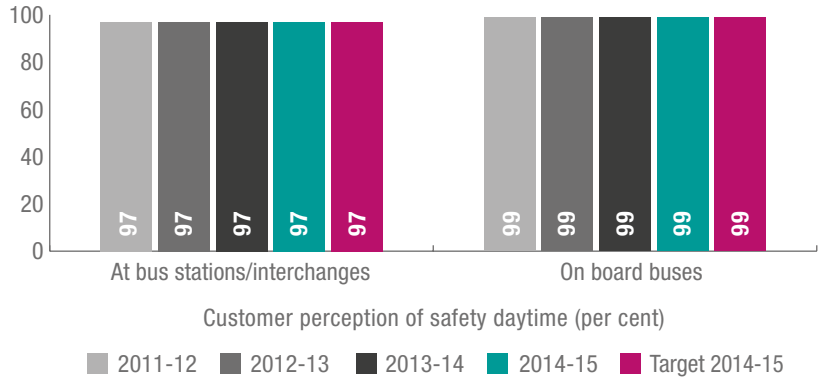
Safety perception at night on Armadale, Joondalup and Midland lines also increased by 12.07 per cent, 7.23 per cent and 7.14 per cent respectively.

The increased satisfaction and reduced dissatisfaction is mainly due to ongoing measures taken by Transperth since 2012-13 to address security concerns resulting in continued improvements in safety perceptions at night and during the day in 2014-15 and the previous two years. These effective measures include:

- Risk based resource allocation, ensuring a greater security presence on the Armadale line
- Joint Police and PTA targeted operations and enhanced security coverage on late evening trains.

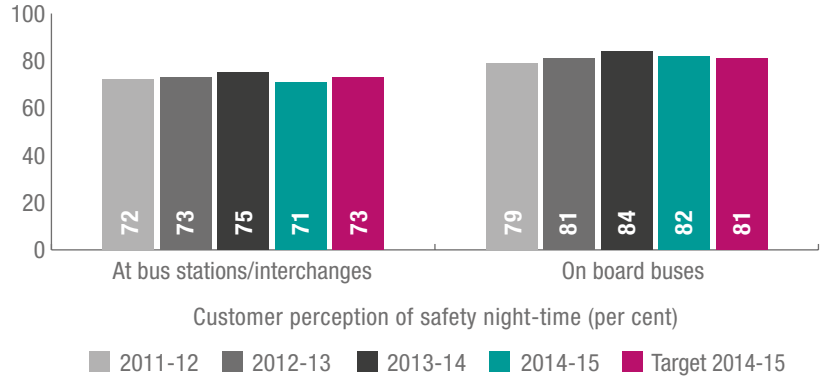
In 2014-15, train service kilometres and patronage increased by 6.50 per cent and 1.15 per cent respectively compared to the 2013-14 results as a result of the introduction of additional six-car sets into service and the extension of the Joondalup Line from Clarkson to Butler in 2014-15.

Transperth bus services



The indicator for perceived safety at bus stations during the day reached 97 per cent, the same as the 2014-15 target and has remained unchanged since 2010-11.

The indicator for perceived safety on board buses reached 99 per cent, the same as the 2014-15 target and has remained unchanged since 2010-11.



The indicator for perceived safety at bus stations at night reached 71 per cent, below the 2013-14 result of 75 per cent and the 2014-15 target of 73 per cent.

The indicator for perceived safety on board buses reached 82 per cent, below the 2013-14 result of 84 per cent but above the 2014-15 target of 81 per cent.

During the year, night-time safety perception at bus stations in Canning region increased by 13.11 per cent, offset by decreases of 11.84 per cent in Kalamunda and 15.48 per cent in Fremantle/Cockburn regions.

Perceived safety on board buses at night for Marmion and Morley increased by 8.24 per cent and 7.59 per cent respectively, offset by decreases of 10.26 per cent for Circle Route and 8.54 per cent for Fremantle/Cockburn.

Following the improvements in 2013-14, security incidents on bus system in 2014-15 continued to reduce further by 30.09 per cent to 2619 from 3746 in 2013-14, largely driven by decreases in incidents of altercation, intoxicated and anti-social behaviour.

In 2014-15, bus service kilometres and patronage increased by 3.48 per cent and 0.51 per cent respectively compared to the 2013-14 results.

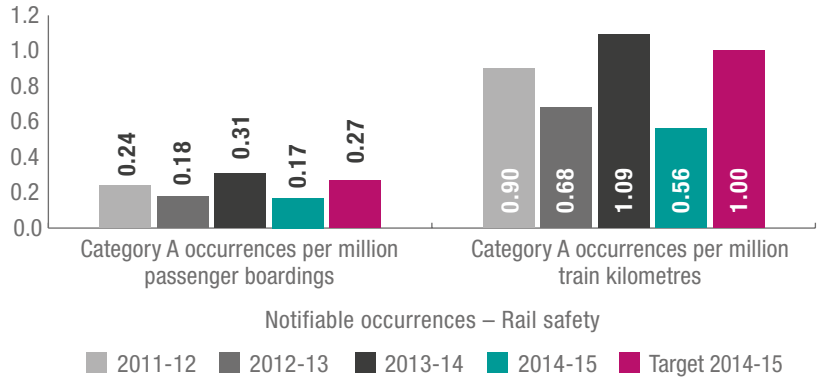
6. Level of notifiable safety occurrences

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 2011* as Category A (serious injury, death, or significant damage) or Category B (incidents that may have the potential to cause a serious accident). Notifiable occurrences reporting is a legislated requirement under the *Rail Safety Act 2010* for the accredited owner and operator of a rail system and 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.



The indicator for Category A incidents per million passenger boardings reached 0.17, 45.62 per cent below the 2013-14 result of 0.31 and 36.78 per cent below the 2014-15 target of 0.27.

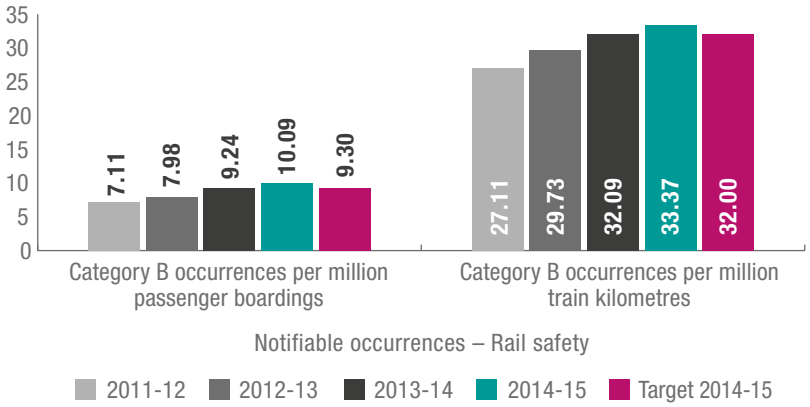
The indicator for Category A occurrences per million train kilometres reached 0.56, 48.17 per cent below the 2013-14 result of 1.09 and 43.54 per cent below the 2014-15 target of 1.0.

The KPIs were calculated based on 11 Category A incidents, total train kilometres of 19.481 million and 64.443m boardings in 2014-15.

During the year, Category A incidents decreased by 45 per cent. Notifiable occurrences under the "Attempted or Suspected Suicide" category which are beyond PTA's control decreased by 50 per cent, while passenger boardings and total train kilometres increased by 1.15 per cent and 6.13 per cent respectively.

Excluding suicides and attempted suicides, there were five Category A occurrences in 2014-15 compared with eight in 2013-14.

Safety Management Systems controls are in place and ongoing reviews are undertaken to reduce the incidents.



The indicator for Category B incidents per million passenger boardings reached 10.09, 9.10 per cent above the 2013-14 result of 9.24 and 8.46 per cent above the 2014-15 target of 9.30.

The indicator for Category B occurrences per million train kilometres reached 33.37, 3.99 per cent above the 2013-14 result of 32.09 and 4.27 per cent above the 2014-15 target of 32.0.

During the year, total train kilometres increased by 6.13 per cent and boardings increased by 1.15 per cent following the introduction of additional six-car sets into service and the extension of the Joondalup Line from Clarkson to Butler in 2014-15.

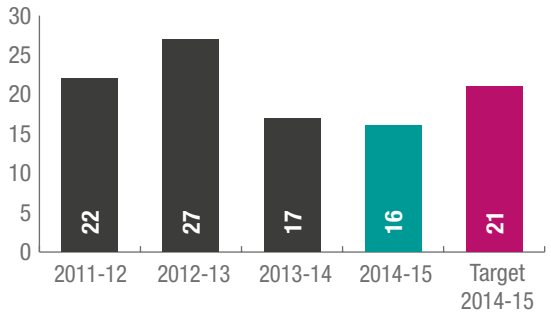
There were 650 Category B occurrences in 2014-15 compared to 589 in 2013-14, an increase of 10.36 per cent mainly due to increases in incidents of Trespass, Slip Trip or Fall and Safeworking; offset by a significant decrease of 52.46 per cent in incidents of Signal Passed at Danger.

Additional Safety Management Systems controls and strategies have been introduced and ongoing reviews are undertaken specifically aimed at reducing the incidents of Slip Trip and Fall, Trespass, Level Crossing and Safeworking.

Regional school bus services safety

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

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



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

The indicator reached 16, 5.88 per cent below the 2013-14 result of 17 and 23.81 per cent below the 2014-15 target of 21.

In 2014-15, there were 16 'on-road' school bus accidents, all minor. Nine occurred in regional Western Australia and seven in metropolitan Perth. No fatalities or serious injuries were recorded.

School Bus Services continues to campaign and educate school bus contractors and drivers on road safety matters and the relative risks associated with accidents. Measures such as the requirement for all contractors to have in place a School Bus Contract Safety Management Plan (SMP) and regular random audits of the SMP for compliance are strategic and effective means of improving and maintaining road safety standards.

In 2014-15, all the accident cases occurred through no fault of the bus driver, compared with 88.24 per cent in 2013-14 and 70.37 per cent in 2012-13.

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 1000 place kilometres
3. Total passenger place kilometres (millions)
4. Average cost per contracted kilometre

1. Average cost per passenger kilometre

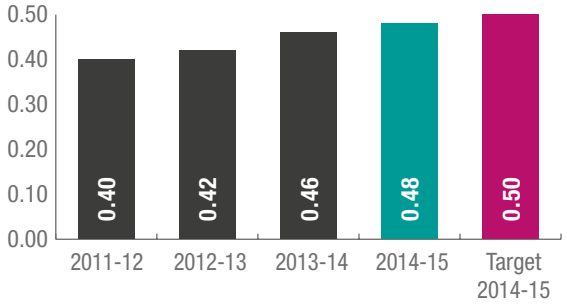
This indicator measures the cost efficiency of providing passenger services, expressed as the cost of carrying one passenger one kilometre.

Transperth

Passenger kilometres are calculated by multiplying the number of total boardings by the average trip length.

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



Transperth train operations
Average cost per passenger kilometre ($)

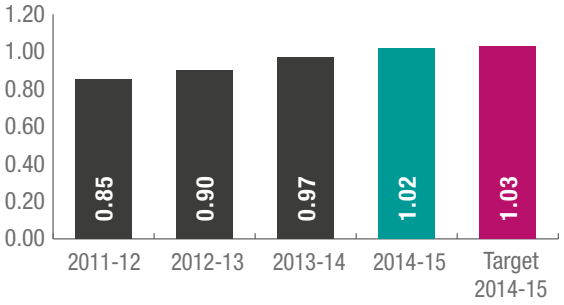
The indicator reached $0.48, 2.66 per cent above the 2013-14 result of $0.46 but 4.80 per cent below the 2014-15 target of $0.50.

This was mainly due to the 4.75 per cent increase in total costs of services, offset by a 2.04 per cent increase in passenger kilometres.

During the year, cost of the services increased to $488.395m from $466.246m in 2013-14 but was 3.76 per cent below the target of $507.5m. The increase in costs was mainly due to a 6.50 per cent increase in service kilometres and a 1.15 per cent increase in patronage following the delivery of additional new railcars, special event services including *The Giants* in February 2015 and the extension of the Joondalup Line from Clarkson to Butler in 2014-15.

Passenger kilometres also increased by 2.04 per cent to 1026 million in 2014-15 from 1006m in 2013-14 and exceeded the target of 1007m by 1.86 per cent mainly due to a 1.15 per cent increase in passenger boardings and a 1.02 per cent increase in the average train trip length.

Transperth bus services



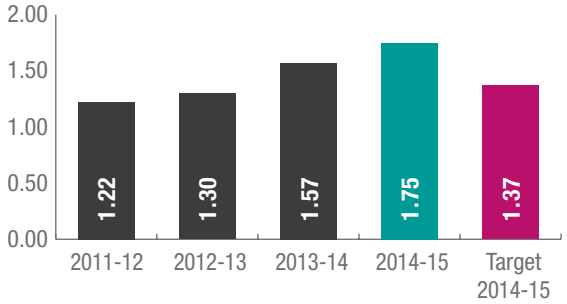
Transperth bus operations
Average cost per passenger kilometre ($)

The indicator reached $1.02, 4.38 per cent above the 2013-14 result of $0.97 but 1.36 per cent below the 2014-15 target of $1.03.

In 2014-15, cost of the services increased by 2.77 per cent to $456.931 million from $444.610m in 2013-14 but was 5.03 per cent below the 2014-15 target of $481.141m. This was mainly due to a 3.48 per cent increase in bus service kilometres and a marginal (0.51 per cent) increase in patronage.

Passenger kilometres decreased by 1.54 per cent to 449.733 million from 456.772m in 2013-14 but was 3.91 per cent below the 2014-15 target of 468.051m. The decline in passenger kilometres was due to a 2.2 per cent decrease in average trip length from 5.46km in 2013-14 to 5.34km in 2014-15.

Transperth ferry services



Transperth ferry operations
Average cost per passenger kilometre ($)

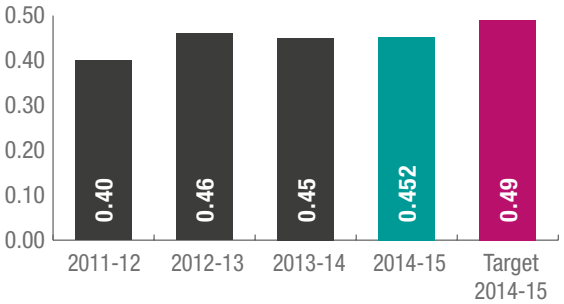
The indicator reached $1.75, 11.48 per cent above the 2013-14 result of $1.57 and 28.04 per cent above the 2014-15 target of $1.37.

This was mainly due to a 1.08 per cent increase in costs of services and a 9.33 per cent decrease in passenger kilometres caused by the decline in ferry patronage.

The cost of the services increased to $0.955m from $0.944m and was 14.59 per cent above the 2014-15 target of $0.833m. The increase is mainly due to a 3.89 per cent increase in service kilometres as a result of additional summer services introduced in the new timetable since June 2014 and the costs associated with the repair of the *MV Phillip Pendal* ferry.

Passenger kilometres fell 9.33 per cent to 544,157 from 600,181 in 2013-14 and were 10.65 per cent below the 2014-15 target of 609,000 mainly due to a 9.33 per cent decrease in ferry patronage and service disruptions caused by work on Elizabeth Quay.

Transwa rail services



Transwa rail
Average cost per passenger kilometre ($)

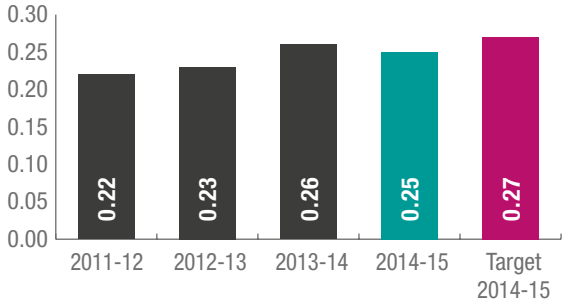
The indicator reached $0.452, marginally (0.90 per cent) above the 2013-14 result of $0.45 and 7.78 per cent below the 2014-15 target.

This was mainly due to a 0.27 per cent increase in total expenses to $31.231m from $31.147m in 2013-14 (largely driven by increases in railcar maintenance and track access costs, offset by decreases in fuel, overhead and capital expenditures) and a 0.62 per cent decrease in passenger kilometres from 69.550m in 2013-14 to 69.115m in 2014-15.

In 2014-15, total rail service kilometres increased by 1.20 per cent largely driven by a more than 100 per cent increase in AvonLink kilometres following the delivery of additional weekly services, offset by decreases in service kilometres of Australind (due to disruptions requiring replacement road coach service) and Merredin (due to the introduction of service initiatives).

Patronage decreased marginally, mainly due to decreases in Australind and Merredin patronage following services reductions offset by a significant 51.79 per cent increase in AvonLink patronage after the introduction of additional services.

Transwa road coach services



Transwa road coaches
Average cost per passenger kilometre ($)

The indicator reached $0.25, 3.58 per cent below the 2013-14 result of $0.26 and 6.85 per cent below the 2014-15 target of $0.27.

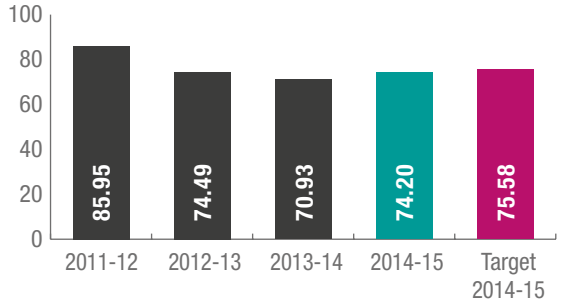
This was mainly due to a 8.14 per cent decrease in total expenses to $14.617m from $15.913m in 2013-14 (mainly due to decreases in fuel, maintenance and overhead expenditures offset by increase in depreciation) and a 4.74 per cent decrease in passenger kilometres from 61.011 million in 2013-14 to 58.120m in 2014-15 (driven mainly by a 4.94 per cent decrease in patronage and a marginal decrease in service kilometres).

2. Average cost per 1000 place kilometres

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 1000. Place kilometres are calculated by multiplying the average fleet capacity by the service kilometres.

Regional bus services

Intra-town and inter-town services



Regional town bus services
intra-town and inter-town
Cost per 1000 place kilometres ($)

The indicator reached $74.20, 4.61 per cent above the 2013-14 result of $70.93 but 1.83 per cent below the 2014-15 target of $75.58.

This was mainly due to a 0.89 per cent decrease in total passenger place kilometres from 241.311 million in 2013-14 to 239.162m in 2014-15 and a 3.68 per cent increase in total costs to $17.746m from $17.116m in 2013-14 (largely driven by increases in costs associated with significant increases in patronage and service kilometres of Busselton service, the transitioning of Busselton service to the new contractor, maintenance, capital and refurbishment of regional bus fleet), offset by significant cost reduction of Bunbury service following service changes to increase operating efficiency.

During the year, service kilometres decreased by 1.72 per cent to 3.344m from 3.402m in 2013-14 and average bus place capacity on some of the intra-town operations increased due to bus fleet changes which resulted in a 0.89 per cent decrease in total place kilometres.

3. Total passenger place kilometres (millions)

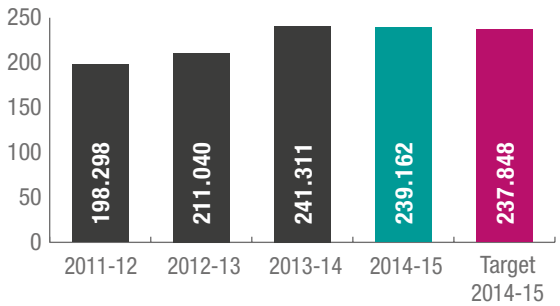
This indicator measures the total number of passengers that can be carried for the service kilometres.

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

The service kilometres for most intra-town services are calculated using the TRIS.

Regional bus services

Intra-town and inter-town services



Regional town bus services
intra-town and inter-town
Total passenger place kilometres (millions)

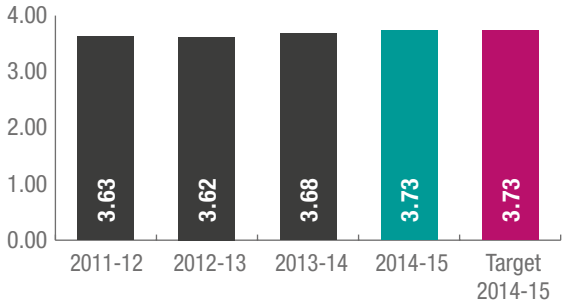
The indicator reached 239.162 million, 0.89 per cent below the 2013-14 result of 241.311m but slightly (0.55 per cent) above the 2014-15 target of 237.848m.

This was mainly due to a 1.72 per cent decrease in service kilometres to 3.344m from 3.402m in 2013-14, offset by increases in average bus place capacity following bus fleet changes that took place on some of the intra-town operations in 2014-15.

4. Average cost per contracted kilometre

Regional school bus services

The cost of administering school bus services on a kilometre basis is calculated by dividing the total cost of school bus contracts and operating expenses by the total contracted kilometres.



Regional school bus services
Average cost per contracted kilometre ($)

The indicator reached $3.727, 1.33 per cent above the 2013-14 result but 0.08 per cent below the 2014-15 target of $3.73.

Total costs increased by 1.63 per cent to $122.355m from $120.393m in 2013-14 mainly due to increases in contracted services, operating and depreciation costs. The approximate number of eligible students in receipt of school bus transport assistance also increased by 1.47 per cent to 28,200, from 27,792 in 2013-14.

Contract kilometres reached 32.829 million kilometres, exceeding the target by 1.27 per cent and 0.29 per cent above the 2013-14 result due to fewer contract service days in 2014-15 compared to 2013-14. Daily average contract kilometres also recorded an increase of 1.32 per cent.

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 Brookfield Rail Pty Ltd.

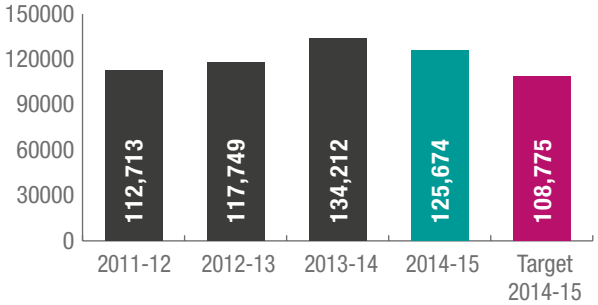
Brookfield Rail manages and operates the rail freight infrastructure under the terms of the Railway Infrastructure Lease. Under the Lease, Brookfield Rail is the 'accredited owner' of the infrastructure as defined in the *Rail Safety Act 1998*.

Under the terms and conditions of the Railway Infrastructure Lease, an independent inspection of the railway infrastructure is carried out every five years. The last independent inspection was completed in June 2010.

The results of this inspection did not indicate any cause for concern and confirmed that the rail corridor and infrastructure was being satisfactorily maintained. There has been no lease breach recorded since 2009.

Cost efficiency

The cost efficiency for the management of the long-term lease of the rail freight infrastructure 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 cost of managing the rail corridor and residual freight issues was 6.36 per cent below the 2013-14 result but was 15.54 per cent above the 2014-15 target.

The result was $8.5 million below 2013-14 due to reductions in supplies and services costs. The result was $16.9m above the 2014-15 target due to increases in depreciation following the review of the freight network assets and the impairment of land held for sale.

4. Financial report

4. Financial report

4.1 Financial statements

for the year ended 30 June 2015

Contents

Certification of Financial Statements

For the year ended 30 June 2015

The accompanying financial statements of the Public Transport Authority of Western Australia have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2015 and the financial position as at 30 June 2015.

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

Stephen Troughton
Acting Accountable Authority
8 September 2015

Kevin Kirk
Chief Finance Officer
8 September 2015

Statement of comprehensive income

For the year ended 30 June 2015

	Note	2015 $000	2014 $000
COST OF SERVICES			
Expenses			
Employee benefits expense	6	158,495	149,260
Supplies and services	7	218,944	219,695
Depreciation and amortisation expense	8	279,938	255,289
Finance costs	9	83,588	76,781
Grants and subsidies	10	478,531	473,561
Energy and fuel		26,041	30,577
Loss on disposal/write-off of non-current assets	17	21	15,628
Other expenses	11	21,896	15,799
Total cost of services		**1,267,454**	**1,236,590**
Income			
Revenue			
User charges and fees	12	214,295	213,127
Operating lease revenue	13	5,466	5,466
Commonwealth grants and contributions	14	4	322
Interest revenue	15	1,375	1,843
Other revenue	16	49,915	50,126
Total revenue		**271,055**	**270,884**
Total income other than income from State Government		**271,055**	**270,884**
NET COST OF SERVICES		**996,399**	**965,706**
INCOME FROM STATE GOVERNMENT	18		
Operating subsidy contributions		737,054	712,451
Services received free of charge		490	360
Royalties for Regions Fund		2,564	2,404
Total income from State Government		**740,108**	**715,215**
DEFICIT FOR THE PERIOD		**(256,291)**	**(250,491)**
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus	35	612,310	42,730
Total other comprehensive income		**612,310**	**42,730**
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**356,019**	**(207,761)**

Refer to note 44 'Schedule of income and expenses by service'.

The Statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2015

	Note	2015 $000	2014 $000
ASSETS			
Current assets			
Cash and cash equivalents	36	125,174	100,544
Restricted cash and cash equivalents	19	12,626	11,736
Inventories	20	16,270	14,396
Receivables	21	23,993	26,025
Prepayments	22	15,171	14,586
Amounts receivable for services	23	61,125	36,336
Non-current assets classified as held for sale	28	7,418	10,380
Current financial assets	25	1,172	0
Total current assets		**262,949**	**214,003**
Non-current assets			
Restricted cash and cash equivalents	19	2,412	3,744
Amounts receivable for services	23	848,993	909,510
Infrastructure, property, plant, equipment and vehicles	24	6,445,995	5,690,344
Non-current financial assets	25	777	0
Intangible assets	27	12,857	9,253
Total non-current assets		**7,311,034**	**6,612,851**
TOTAL ASSETS		**7,573,983**	**6,826,854**
LIABILITIES			
Current liabilities			
Payables	30	114,775	98,918
Borrowings	31	115,356	87,982
Provisions	32	36,290	40,775
Other current liabilities	33	1,593	158
Deferred income operating lease	34	5,466	5,466
Current financial liability	25	81	0
Total current liabilities		**273,561**	**233,299**

	Note	2015 $000	2014 $000
Non-current liabilities			
Borrowings	31	1,751,196	1,651,168
Provisions	32	12,744	15,485
Deferred income operating leases	34	187,392	192,858
Total non-current liabilities		**1,951,332**	**1,859,511**
TOTAL LIABILITIES		**2,224,893**	**2,092,810**
NET ASSETS		**5,349,090**	**4,734,044**
EQUITY	35		
Contributed equity		3,455,655	3,196,628
Reserves		2,617,707	2,005,397
Accumulated deficit		(724,272)	(467,981)
TOTAL EQUITY		**5,349,090**	**4,734,044**

The Statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June 2015

	Note	Contributed equity $000	Reserves $000	Accumulated deficit $000	Total equity $000
Balance at 1 July 2013	**35**	**3,042,004**	**1,974,873**	**(229,696)**	**4,787,181**
Deficit		0	0	(250,491)	(250,491)
Other comprehensive income		0	42,730	0	42,730
Total comprehensive income for the period		0	42,730	(250,491)	(207,761)
Transfer to accumulated deficit of assets written off		0	(12,206)	12,206	0
Transactions with owners in their capacity as owners:					
Capital appropriations		96,701	0	0	96,701
new Perth Stadium account		22,781	0	0	22,781
Other contributions by owners		37,559	0	0	37,559
Distributions to owners		(2,417)	0	0	(2,417)
Total		154,624	(12,206)	12,206	154,624
Balance at 30 June 2014		**3,196,628**	**2,005,397**	**(467,981)**	**4,734,044**
Balance at 1 July 2014		**3,196,628**	**2,005,397**	**(467,981)**	**4,734,044**
Deficit		0	0	(256,291)	(256,291)
Other comprehensive income		0	612,310	0	612,310
Total comprehensive income for the period		0	612,310	(256,291)	356,019
Transactions with owners in their capacity as owners:					
Capital appropriations		94,405	0	0	94,405
new Perth Stadium account		58,474	0	0	58,474
Other contributions by owners		64,127	0	0	64,127
Distributions to owners		(5,341)	0	0	(5,341)
Transfer of net assets from other agencies		47,362	0	0	47,362
Total		259,027	0	0	259,027
Balance at 30 June 2015		**3,455,655**	**2,617,707**	**(724,272)**	**5,349,090**

The Statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2015

	Note	2015 $000	2014 $000
Cash flows from State Government			
Operating subsidy contributions		737,053	712,451
Capital appropriation – other government agencies		63,645	34,159
Capital appropriations		94,405	96,701
new Perth Stadium account		58,474	22,781
Royalties for Regions Fund		3,046	5,804
Holding account drawdowns		35,728	56,758
Net cash provided by State Government		**992,351**	**928,654**
Cash flows from operating activities			
Payments			
Employee benefits		(157,099)	(149,405)
Supplies and services		(249,521)	(251,273)
Finance costs		(81,874)	(72,650)
Grants and subsidies		(476,523)	(455,664)
Receipts paid into consolidated account		(3,543)	(3,082)
GST payments on purchases		(108,472)	(107,893)
Other payments		(15,621)	(26,232)
Receipts			
User charges and fees		224,385	216,454
Commonwealth grants and contributions		4	321
Interest received		1,665	2,027
GST receipts on sales		26,736	25,981
GST receipts from taxation authority		82,049	82,107
Other receipts		41,181	48,183
Net cash used in operating activities	36	**(716,633)**	**(691,126)**

	Note	2015 $000	2014 $000
Cash flows from investing activities			
Payments			
Purchase of non-current physical assets		(378,950)	(389,777)
Receipts			
Proceeds from sale of non-current physical assets		18	1,751
Net cash used in investing activities		**(378,932)**	**(388,026)**
Cash flows from financing activities			
Payments			
Repayment of borrowings		(275,177)	(80,916)
Other repayments		(1,251)	(350)
Receipts			
Proceeds from borrowings		403,830	280,242
Net cash provided by financing activities		**127,402**	**198,976**
Net increase in cash and cash equivalents		24,188	48,478
Cash and cash equivalents at the beginning of the period		116,024	67,546
Cash and cash equivalents at the end of the period	36	**140,212**	**116,024**

The Statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 30 June 2015

1. Australian Accounting Standards

General

The Public Transport Authority of Western Australia's (PTA) financial statements for the year ended 30 June 2015 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

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

Early adoption of standards

The PTA cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Partial exemption permitting early adoption of AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities has been granted. Aside from AASB 2015-7, there has been no early adoption of any other Australian Accounting Standards that have been issued or amended (but not operative) by the PTA for the annual reporting period ended 30 June 2015.

2. Summary of significant accounting policies

a) General statement

The PTA is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB 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 2006* and the Treasurer's Instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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

b) Basis of preparation

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

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

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

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

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

c) Reporting entity

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

d) Contributed equity

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

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

e) Income

Revenue recognition

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

Sale of goods

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

Provision of services

Revenue is recognised by reference to the stage of completion of the transaction.

Interest

Revenue is recognised as the interest accrues.

Lease income

Lease income from deferred operating leases is recognised as income on a straight-line basis over the term of the lease. (See note 13 'Operating lease revenue' and note 34 'Deferred income – operating leases').

Operating subsidy contributions

Operating subsidy contributions are recognised as revenues at fair value in the period in which the PTA gains control of the appropriated funds. The PTA gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury. (See note 18 'Income from State Government').

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the 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.

Royalties for Regions funds are recognised as revenue at fair value in the period in which the PTA obtains control over the funds. The PTA obtains control of the funds at the time the funds are deposited into the PTA's bank account.

Infringements

Infringements are recognised at the time payment is received. Outstanding infringements are not recognised as debts, as the future economic benefits are minimal and cannot be reliably measured at the end of the reporting period.

Gains

Realised and unrealised gains 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 'Judgements made by management in applying accounting policies').

g) Infrastructure, property, plant and equipment and vehicles

Capitalisation/expensing of assets

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

Initial recognition and measurement

Infrastructure, property, plant and equipment and vehicles are initially recognised at cost.

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

Subsequent measurement

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

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

In the absence of market-based evidence, 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 determined on the depreciated replacement cost basis, the gross carrying amount and the accumulated depreciation are restated proportionately.

Land controlled by the PTA including metropolitan and regional corridor land, not subject to commercial lease, is revalued on an annual basis by the Western Australian Land Information Authority (Valuation Services) and recognised annually to ensure that the carrying amount does not differ materially from

the asset's fair value at the end of reporting period.

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

Buildings, bus infrastructure and Transwa rollingstock are revalued at fair value using depreciated replacement cost by independent valuers, engineering and management professionals. Buses, Vessels and Urban Rollingstock are revalued utilising internal resources at fair value using depreciated replacement cost. Valuations are obtained every 3 to 5 years. The fair value is based on depreciated replacement cost as the assets are specialised and limited market-based evidence of value is available.

Urban rail system infrastructure and freight network infrastructure are revalued, at least once every five years, to its fair value based on depreciated replacement cost, as the assets are specialised and limited market-based evidence of value is available. Freight network infrastructure has been revalued at fair value using depreciated replacement cost by independent valuers.

When assets carried at fair value are revalued, the accumulated depreciation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Construction in progress is recognised at cost.

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

Derecognition

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

The revaluation surplus included in equity in respect of an item of property, plant and equipment, infrastructure and vehicles may be transferred directly to retained earnings when the asset is derecognised. This may involve transferring the whole of the surplus when the asset is retired or disposed of.

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets as described in note 24 'Infrastructure, property, plant, equipment and vehicles'.

Depreciation

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

Depreciation is calculated using the straight-line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Class of Asset	Useful Life
Buildings	10 to 50 years
Rollingstock	10 to 45 years
Infrastructure	10 to 75 years
Plant and equipment	5 to 40 years
Buses	10 to 45 years
Motor vehicles	5 to 10 years
Vessels	4 to 20 years
Office equipment	3 to 5 years

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

Land is not depreciated.

h) Intangible assets

Capitalisation/Expensing of assets

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

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 which is reviewed annually) on the straight-line basis. 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*	2 to 5 years
Website costs	3 to 5 years
Licences	15 years

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

Computer software

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

Website costs

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

Licences

Licences have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses.

i) Impairment of assets

Property, plant and equipment, infrastructure, vehicles and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. 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 the end of each reporting period irrespective of whether there is any indication of impairment.

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

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

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

k) Leases

The PTA has entered into a number of operating lease arrangements where the lessor effectively retains materially all of the risks and benefits incidental to ownership of the items held under the operating leases. Operating leases are expensed on a straight line basis over the term of the lease as this represents the pattern of benefits derived from the leased properties.

l) Deferred income operating leases

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 – now Brookfield Rail Pty Ltd.

The lease rentals were fully prepaid on 17 December 2000, and credited to deferred income operating leases. 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 leases. (See note 2(e)).

m) Financial instruments

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

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

Financial instruments have been disaggregated into the following classes:

- Financial Assets
  - Cash and cash equivalents
  - Restricted cash and cash equivalents
  - Receivables
  - Amounts receivable for services
  - Foreign exchange forward contracts
- Financial Liabilities
  - Payables
  - Other current liabilities
  - Western Australian Treasury Corporation (WATC) loans
  - Commonwealth loans
  - Foreign exchange forward contracts

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.

n) Financial assets and liabilities

The PTA enters into foreign exchange forward contracts with the Western Australian Treasury Corporation to hedge its exposure to foreign currency risks. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods with foreign currency exposure of the underlying transactions, generally from one to 30 months.

Initial recognition and subsequent measurement

Financial assets at fair value through profit or loss are carried in the Statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the Statement of profit or loss.

o) Cash and cash equivalents

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

p) Accrued salaries

Accrued salaries (refer to note 30 'Payables') represent the amount due to staff but unpaid at 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 fair value.

q) Amounts receivable for services (Holding account)

The PTA received income from the State Government partly in cash and partly as an asset (holding account receivable) until 2011-12. From 2012-13, the PTA no longer receives funding into holding account receivable. The accrued amount appropriated is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

r) 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 measured at cost unless they are no longer required, in which case they are measured at net realisable value.

s) Receivables

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

The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the 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.

t) Payables

Payables are recognised at the amounts payable when the 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 settlement is generally 30 days.

u) Borrowings

All loans payable are initially recognised at fair value, being the net proceeds received. Subsequent measurement is at amortised cost using the effective interest rate method.

v) Provisions

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

(i) Provisions – employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual leave

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the PTA does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Long service leave

The liability for long service leave is recognised at the face value of each employee's long service leave entitlement based on remuneration rates current as at the end of the reporting period, adjusted for the employee's age factor. This method is referred to as the shorthand method.

An actuarial assessment of long service leave undertaken by PriceWaterhouseCoopers Actuaries at 30 June 2013 determined that the liability measured using the short-hand measurement technique above was not materially different from the liability determined using the present value of expected future payments. This calculation is consistent with the PTA's experience of employee retention and leave taken.

Unconditional long service leave provisions are classified as current liabilities as the PTA does not have an unconditional right to defer the settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the PTA has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Sick leave

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

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

Deferred leave

The provision for deferred leave relates to Public Service employees who have entered into an agreement to self-fund an additional 12 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 current provision as employees can leave the scheme at their discretion at any time.

Purchased leave

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

Superannuation

The Government Employees Superannuation Board (GESB) and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS 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). From 30 March 2012, existing members of the WSS or GESBS and new employees have been able to choose their preferred superannuation fund provider. The PTA makes contributions to GESB or other fund providers on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the PTA's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

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

The PTA has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the PTA to the GESB.

The GESB makes all benefit payments in respect of the Pension Scheme and GSS, and is recouped from the Treasurer for the employer's share.

(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'.

Public liability

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

Workers' compensation

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

Contaminated sites

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

w) Superannuation expense

The superannuation expense is recognised in the profit or loss in the Statement of comprehensive income and comprises employer contributions paid to the GSS (concurrent contributions), WSS, and the GESBS and other superannuation funds.

x) Assets and services received free of charge or for nominal cost

Assets or services received free of charge (except those designated as contribution from owners) or for nominal cost are recognised as income at the fair value of the assets and/or the fair value of those services that can be reliably measured and the PTA would otherwise pay for. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of financial position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of comprehensive income.

y) Comparative figures

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

3. Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The PTA evaluates these judgements regularly.

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

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Long Service Leave

The PTA undertook an actuarial assessment of its long service leave provision in 2013 and is using employees' age based factors for discounting its expected future payments between valuations. These factors incorporate a series of assumptions such as demographics, salary inflation, and market yields on Commonwealth Government bonds. Fluctuations in any of the assumptions used to calculate these factors may impact the provision for annual and long service leave.

Estimating useful life of key assets

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

Depreciated replacement cost of railway infrastructure assets

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

The remaining useful life of the freight network infrastructure assets has been assessed by experienced independent engineering and valuation professionals in 2010 based on a review of information pertaining to age, history, site assessment observation and condition. The PTA has assumed no residual value on life expired freight network infrastructure assets.

Workers' compensation provision

The Workers' Compensation Deposit Contributions are initially calculated on estimates of wages, prior year claims and budgeted investment income and are then adjusted on the actual outcomes of these factors for the period of cover. Workers' Compensation Contributions are adjusted three years after the close of the period of cover and the PTA has made a provision based upon the RiskCover performance adjustment. The performance adjustment outcome for a year is influenced by the actual experience for a year being different to what was expected when the Deposit Fund Contribution was set. Differences can arise when the actual outcome is different from that originally projected, specifically in relation to number of claims received, cost of the claims, reinsurance costs and investment returns.

Contaminated sites provision

The contaminated sites provision was based on estimates made by management for investigation or remediation expenses of contaminated or suspected contaminated sites.

5. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The PTA has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2014 that impacted on the PTA.

Int 21	Levies This Interpretation clarifies the circumstances under which a liability to pay a government levy imposed should be recognised. There is no financial impact for the PTA at reporting date.
AASB 10	Consolidated Financial Statements This Standard, issued in August 2011, supersedes AASB 127 Consolidated and Separate Financial Statements and Int 112 Consolidation – Special Purpose Entities, introducing a number of changes to accounting treatments. The adoption of the new Standard has no financial impact for the PTA as it does not impact accounting for related bodies and the PTA has no interests in other entities.
AASB 11	Joint Arrangements This Standard, issued in August 2011, supersedes AASB 131 Interests in Joint Ventures, introduces new principles for determining the type of joint arrangement that exists, which are more aligned to the actual rights and obligations of the parties to the arrangement. There is no financial impact for the PTA as the new standard continues to require the recognition of the PTA's share of assets and share of liabilities for the unincorporated joint operation.
AASB 12	Disclosure of Interests in Other Entities This Standard, issued in August 2011, supersedes disclosure requirements in AASB 127 Consolidated and Separate Financial Statements, AASB 128 Investments in Associates and AASB 131 Interests in Joint Ventures. There is no financial impact.
AASB 127	Separate Financial Statements This Standard, issued in August 2011, supersedes AASB 127 Consolidated and Separate Financial Statements removing the consolidation requirements of the earlier standard whilst retaining accounting and disclosure requirements for the preparation of separate financial statements. There is no financial impact.

AASB 128	Investments in Associates and Joint Ventures This Standard supersedes AASB 128 Investments in Associates, introducing a number of clarifications for the accounting treatments of changed ownership interest. The adoption of the new Standard has no financial impact for the PTA as it does not hold investments in associates and joint ventures.
AASB 1031	Materiality This Standard supersedes AASB 1031 (February 2010), removing Australian guidance on materiality not available in IFRSs and refers to guidance on materiality in other Australian pronouncements. There is no financial impact.
AASB 1055	Budgetary Reporting This Standard requires specific budgetary disclosures in the general purpose financial statements of not-for-profit entities within the General Government Sector. The PTA will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.
AASB 2011-7	Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17] This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures. There is no financial impact for the PTA.
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132] This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.
AASB 2013-3	Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets This Standard introduces editorial and disclosure changes. There is no financial impact.

AASB 2013-4	Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139] This Standard permits the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. The PTA does not routinely enter into derivatives or hedges, therefore there is no financial impact.
AASB 2013-8	Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049] The amendments, issued in October 2013, provide significant guidance in determining whether a not-for-profit entity controls another entity when financial returns are not a key attribute of the investor's relationship. The Standard has no financial impact in its own right, rather the impact results from the adoption of the amended AASB 10.
AASB 2013-9	Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments Part B of this omnibus Standard makes amendments to other Standards arising from the deletion of references to AASB 1031 in other Standards for periods beginning on or after 1 January 2014. It has no financial impact.
AASB 2014-1	Amendments to Australian Accounting Standards Part A of this Standard consists primarily of clarifications to Accounting Standards and has no financial impact for the PTA. Part B of this Standard has no financial impact as the PTA contributes to schemes that are either defined contribution plans, or deemed to be defined contribution plans. Part C of this Standard has no financial impact as it removes references to AASB 1031 Materiality from a number of Accounting Standards.
AASB 2015-7	Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities This Standard relieves not-for-profit public sector entities from the reporting burden associated with various disclosures required by AASB 13 for assets within the scope of AASB 116 that are held primarily for their current service potential rather than to generate future net cash inflows. It has no financial impact.

Future impact of Australian Accounting Standards not yet operative

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

		Operative for reporting periods beginning on/after
AASB 9	Financial Instruments This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments. The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 Amendments to Australian Accounting Standards. The PTA has not yet determined the application or the potential impact of the Standard.	1 Jan 2018
AASB 15	Revenue from Contracts with Customers This Standard establishes the principles that the PTA shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The PTA has not yet determined the application or the potential impact of the Standard.	1 Jan 2017
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127] This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The PTA has not yet determined the application or the potential impact of the Standard.	1 Jan 2018

		Operative for reporting periods beginning on/after
AASB 2013-9	Amendments to Australian Accounting Standards Conceptual Framework, Materiality and Financial Instruments. Part C of this omnibus Standard defers the application of AASB 9 to 1 January 2017. The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. The PTA has not yet determined the application or the potential impact of AASB 9.	1 Jan 2015
AASB 2014-1	Amendments to Australian Accounting Standards Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the PTA to determine the application or potential impact of the Standard.	1 Jan 2015
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11] The PTA establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore, there is no financial impact on application of the Standard.	1 Jan 2016
AASB 2014-4	Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138] The adoption of this Standard has no financial impact for the PTA as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.	1 Jan 2016
AASB 2014-5	Amendments to Australian Accounting Standards arising from AASB 15 This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The PTA has not yet determined the application or the potential impact of the Standard.	1 Jan 2017

		Operative for reporting periods beginning on/after
AASB 2014-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The PTA has not yet determined the application or the potential impact of the Standard.	1 Jan 2018
AASB 2014-8	Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)] This Standard makes amendments to AASB 9 Financial Instruments (December 2009) and AASB 9 Financial Instruments (December 2010), arising from the issuance of AASB 9 Financial Instruments in December 2014. The PTA has not yet determined the application or the potential impact of the Standard.	1 Jan 2015
AASB 2014-9	Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128] This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. The PTA has not yet determined the application or the potential impact of the Standard.	1 Jan 2016
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & 128] This Standard amends AASB 10 and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The PTA has not yet determined the application or the potential impact of the Standard.	1 Jan 2016

		Operative for reporting periods beginning on/after
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140] These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012–2014 Cycle in September 2014, and editorial corrections. The PTA has not yet determined the application or the potential impact of the Standard.	1 Jan 2016
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049] This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.	1 Jan 2016
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.	1 Jul 2015
AASB 2015-6	Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049] The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. The PTA has not yet determined the application of the Standard, though there is no financial impact.	1 Jul 2016

	2015 $000	2014 $000

6. Employee benefits expense

Wages and salaries (i)	144,877	136,854
Superannuation – defined contribution plans (ii)	13,618	12,406
	158,495	**149,260**

(i) Includes the value of the fringe benefit to the employee plus the fringe benefit tax component, leave entitlements including superannuation contribution component.

(ii) Defined contribution plans include West State, Gold State, GESBS and other eligible funds.

Employment on-costs expenses such as workers' compensation insurance and payroll tax are included at note 11 'Other expenses'. Employment on-cost liability is included at note 32 'Provisions'.

7. Supplies and services

Contractors	173,494	164,948
Travel	13,314	13,567
Materials and signs	9,498	17,709
Consumables	6,800	6,759
Communications	1,250	1,378
Other	14,588	15,334
	218,944	**219,695**

	2015 $000	2014 $000
8. Depreciation and amortisation expense		
Depreciation		
Buildings	2,560	4,905
Freight network infrastructure	91,751	84,256
Rollingstock	34,815	33,276
Railway infrastructure	95,182	82,878
Plant, equipment and motor vehicles	5,892	5,995
Bus infrastructure	7,615	6,903
Vessels	88	80
Buses	39,439	34,498
Total depreciation	**277,342**	**252,791**
Amortisation		
Computer software	2,265	2,215
Licences	331	283
Total amortisation	**2,596**	**2,498**
Total depreciation and amortisation	**279,938**	**255,289**
9. Finance costs		
Interest expense on Western Australian Treasury Corporation (WATC) borrowings	83,512	76,673
Interest expense on Commonwealth loans	76	108
Finance costs expensed	**83,588**	**76,781**

	2015 $000	2014 $000

10. Grants and subsidies expense

Bus operators	342,186	328,674
School bus services	117,617	115,856
Regional bus services	16,436	16,229
Ferry services	884	945
Grants to local government	1,408	11,857
	478,531	**473,561**

11. Other expenses

Payroll tax	8,554	8,577
Workers' compensation	5,437	2,821
Payment of infringements to consolidated account	3,543	3,082
Write-down of non-current assets classified as held for sale (ii)	2,962	0
Audit fees	820	704
Notional charges for services provided by government agencies	490	359
Employment on-costs (i)	46	213
Doubtful debts expense	44	43
	21,896	**15,799**

(i) Includes workers' compensation insurance and payroll tax relating to annual and long service leave. The on-costs liabilities associated with the recognition of annual and long service leave liabilities are included at note 32 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

(ii) Non-current assets held for sale measured at lower of carrying amount and fair value.

12. User charges and fees

Fare revenue	**214,295**	**213,127**

	2015 $000	2014 $000

13. Operating lease revenue

Rental income from freight network infrastructure (i)	5,383	5,383
Rental income from grain receival sites (ii)	83	83
	5,466	**5,466**

(i) 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 – now Brookfield Rail Pty Ltd. The lease rentals were fully prepaid on 17 December 2000, and credited to deferred operating lease revenue.

(ii) 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 34 '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 34 'Deferred income – operating leases').

14. Commonwealth grants and contributions

Chamber of Commerce and Industry – Employfast	4	17
National Partnership Agreement – concessions for pensioners and seniors card holders	0	305
	4	**322**

15. Interest revenue

Interest revenue	**1,375**	**1,843**

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

	2015 $000	2014 $000

16. Other revenue

Rents and leases	15,422	15,886
Parking	7,979	2,494
Advertising income	6,855	6,620
External works	6,122	1,624
Infringements	3,646	3,118
Contributions other government agencies	2,931	2,401
Net change in fair value of financial assets designated at fair value through profit and loss	2,029	0
SmartRider card sales	1,159	1,172
Contribution from local government	0	12,774
Miscellaneous	3,772	4,037
	49,915	**50,126**

17. Net gain/(loss) on disposal/write-off of non-current assets

Proceeds from disposal of non-current assets		
Land	0	1,745
Buses	44	49
Other	22	10
Cost of disposal of non-current assets		
Buses	(58)	(89)
Other/write-off of non-current assets	(29)	(17,343)
Net loss	**(21)**	**(15,628)**

18. Income from State Government

	2015 $000	2014 $000
Appropriation received during the period:		
Operating subsidy contributions (i)	737,054	712,451
Services received free of charge from other State Government agencies during the period:		
State Solicitors Office	377	246
Landgate	67	71
Department of Water	24	0
Main Roads WA	13	27
Department of Finance	9	16
	490	360
Royalties for Regions Fund:		
Regional Community Services Account (ii)	2,564	2,404
	740,108	**715,215**

(i) Operating subsidy contributions fund the net cost of services delivered except depreciation expense.

(ii) This is a sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas.

	2015 $000	2014 $000

19. Restricted cash and cash equivalents

Current

Royalties for Regions Fund (i)	534	3,202
Parental Leave	5	4
Commonwealth Funds – Grain Freight	2,409	1,089
Funding segregated for specific projects	7,505	7,441
Accrued salaries suspense account (ii)	2,173	0
	12,626	**11,736**

Non-Current

Accrued salaries suspense account (ii)	2,412	3,744

(i) Unspent funds are committed to projects and programs in WA regional areas.

(ii) Funds held in suspense account used only for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.

20. Inventories

Current

Inventories not held for resale:		
Maintenance spares – at cost	16,270	14,396
	16,270	**14,396**

	2015 $000	2014 $000

21. Receivables

Current

Receivables	2,997	4,080
Allowance for impairment of receivables	(45)	(45)
Accrued revenue	7,048	8,648
GST receivable	13,270	13,156
Other receivables – external works	723	186
Total receivables	**23,993**	**26,025**

Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of period	45	290
Doubtful debts expense	44	43
Amount written off during the period	(41)	(288)
Amount recovered during the period	(3)	0
Balance at end of period	**45**	**45**

PTA does not hold any collateral or other credit enhancements as security for receivables.

22. Prepayments

Prepayments	**15,171**	**14,586**

23. Amounts receivable for services (Holding Account)

Current	61,125	36,336
Non-current	848,993	909,510
	910,118	**945,846**

Represents the non-cash component of operating subsidy contributions. It is restricted in that it can only be used for asset replacement or payment of leave liability.

24. Infrastructure, property, plant, equipment and vehicles

	2015 Cost $000	2015 At Fair Value $000	2015 Accumulated depreciation $000	2015 Carrying amount as at 30 June 2015 $000	2014 Cost $000	2014 At Fair Value $000	2014 Accumulated depreciation $000	2014 Carrying amount as at 30 June 2014 $000
Owned Assets:								
Land (i)	0	404,232	0	404,232	0	397,769	0	397,769
Buildings (ii)	0	117,162	74,162	43,000	0	106,450	71,523	34,927
Freight network infrastructure (vi) (ix)	0	7,618,943	5,836,739	1,782,204	0	5,172,542	3,972,366	1,200,176
Rollingstock (iii)	0	1,100,274	486,673	613,601	0	1,032,778	451,858	580,920
Railway infrastructure (vii)	0	3,687,652	1,128,516	2,559,136	0	3,490,766	1,033,345	2,457,421
Plant, equipment and motor vehicles	50,502	0	35,058	15,444	47,666	0	29,539	18,127
Bus infrastructure (ii)	0	238,197	111,895	126,302	0	237,937	104,269	133,668
Vessels (v)	0	3,533	2,308	1,225	0	3,533	2,220	1,313
Buses (iv)	0	860,633	428,441	432,192	0	798,134	409,089	389,045
Construction in progress (viii)	468,659	0	0	468,659	476,978	0	0	476,978
TOTAL	**519,161**	**14,030,626**	**8,103,792**	**6,445,995**	**524,644**	**11,239,909**	**6,074,209**	**5,690,344**

Information on fair value measurements is provided in note 26.

(i) Land controlled by the PTA has been revalued as at 1 July 2014 by Landgate (Valuation Services) and Burgess Rawson. The valuations were performed during the year ended 30 June 2015 and recognised at 30 June 2015. 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 2015 with the fair value requirements under AASB 116, Valuation Services provided the Department of Treasury with information that tracked the general movement in the market value of land and in building construction costs from 1 July 2014 (the date of valuation) to 30 June 2015. Department of Treasury reviewed the information and determined that the valuations provided by Valuation Services (as at 1 July 2014) were compliant with fair value requirements for 30 June 2015 reporting without further adjustment by reference to market values based on existing use.

Land which is commercially leased was independently valued on the capitalised value of current lease by Burgess Rawson. The valuations were performed during the year ended 30 June 2015 and recognised at 30 June 2015.

(ii) Buildings and Bus Infrastructure have been revalued as at 30 June 2014 by independent valuers Ralph Beattie Bosworth at depreciated replacement cost which represents the fair value of the assets.

(iii) Rollingstock has been revalued as at 30 June 2014 by both independent valuers Interfleet Technologies and by taking up the PTA's latest contract pricing from EDI Rail at depreciated replacement cost which represents the fair value of the assets. Interfleet Technologies provided valuation advice for the Transwa rollingstock assets and the PTA's latest contract pricing was utilised for the Perth metropolitan area rollingstock assets.

(iv) Buses have been revalued as at 30 June 2014 by taking up the PTA's latest contract pricing from Volvo at depreciated replacement cost which represents the fair value of the assets.

(v) Vessels have been revalued as at 30 June 2014 by utilising internal expertise and adjusting for inflation to arrive at depreciated replacement cost which represents the fair value of the assets.

(vi) Freight network infrastructure was revalued on 30 June 2015 by independent valuers Griffin Valuation Advisory at depreciated replacement cost which represents the fair value of the assets.

(vii) Railway infrastructure was revalued on 30 June 2012. Railway infrastructure has been revalued by PTA's management professionals and third party vendors. The methodology adopted has been depreciated replacement cost with a modern equivalent asset capable of delivering the same service potential. This represents the fair value of the assets.

(viii) Construction in progress is valued at cost.

(ix) The PTA entered into a finance lease with Karara Mining Limited and Gindalbie Metals Limited during the 2013 financial year. The lease is over a railway line from Tilley to Karara which was constructed by Karara for its exclusive use over the period of the lease term of 49 years. While legal ownership is vested in PTA, beneficial ownership is with Karara therefore the assets are not included in the freight network infrastructure balance however the asset will be transferred to PTA upon the expiry of the lease.

Reconciliations of the carrying amounts of infrastructure, property, plant, equipment and vehicles at the beginning and end of the reporting period are set out in the table below.

2015	Carrying amount at start of period	Additions	Transfers (x)	Revaluation Increments	Disposals	Depreciation	Carrying amount at end of period
	$000	$000	$000	$000	$000	$000	$000
Owned Assets:							
Land	397,769	0	13,614	(7,151)	0	0	404,232
Buildings	34,927	34	10,599	0	0	(2,560)	43,000
Freight network infrastructure	1,200,176	0	54,330	619,449	0	(91,751)	1,782,204
Rollingstock	580,920	750	66,746	0	0	(34,815)	613,601
Railway infrastructure	2,457,421	83	196,814	0	0	(95,182)	2,559,136
Plant, equipment and motor vehicles	18,127	0	3,238	0	(29)	(5,892)	15,444
Bus infrastructure	133,668	0	249	0	0	(7,615)	126,302
Vessels	1,313	0	0	0	0	(88)	1,225
Buses	389,045	26,346	56,286	12	(58)	(39,439)	432,192
Construction in progress	476,978	385,012	(393,331)	0	0	0	468,659
TOTAL	**5,690,344**	**412,225**	**8,545**	**612,310**	**(87)**	**(277,342)**	**6,445,995**

(x) On 30 June 2015, the PTA recognised transferred assets to Main Roads WA for Mitchell Freeway bridge pier protection associated with the Perth City Link works; earthworks at Nowergup depot as part of the Butler Extension Project and isolation transformers as part of the Bridge Eyebrow Upgrade project, totalling $5.3 million. Recognised are also transfers from Main Roads WA to PTA for Esperance Port Access Corridor Tunnel ($30.5 million) and Freight Rail Level Crossings ($16.8 million) totalling to $47.3 million. All other transfers relate to movements from Construction in progress and internal transfers made by the PTA between asset classes to more accurately reflect the classification in use to the PTA.

2014	Carrying amount at start of period	Additions	Transfers (x)	Revaluation Increments	Disposals	Depreciation	Carrying amount at end of period
	$000	$000	$000	$000	$000	$000	$000
Owned Assets:							
Land	360,833	0	0	36,936	0	0	397,769
Buildings	107,841	0	(65,323)	(2,686)	0	(4,905)	34,927
Freight network infrastructure	1,190,509	0	109,180	0	(15,257)	(84,256)	1,200,176
Rollingstock	588,601	0	35,289	(9,694)	0	(33,276)	580,920
Railway infrastructure	2,050,640	0	489,867	0	(208)	(82,878)	2,457,421
Plant, equipment and motor vehicles	18,456	37	5,639	0	(10)	(5,995)	18,127
Bus infrastructure	125,317	4,443	2,152	10,587	(1,928)	(6,903)	133,668
Vessels	1,269	0	0	124	0	(80)	1,313
Buses	374,603	0	41,923	7,463	(446)	(34,498)	389,045
Construction in progress	735,176	366,466	(624,664)	0	0	0	476,978
TOTAL	**5,553,245**	**370,946**	**(5,937)**	**42,730**	**(17,849)**	**(252,791)**	**5,690,344**

Information on fair value measurements is provided in note 26.

25. Financial assets and financial liabilities

	2015 $000	2014 $000
Financial assets		
Financial instruments at fair value through profit or loss		
Derivatives not designated as hedges:		
Current foreign exchange forward contracts	1,172	0
Non-current foreign exchange forward contracts	777	0
Total instruments at fair value through profit or loss	**1,949**	**0**
Other financial liabilities		
Current financial liabilities		
Derivatives not designated as hedges:		
Current foreign exchange forward contracts	(81)	0
Total instruments at fair value through profit or loss	**(81)**	**0**

Financial instruments through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign exchange currency risk for expected purchases.

26. Fair value measurements

2015	Level 1	Level 2	Level 3	Fair value at end of period
Assets measured at fair value:	**$000**	**$000**	**$000**	**$000**
Land (Note 24)	0	0	404,232	404,232
Buildings (Note 24)	0	0	43,000	43,000
Freight network infrastructure (Note 24)	0	0	1,782,204	1,782,204
Rollingstock (Note 24)	0	569,503	44,098	613,601
Railway infrastructure (Note 24)	0	0	2,559,136	2,559,136
Bus infrastructure (Note 24)	0	0	126,302	126,302
Vessels (Note 24)	0	0	1,225	1,225
Buses (Note 24)	0	432,192	0	432,192
Non-current assets classified as held for sale (Note 28)	0	7,418	0	7,418
	0	**1,009,113**	**4,960,197**	**5,969,310**

2014	Level 1	Level 2	Level 3	Fair value at end of period
Assets measured at fair value:	**$000**	**$000**	**$000**	**$000**
Land (Note 24)	0	0	397,769	397,769
Buildings (Note 24)	0	0	34,927	34,927
Freight network infrastructure (Note 24)	0	0	1,200,176	1,200,176
Rollingstock (Note 24)	0	533,661	47,259	580,920
Railway infrastructure (Note 24)	0	0	2,457,421	2,457,421
Bus infrastructure (Note 24)	0	0	133,668	133,668
Vessels (Note 24)	0	0	1,313	1,313
Buses (Note 24)	0	389,045	0	389,045
Non-current assets classified as held for sale (Note 28)	0	10,380	0	10,380
	0	**933,086**	**4,272,533**	**5,205,619**

There were no transfers between Levels 1, 2 or 3 during the period and previous periods.

Valuation techniques to derive Level 2 fair values

Level 2 fair values of Rollingstock, Buses and Non-current assets classified as held for sale are derived using the market approach. Market evidence of sales prices of Rollingstock and Bus contracts held by the PTA are used to determine price per railcar and bus respectively. It should be noted that Rollingstock is classified as both level 2 and level 3 on the fair value hierarchy as market information is available for urban railcars, however, regional rollingstock has been valued by an independent third party as no observable inputs are available.

Non-current assets held for sale have been written down to fair value. Fair value has been determined by reference to existing contracts of sales.

Level 2 fair values of foreign exchange forward contracts are derived using a mark-to-market valuation methodology provided by Western Australian Treasury Corporation.

Fair value measurements using significant unobservable inputs (Level 3)

2015	Land	Buildings	Freight network infrastructure	Rollingstock	Railway infrastructure	Bus infrastructure	Vessels
	$000	$000	$000	$000	$000	$000	$000
Fair Value at start of period	397,769	34,927	1,200,176	47,259	2,457,421	133,668	1,313
Additions	0	34	0	0	83	0	0
Revaluation increments/(decrements) recognised in Profit or Loss	0	0	0	0	0	0	0
Revaluation increments/(decrements) recognised in other comprehensive income	(7,151)	0	619,449	0	0	0	0
Transfers	13,614	10,599	54,330	0	196,814	249	0
Disposals	0	0	0	0	0	0	0
Depreciation Expense	0	(2,560)	(91,751)	(3,161)	(95,182)	(7,615)	(88)
Fair Value at end of period	**404,232**	**43,000**	**1,782,204**	**44,098**	**2,559,136**	**126,302**	**1,225**
Total gains or losses for the period included in profit or loss, under 'Other Gains'	0	0	0	0	0	0	0

Fair value measurements using significant unobservable inputs (Level 3)

2014	Land	Buildings	Freight network infrastructure	Rollingstock	Railway infrastructure	Bus infrastructure	Vessels
	$000	$000	$000	$000	$000	$000	$000
Fair Value at start of period	360,833	107,841	1,190,509	50,453	2,050,640	125,317	1,269
Additions	0	0	0	0	0	4,443	0
Revaluation increments/(decrements) recognised in Profit or Loss	0	0	0	0	0	0	0
Revaluation increments/(decrements) recognised in Other Comprehensive Income	36,936	(2,685)	0	(1,881)	0	10,587	124
Transfers	0	(65,324)	109,180	0	489,867	2,152	0
Disposals	0	0	(15,257)	0	(208)	(1,928)	0
Depreciation Expense	0	(4,905)	(84,256)	(1,313)	(82,878)	(6,903)	(80)
Fair Value at end of period	**397,769**	**34,927**	**1,200,176**	**47,259**	**2,457,421**	**133,668**	**1,313**
Total gains or losses for the period included in profit or loss, under 'Other Gains'	0	0	0	0	0	0	0

The PTA enters into derivative financial instruments with WATC. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counter parties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies.

Valuation processes

There were no changes in valuation techniques during the period.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for sale as Treasurer's Instructions require valuations of land, buildings and infrastructure to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

Buildings and Infrastructure (Level 3 fair values)

Fair value for existing use specialised buildings and infrastructure 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. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefit, or obsolescence, and optimisation (where applicable) of the asset.

Current replacement cost is generally determined by reference to the market-observable replacement cost of a substitute asset of comparable utility and the gross project size specifications.

Valuation using depreciation replacement cost utilises the significant Level 3 input, consumed economic benefit/obsolescence of asset which is estimated by the Western Australian Land Information Authority (Valuation Services). The fair value measurement is sensitive to the estimate of consumption/obsolescence, with higher values of the estimate correlating with lower estimated fair values of buildings and infrastructure.

For some specialised buildings and infrastructure assets, the current replacement cost is determined by reference to the historical cost adjusted by relevant indices.

Land (Level 3 fair values)

Fair value for restricted use land is based on market value, by either using market evidence of sales of comparable land that is unrestricted less restoration costs to return the site to a vacant and marketable condition (low restricted use land), or, comparison with market evidence for land with low level utility (high restricted use land).

Significant Level 3 unobservable inputs used by the PTA are derived and evaluated as follows:

Selection of land with restricted utility

Fair value for restricted use land is determined by comparison with market evidence for land with low level utility. Relevant comparators of land with low level utility are selected by Landgate (Valuation Services).

Consumed economic benefit/obsolescence of asset

These are calculated by internal asset management experts with opinions taken under advice from external agencies when received in conjunction with valuation reports.

Replacement cost per square metre floor area (m^2)

The costs of constructing specialised buildings with similar utility are extracted from 2014 valuation reports supplied by independent valuation experts Ralph Beattie Bosworth.

Replacement cost per individual items

The costs of significant specialised items for PTA buildings are extracted from 2014 valuation reports supplied by independent valuation experts Ralph Beattie Bosworth.

Replacement cost per kilometre of network

The costs of kilometres of freight network are extracted from 2010 valuation reports supplied by independent valuation experts Mitchell Munn Valuations.

Replacement cost per kilometre of rail

The costs of kilometres of freight rail track are extracted from 2015 valuation reports supplied by independent valuation experts Griffin Valuation Advisory.

Replacement cost per cubic metre of ballast

The costs of cubic metre of ballast are extracted from 2015 valuation reports supplied by independent valuation experts Griffin Valuation Advisory.

Replacement cost per sleeper

The costs of sleeper are extracted from 2015 valuation reports supplied by independent valuation experts Griffin Valuation Advisory.

Replacement cost per railcar components

The costs of railcar components are extracted from 2014 valuation reports supplied by independent valuation experts Interfleet Technologies.

Tunnel Replacement cost per metre

The costs of tunnel replacement are extracted from 2012 valuation reports prepared by the PTA's Senior Rail Project Engineer.

Station Replacement cost per square metre floor area (m^2)

The costs of station structures are extracted from 2012 valuation reports supplied by independent valuation experts Turner & Townsend.

Movements in relevant CPI percentages over 4 financial years

The movements in relevant CPI percentages over the last 4 financial years are derived from taking the average movement in the Perth CPI and National Transport CPI from June Quarter 2010 to the March Quarter 2014.

Information about significant unobservable inputs (Level 3) in fair value measurement

Description	Fair value 2015 $000	Fair value 2014 $000	Valuation technique(s)	Unobservable inputs
Land	404,232	397,769	Market approach	Selection of land with restricted utility
Buildings	43,000	34,927	Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset
				Replacement cost per square metre floor area (m^2)
				Replacement cost per individual items
Freight network infrastructure	1,782,204	1,200,176	Depreciated Replacement Cost	Consumed economic benefit/obsolescence of asset
				Replacement cost per kilometre of network
				Replacement cost per kilometre of rail
				Replacement cost per cubic metres of ballast
				Replacement cost per sleeper
Rollingstock	44,098	47,259	Depreciated Replacement Cost	Consumed economic benefit/obsolescence of asset
				Replacement cost per railcar components
Railway infrastructure	2,559,136	2,457,421	Depreciated Replacement Cost	Consumed economic benefit/obsolescence of asset
				Tunnel Replacement cost per metre
				Station Replacement cost per square metre floor area (m^2)
Bus infrastructure	126,302	133,668	Depreciated Replacement Cost	Consumed economic benefit/obsolescence of asset
				Replacement cost per square metre floor area (m^2)
				Replacement cost per individual items
Vessels	1,225	1,313	Depreciated Replacement Cost	Consumed economic benefit/obsolescence of asset
				Movements in relevant CPI percentages over 4 financial years

Reconciliations of the opening and closing balances are provided in note 24.

	2015 $000	2014 $000
27. Intangible assets		
Software – at cost	16,426	14,997
Accumulated amortisation	(11,146)	(9,691)
	5,280	**5,306**
Licences – at cost	8,201	4,240
Accumulated amortisation	(624)	(293)
	7,577	**3,947**
	12,857	**9,253**
Reconciliations:		
Software		
Carrying amount at start of period	5,306	3,798
Additions and transfers in	2,239	3,723
Amortisation expense and disposal	(2,265)	(2,215)
Carrying amount at end of period	**5,280**	**5,306**
Licences		
Carrying amount at start of period	3,947	4,230
Additions	3,961	0
Amortisation expense	(331)	(283)
Carrying amount at end of period	**7,577**	**3,947**
28. Non-current assets classified as held for sale		
Freehold land		
Opening balance	10,380	10,380
Less write-down from cost to fair value	(2,962)	0
Closing balance	**7,418**	**10,380**

The PTA holds land surplus to its operational requirements. Various properties have been identified as land for future sales. The PTA anticipates that all the freehold land in the closing balance will be disposed of in accordance with the Government's asset disposal policy in the next reporting period. See also note 2(j) Non-current assets (or disposal groups) classified as held for sale.

	2015 $000	2014 $000

29. Impairment of assets

There were no indications of impairment to property, plant and equipment, vehicles, infrastructure or intangible assets at 30 June 2015.

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

All surplus assets at 30 June 2015 have either been classified as assets held for sale or written-off.

30. Payables

Current		
Trade payables	2,300	3,539
Accrued operational expenses	86,587	72,231
Accrued salaries	5,342	4,410
Accrued interest	18,725	17,011
Other payables	1,821	1,727
	114,775	**98,918**

31. Borrowings

Current		
Western Australian Treasury Corporation loans	115,356	87,659
Commonwealth loans (i)	0	323
	115,356	**87,982**
Non-Current		
Western Australian Treasury Corporation loans	1,751,196	1,650,240
Commonwealth loans (i)	0	928
	1,751,196	**1,651,168**

(i) The Commonwealth loans were fully repaid during the year.

32. Provisions

	2015 $000	2014 $000
Current		
Employee benefits provision		
Annual leave (i)	14,879	15,309
Long service leave (ii)	15,713	15,174
Deferred salary scheme (iv)	158	90
	30,750	**30,573**
Other provisions		
Public liability provision	0	50
Workers' compensation	(2,214)	(561)
Contaminated sites	4,746	7,719
Employment on-costs (iii)	3,008	2,994
	5,540	**10,202**
	36,290	**40,775**
Non-Current		
Employee benefits provision		
Long service leave (ii)	7,074	6,826
	7,074	**6,826**
Other provisions		
Contaminated sites	4,945	7,966
Employment on-costs (iii)	725	693
	5,670	**8,659**
	12,744	**15,485**

	2015 $000	2014 $000
(i) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of liabilities is expected to occur as follows:		
Within 12 months of the end of the reporting period	12,174	11,355
More than 12 months after the end of the reporting period	2,705	3,954
	14,879	**15,309**
(ii) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:		
Within 12 months of the end of the reporting period	3,265	2,942
More than 12 months after the end of the reporting period	19,522	19,058
	22,787	**22,000**

(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 insurance. The provision is the present value of expected future payments.

The associated expense is disclosed in note 11 'Other expenses'.

(iv) Deferred salary scheme liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the end of the reporting period	158	90
More than 12 months after the end of the reporting period	0	0
	158	**90**

	2015 $000	2014 $000
Movements in other provisions		
Movements in each class of provisions during the period, other than employee benefits, are set out below:		
Public liability provision		
Carrying amount at start of period	50	40
Additional provisions recognised	0	10
Payments/other sacrifices of economic benefit	(50)	0
Carrying amount at end of period	**0**	**50**
Workers' compensation provisions		
Carrying amount at start of period	(561)	7,925
Additional provisions recognised	5,436	2,821
Payments/other sacrifices of economic benefit	(7,089)	(11,307)
Carrying amount at end of period	**(2,214)**	**(561)**
Employment on-cost provision		
Carrying amount at start of period	3,687	3,474
Additional provisions recognised	1,801	1,751
Payments/other sacrifices of economic benefit	(1,755)	(1,538)
Carrying amount at end of period	**3,733**	**3,687**
Contaminated sites provision		
Carrying amount at start of period	15,685	4,334
Additional provisions recognised	3,029	15,570
Payments/other sacrifices of economic benefit	(9,023)	(4,219)
Carrying amount at end of period	**9,691**	**15,685**

Provision has been established to cover for the costs related to 66 contaminated and suspected contaminated sites.

33. Other current liabilities

Contractors' deposits	1,540	95
Payments held in suspense	48	59
Parental leave	5	4
	1,593	**158**

	2015 $000	2014 $000

34. 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	180,322	185,705
Co-operative Bulk Handling 99 year lease	7,070	7,153
	187,392	**192,858**

35. Equity

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

Contributed equity

Balance at start of period	**3,196,628**	**3,042,004**
Contributions by owners		
Capital appropriations	94,405	96,701
new Perth Stadium account	58,474	22,781
Other contributions by owners		
Royalties for Regions Fund – Regional Infrastructure and Headworks Account	482	3,400
Department of Transport	63,645	34,159
Transfer of net assets from other agencies		
Main Roads WA	47,362	0
Total contributions by owners	**264,368**	**157,041**

	2015 $000	2014 $000
Distributions to owners		
Transfer of net assets to other agencies		
Main Roads WA	(5,341)	(2,417)
Total distributions to owners	**(5,341)**	**(2,417)**
Balance at end of period	**3,455,655**	**3,196,628**
Reserves		
Asset revaluation surplus		
Balance at start of period	**2,005,397**	**1,974,873**
Net revaluation increments/(decrements):		
Freight network infrastructure	619,449	0
Land	(7,151)	36,936
Building	0	(2,686)
Buses	12	7,460
Bus infrastructure	0	10,587
Rollingstock	0	(9,692)
Vessels	0	125
	(612,310)	42,730
Transfer to accumulated deficit on write-off	0	(12,206)
Balance at end of period	**2,617,707**	**2,005,397**
Accumulated surplus		
Balance at start of period	(467,981)	(229,696)
Result for the period	(256,291)	(250,491)
Transfer to accumulated deficit on write-off	0	12,206
Balance at end of period	**(724,272)**	**(467,981)**
Total equity at end of period	**5,349,090**	**4,734,044**

	2015 $000	2014 $000

36. Notes to the statement of cash flows

Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the financial year as shown in the Statement of cash flows is reconciled to the related items in the Statement of financial position as follows:

Cash and cash equivalents	125,174	100,544
Restricted cash and cash equivalents (refer to note 19)	15,038	15,480
	140,212	**116,024**

Financing facilities

The PTA has a short-term liquidity facility of $200 million (2013-14: $200 million) with the WATC.

Amounts drawn from this facility at June 30	0	1,370

The PTA has a working capital facility of $30 million (2013-14: $Nil) with the WATC.

Amounts drawn from this facility at June 30	30,000	0

	2015 $000	2014 $000
Reconciliation of net cost of services to net cash flows used in operating activities		
Net cost of services	(996,399)	(965,706)
Non cash items:		
Depreciation and amortisation expense	279,938	255,289
Loss on sale of property, plant and equipment	21	15,629
Services received free of charge	490	359
Write-down of non-current assets classified as held for sale	2,962	0
Net foreign exchange gain	(1,868)	0
Capitalised cost written-off	6,808	6,040
Deferred lease income	(5,466)	(5,466)
Transfer of assets to local government	0	10,820
(Increase)/decrease in assets:		
Current receivables	1,560	(12,759)
Current inventories	(1,874)	(1,069)
Increase/(decrease) in liabilities:		
Current payables (i)	3,100	912
Current provisions	(4,554)	(1,565)
Other current liabilities	1,435	(107)
Non-current provisions	(2,674)	6,677
Change in GST receivables/payments (ii)	(112)	(180)
Net cash used in operating activities	**(716,633)**	**(691,126)**

(i) Note that Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling item.

(ii) This reverses out the GST in receivables and payables.

	2015 $000	2014 $000

37. Commitments

The commitments below are inclusive of GST.

Capital expenditure commitments:

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

Within one year	346,843	280,975
Later than one year and not later than five years	308,120	439,539
Later than five years	4,869	0
	659,832	**720,514**

Non-cancellable operating lease commitments:

Commitments for minimum lease payments are payable as follows:

Within one year	824	1,035
Later than one year and not later than five years	814	795
	1,638	**1,830**

Other expenditure commitments:

Other expenditure commitments contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows:

Within one year	692,417	676,250
Later than one year and not later than five years	2,350,901	2,689,562
Later than five years	1,659,526	2,266,960
	4,702,844	**5,632,772**

38. Contingent liabilities and contingent assets

Contingent liabilities

The following contingent liabilities are additional to the liabilities included in the financial statements:

Litigation in progress

A third party has an ongoing (commenced in February 2012) Supreme Court action against the PTA relating to a claim to provide a Railway Crossing pursuant to Section 102 of the Public Works Act. The PTA has denied all liability and is defending the action. It is not possible to estimate the amount of any eventual payments in relation to this claim at balance sheet date.

A former contractor has an ongoing District Court action (commenced January 2014) against the PTA relating to a claim for breach of contract for services performed on the Urban Rail Network. The PTA has denied all liability and is defending the action. The plaintiff's claim is for $741,503 however it is not possible to estimate the amount of any eventual payment in relation to this claim as at balance sheet date.

Action commenced by a third party (March 2015) in the Supreme Court against the PTA relating to a claim to compensation for business interruption. The PTA is defending the action. It is not possible to estimate the amount of any eventual payments in relation to this claim at balance sheet date.

An appeal has been filed by claimants in relation to a decision of Supreme Court in an Application for Judicial Review (which found in favour of MRA and PTA) regarding a Development Approval for a project at Claisebrook. The claimants have also lodged a second application for Judicial Review in the same matter. It is not possible to estimate any eventual payments in relation to this Judicial Review 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 Regulation (DER). In accordance with the Act, DER 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 one additional suspected contaminated site to DER. This has been classified as possibly contaminated – investigation required. The PTA is unable to assess the likely outcome of the classification process, 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.

Due to the fact that the PTA is still in the process of assessing the potential impact of all identified contaminated sites, a contingent liability may exist at year end for the sites which have not yet been assessed.

39. Remuneration of members of the accountable authority and senior officers

Remuneration of members of the accountable authority

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

$	2015	2014
0 - 10,000	1	1

	$000	$000
The total remuneration of members of the accountable authority	0	0

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

The accountable authority of the PTA is the Director General – Transport who oversees the agencies Main Roads WA, the Department of Transport and the PTA from 3 May 2010. The Director General's remuneration is paid by the Department of Transport. The day-to-day operations of the PTA are overseen by the Managing Director whose remuneration is reported under the remuneration of senior officers.

Remuneration of senior officers

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

$	2015	2014
120,001 – 130,000	0	1
210,001 – 220,000	2	1
220,001 – 230,000	0	2
230,001 – 240,000	1	1
240,001 – 250,000	3	3
250,001 – 260,000	2	0
260,001 – 270,000	0	1
270,001 – 280,000	0	1
280,001 – 290,000	1	0
330,001 – 340,000	1	0
350,001 – 360,000	1	1
420,001 – 430,000	0	1
	11	**12**

	2015 $000	2014 $000
Base remuneration and superannuation	2,505	2,735
Annual leave and long service leave accruals	294	279
Other benefits	93	76
The total remuneration of senior officers	**2,892**	**3,090**

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

40. Financial instruments

a) Financial risk management objectives and policies

Financial instruments held by the PTA are cash and cash equivalents, restricted cash and cash equivalents, WATC borrowings, foreign exchange forward contracts, finance leases, 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

Credit risk arises when there is the possibility of the PTA's receivables defaulting on their contractual obligations resulting in financial loss to the PTA.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at note 40 'Financial instruments' and note 21 'Receivables'.

Credit risk associated with the PTA's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, 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 debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the PTA is unable to meet its financial obligations as they fall due.

The PTA is exposed to liquidity risk through its trading in the normal course of business.

The PTA has appropriate procedures to manage cash flows including drawdown 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 and a working capital facility of $30 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.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the PTA's income or the value of its holdings of financial instruments.

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 WATC and are repayable 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 currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The PTA's exposure to the risk of changes in foreign exchange rates relates primarily to the PTA's Asset Investment Program activities (when capital expenditure is denominated in a foreign currency)

The PTA manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 30-month period for hedges of forecasted purchases.

When a derivative is entered into for the purpose of being a hedge, the PTA enters into foreign exchange forward contracts with the Western Australian Treasury Corporation to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives over the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The currencies giving rise to this risk are primarily Euro, British Pound and Swedish Krona.

At 30 June 2015, the PTA hedged its foreign currency purchases for which highly probable forecasted transactions existed at the reporting date. The PTA's exposure to foreign currency risk at end of the reporting period was as follows, based on notional amounts in Australian dollars (AUD):

British Pound		Euro		Swedish Krona	
2015 $000	2014 $000	2015 $000	2014 $000	2015 $000	2014 $000
5,735	0	11,417	0	26,531	0

Settlement dates of foreign exchange forward contracts

	Notional Amount AUD	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years
	$000	$000	$000	$000	$000	$000
British Pound	5,735	0	0	5,735	0	0
Euro	11,417	11,417	0	0	0	0
Swedish Krona	26,531	81	0	0	26,450	0
	43,683	**11,498**	**0**	**5,735**	**26,450**	**0**

b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2015 $000	2014 $000
Financial assets		
Cash and cash equivalents	125,174	100,544
Restricted cash and cash equivalents	15,038	15,480
Loans and receivables (i)	920,841	958,715
Foreign exchange forward contracts	1,949	0
Financial liabilities		
Financial liabilities measured at amortised cost	1,984,028	1,838,226
Foreign exchange forward contracts	81	0

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

c) Financial instrument disclosures

Credit risk

The following table discloses the PTA's maximum exposure to credit risk and the ageing analysis of financial assets. The PTA's maximum exposure to credit risk at the end of the reporting period is the carrying amount of the financial assets as shown below. The table discloses the ageing of financial assets 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.

Aged analysis of financial assets

	Note	Carrying Amount	Not past due and not impaired	Past due but not impaired					Impaired financial assets
				Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
		$000	$000	$000	$000	$000	$000	$000	$000
2015									
Cash and cash equivalents	36	125,174	125,174	0	0	0	0	0	0
Restricted cash and cash equivalents	19	15,038	15,038	0	0	0	0	0	0
Receivables (i)	21	10,723	8,858	877	841	147	0	0	0
Amounts receivable for services	23	910,118	910,118	0	0	0	0	0	0
		1,061,053	**1,059,188**	**877**	**841**	**147**	**0**	**0**	**0**
2014									
Cash and cash equivalents	36	100,544	100,544	0	0	0	0	0	0
Restricted cash and cash equivalents	19	15,480	15,480	0	0	0	0	0	0
Receivables (i)	21	12,869	8,959	2,686	1,076	148	0	0	0
Amounts receivable for services	23	945,846	945,846	0	0	0	0	0	0
		1,074,739	**1,070,829**	**2,686**	**1,076**	**148**	**0**	**0**	**0**

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

Liquidity risk and interest rate exposure

The following table details the PTA's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposures and maturity analysis of financial assets and financial liabilities

			Interest rate exposure					Maturity dates				
2015	Note	Weighted average effective interest rate	Carrying Amount	Fixed interest rate	Variable interest rate (ii)	Non-interest bearing	Nominal Amount	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years
		%	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Financial Assets												
Cash and cash equivalents	36	2.70	125,174	0	125,174	0	125,174	125,174	0	0	0	0
Restricted cash and cash equivalents	19	2.70	15,038	0	15,038	0	15,038	15,038	0	0	0	0
Receivables (i)	21		10,723	0	0	10,723	10,723	10,723	0	0	0	0
Amounts receivable for services	23		910,118	0	0	910,118	910,118	0	0	61,125	221,794	627,199
			1,061,053	**0**	**140,212**	**920,841**	**1,061,053**	**150,935**	**0**	**61,125**	**221,794**	**627,199**
Financial Liabilities												
Payables	30		114,775	0	0	114,775	114,775	114,775	0	0	0	0
Other current liabilities	33		1,593	0	0	1,593	1,593	1,593	0	0	0	0
WATC loans (iii)	31	4.06	1,866,552	1,866,552	0	0	2,315,960	70,420	0	118,217	560,543	1,566,780
Commonwealth loans (iv)	31	5.99	0	0	0	0	0	0	0	0	0	0
			1,982,920	**1,866,552**	**0**	**116,368**	**2,432,328**	**186,788**	**0**	**118,217**	**560,543**	**1,566,780**

(i) The amount of receivables excludes GST recoverable from the ATO (statutory receivable) and prepayments.
(ii) Variable interest rates represent the most recently determined rate applicable to the instrument at the end of the reporting period.
(iii) The principal repayment of the WATC loans is based on a 25 year repayment schedule.
(iv) The Commonwealth loans were fully repaid at the end of June 2015.

			Interest rate exposure					Maturity dates				
2014	Note	Weighted average effective interest rate	Carrying Amount	Fixed interest rate	Variable interest rate (ii)	Non-interest bearing	Nominal Amount	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years
		%	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Financial Assets												
Cash and cash equivalents	36	2.81	100,544	0	100,544	0	100,544	100,544	0	0	0	0
Restricted cash and cash equivalents	19	2.81	15,480	0	15,480	0	15,480	15,480	0	0	0	0
Receivables (i)	21		12,869	0	0	12,869	12,869	12,869	0	0	0	0
Amounts receivable for services	23		945,846	0	0	945,846	945,846	0	0	36,336	150,816	758,694
			1,074,739	**0**	**116,024**	**958,715**	**1,074,739**	**128,893**	**0**	**36,336**	**150,816**	**758,694**
Financial Liabilities												
Payables	30		98,918	0	0	98,918	98,918	98,918	0	0	0	0
Other current liabilities	33		158	0	0	158	158	158	0	0	0	0
WATC loans (iii)	31	4.12	1,737,899	1,737,899	0	0	2,204,954	37,018	0	114,238	539,958	1,513,740
Commonwealth loans	31	5.98	1,251	1,251	0	0	1,547	0	0	400	913	234
			1,838,226	**1,739,150**	**0**	**99,076**	**2,305,577**	**136,094**	**0**	**114,638**	**540,871**	**1,513,974**

(i) The amount of receivables excludes GST recoverable from the ATO (statutory receivable) and prepayments.
(ii) Variable interest rates represent the most recently determined rate applicable to the instrument at the end of the reporting period.
(iii) The principal repayment of the WATC loans is based on a 25 year repayment schedule.

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the PTA's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

		–100 basis points		+100 basis points	
2015	**Carrying amount**	**Deficit**	**Equity**	**Deficit**	**Equity**
	$000	**$000**	**$000**	**$000**	**$000**
Financial Assets					
Cash and cash equivalents	125,174	(1,252)	(1,252)	1,252	1,252
Restricted cash and cash equivalents	15,038	(150)	(150)	150	150
Total increase/(decrease)		**(1,402)**	**(1,402)**	**1,402**	**1,402**

		–100 basis points		+100 basis points	
2014	**Carrying amount**	**Deficit**	**Equity**	**Deficit**	**Equity**
	$000	**$000**	**$000**	**$000**	**$000**
Financial Assets					
Cash and cash equivalents	100,544	(1,005)	(1,005)	1,005	1,005
Restricted cash and cash equivalents	15,480	(155)	(155)	155	155
Total increase/(decrease)		**(1,160)**	**(1,160)**	**1,160**	**1,160**

Foreign currency sensitivity analysis

The following table represents a summary of the foreign currency rate sensitivity of the PTA's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 10 % change in foreign currency rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	-10 %		+10 %	
2015	**Deficit**	**Equity**	**Deficit**	**Equity**
	$000	**$000**	**$000**	**$000**
Financial Assets				
EUR – Euro	(1,142)	(1,142)	1,142	1,142
GBP – British Pound	(573)	(573)	573	573
SEK – Swedish Krona	(2,653)	(2,653)	2,653	2,653
Total increase/(decrease)	**(4,368)**	**(4,368)**	**4,368**	**4,368**

	-10 %		+10 %	
2014	**Deficit**	**Equity**	**Deficit**	**Equity**
	$000	**$000**	**$000**	**$000**
Financial Assets				
EUR – Euro	0	0	0	0
GBP – British Pound	0	0	0	0
SEK – Swedish Krona	0	0	0	0
Total increase/(decrease)	**0**	**0**	**0**	**0**

Fair values

All financial assets and liabilities recognised in the Statement of financial position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

41. Supplementary financial information

	2015 $000	2014 $000
Write-offs		
Public property written-off by the Executive Council during the period (i)	0	416
Revenue written-off (i)	42	288
	42	**704**
Losses through theft, defaults and other causes		
Losses of public moneys and public and other property through theft or default	**4**	**3**

(i) In 2014-15, $41,548 (2013-14: $287,838) of bad debts were written off. In 2013-14, $415,959 was written off the PTA's asset register.

42. Events occurring after the end of the reporting period

The PTA has not identified any material events after the end of the reporting period that would require adjustment or disclosure to be made.

43. Explanatory statement

Major variances between estimates and actual results for 2015, and between the actual results for 2014 and 2015 are shown below. Major variances are considered to be those greater than 10% or $10 million.

	Variance Note	Estimate 2015	Actual 2015	Actual 2014	Variance between estimate and actual	Variance between actual results for 2015 and 2014
		$000	$000	$000	$000	$000
Statement of comprehensive income (controlled operations)						
Expenses						
Employee benefits expense		163,308	158,495	149,260	(4,813)	9,235
Supplies and services		214,749	218,944	219,695	4,195	(751)
Depreciation and amortisation expense	A	277,366	279,938	255,289	2,572	24,649
Finance costs	1	94,860	83,588	76,781	(11,272)	6,807
Grants and subsidies		486,759	478,531	473,561	(8,228)	4,970
Energy and fuel	2,B	33,885	26,041	30,577	(7,844)	(4,536)
Loss on disposal/write-off of non-current assets	C	0	21	15,628	21	(15,607)
Other expenses	D	20,806	21,896	15,799	1,090	6,097
Total cost of services		**1,291,733**	**1,267,454**	**1,236,590**	**(24,279)**	**30,864**
Income						
Revenue						
User charges and fees	3	229,022	214,295	213,127	(14,727)	1,168
Operating lease revenue		5,466	5,466	5,466	0	0
Commonwealth grants and contributions	4,E	421	4	322	(417)	(318)
Interest revenue	5,F	750	1,375	1,843	625	(468)
Other revenue	6	36,806	49,915	50,126	13,109	(211)
Total revenue		**272,465**	**271,055**	**270,884**	**(1,410)**	**171**
Total income other than income from State Government		**272,465**	**271,055**	**270,884**	**(1,410)**	**171**
NET COST OF SERVICES		**1,019,268**	**996,399**	**965,706**	**(22,869)**	**30,693**

	Variance Note	Estimate 2015	Actual 2015	Actual 2014	Variance between estimate and actual	Variance between actual results for 2015 and 2014
		$000	$000	$000	$000	$000
INCOME FROM STATE GOVERNMENT						
Operating subsidy contributions	7,G	747,357	737,054	712,451	(10,303)	24,603
Services received free of charge		0	490	360	490	130
Royalties for Regions Fund	8	12	2,564	2,404	2,552	160
Total income from State Government		**747,369**	**740,108**	**715,215**	**(7,261)**	**24,893**
DEFICIT FOR THE PERIOD		**(271,899)**	**(256,291)**	**(250,491)**	**15,608**	**(5,800)**
OTHER COMPREHENSIVE INCOME						
Changes in asset revaluation surplus	9,H	0	612,310	42,730	612,310	569,580
Total other comprehensive income/(loss)		**0**	**612,310**	**42,730**	**612,310**	**569,580**
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(271,899)**	**356,019**	**(207,761)**	**627,918**	**563,780**
Statement of financial position (controlled operations)						
ASSETS						
Current assets						
Cash and cash equivalents	10, I	57,968	125,174	100,544	67,206	24,630
Restricted cash and cash equivalents	11	7,047	12,626	11,736	5,579	890
Inventories		13,328	16,270	14,396	2,942	1,874
Receivables		26,257	23,993	26,025	(2,264)	(2,032)
Prepayments	12	1,412	15,171	14,586	13,759	585
Amounts receivable for services	J	56,241	61,125	36,336	4,884	24,789
Non-current assets classified as held for sale	41, AN	10,380	7,418	10,380	(2,962)	(2,962)
Current financial asset		0	1,172	0	1,172	1,172
Total current assets		**172,633**	**262,949**	**214,003**	**90,316**	**48,946**

	Variance Note	Estimate 2015	Actual 2015	Actual 2014	Variance between estimate and actual	Variance between actual results for 2015 and 2014
		$000	$000	$000	$000	$000
Non-current assets						
Restricted cash and cash equivalents	13,K	2,984	2,412	3,744	(572)	(1,332)
Amounts receivable for services	L	853,269	848,993	909,510	(4,276)	(60,517)
Infrastructure, property, plant, equipment and vehicles	14,M	5,853,800	6,445,995	5,690,344	592,195	755,651
Intangible assets	15	21,039	12,857	9,253	(8,182)	3,604
Non-current financial asset		0	777	0	777	777
Total non-current assets		**6,731,092**	**7,311,034**	**6,612,851**	**579,942**	**698,183**
TOTAL ASSETS		**6,903,725**	**7,573,983**	**6,826,854**	**670,258**	**747,129**
LIABILITIES						
Current liabilities						
Payables	16,N	64,019	114,775	98,918	50,756	15,857
Borrowings	17,O	68,883	115,356	87,982	46,473	27,374
Provisions	18,P	30,642	36,290	40,775	5,648	(4,485)
Other current liabilities	19,Q	50,034	1,593	158	(48,441)	1,435
Deferred income operating lease		5,466	5,466	5,466	0	0
Current financial liability		0	81	0	81	81
Total current liabilities		**219,044**	**273,561**	**233,299**	**54,517**	**40,262**
Non-current liabilities						
Borrowings	20,R	1,819,908	1,751,196	1,651,168	(68,712)	100,028
Provisions	21,S	10,214	12,744	15,485	2,530	(2,741)
Deferred income operating lease		187,392	187,392	192,858	0	(5,466)
Non-current financial liability		0	0	0	0	0
Total non-current liabilities		**2,017,514**	**1,951,332**	**1,859,511**	**(66,182)**	**91,821**
TOTAL LIABILITIES		**2,236,558**	**2,224,893**	**2,092,810**	**(11,665)**	**132,083**

	Variance Note	Estimate 2015	Actual 2015	Actual 2014	Variance between estimate and actual	Variance between actual results for 2015 and 2014
		$000	$000	$000	$000	$000
NET ASSETS		**4,667,167**	**5,349,090**	**4,734,044**	**681,923**	**615,046**
EQUITY						
Contributed equity	22,T	3,442,615	3,455,655	3,196,628	13,040	259,027
Reserves	23,U	1,974,873	2,617,707	2,005,397	642,834	612,310
Accumulated deficit	24,V	(750,321)	(724,272)	(467,981)	26,049	(256,291)
TOTAL EQUITY		**4,667,167**	**5,349,090**	**4,734,044**	**681,923**	**615,046**
Statement of cash flows (controlled operations)						
CASH FLOWS FROM STATE GOVERNMENT						
Operating subsidy contributions	25,W	747,357	737,053	712,451	(10,304)	24,602
Capital appropriation – other government agencies	X	63,645	63,645	34,159	0	29,486
Capital appropriations		94,405	94,405	96,701	0	(2,296)
new Perth Stadium account	26,Y	80,617	58,474	22,781	(22,143)	35,693
Royalties for Regions Fund	27,Z	4,816	3,046	5,804	(1,770)	(2,758)
Holding account drawdowns	AA	36,336	35,728	56,758	(608)	(21,030)
Net cash provided by State Government		**1,027,176**	**992,351**	**928,654**	**(34,825)**	**63,697**

	Variance Note	Estimate 2015	Actual 2015	Actual 2014	Variance between estimate and actual	Variance between actual results for 2015 and 2014
		$000	$000	$000	$000	$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits		(162,620)	(157,099)	(149,405)	5,521	(7,694)
Supplies and services		(249,197)	(249,521)	(251,273)	(324)	1,752
Finance costs	28, AB	(94,860)	(81,874)	(72,650)	12,986	(9,224)
Grants and subsidies	29,AC	(486,760)	(476,523)	(455,664)	10,237	(20,859)
Receipts paid into consolidated account	AD	(3,940)	(3,543)	(3,082)	397	(461)
GST payments on purchases	30	(92,640)	(108,472)	(107,893)	(15,832)	(579)
Other payments	AE	(16,403)	(15,621)	(26,232)	782	10,611
Receipts						
User charges and fees		229,022	224,385	216,454	(4,637)	7,931
Commonwealth grants and contributions	31,AF	421	4	321	(417)	(317)
Interest received	32, AG	750	1,665	2,027	915	(362)
GST receipts on sales	33	21,255	26,736	25,981	5,481	755
GST receipts from taxation authority	34	71,385	82,049	82,107	10,664	(58)
Other receipts	35,AH	36,806	41,181	48,183	4,375	(7,002)
Net cash used in operating activities		**(746,781)**	**(716,633)**	**(691,126)**	**30,148**	**(25,507)**

	Variance Note	Estimate 2015	Actual 2015	Actual 2014	Variance between estimate and actual	Variance between actual results for 2015 and 2014
		$000	$000	$000	$000	$000
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current physical assets	36,AI	(424,463)	(378,950)	(389,777)	45,513	10,827
Receipts						
Proceeds from sale of non-current physical assets		0	18	1,751	18	(1,733)
Net cash used in investing activities		**(424,463)**	**(378,932)**	**(388,026)**	**45,531**	**9,094**
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments						
Repayment of borrowings	37,AJ	(86,290)	(275,177)	(80,916)	(188,887)	(194,261)
Other repayments	38,AK	(287)	(1,251)	(350)	(964)	(901)
Receipts						
Proceeds from borrowings	39,AL	236,190	403,830	280,242	167,640	123,588
Net cash provided by financing activities		**149,613**	**127,402**	**198,976**	**(22,211)**	**(71,574)**
Net increase/(decrease) in cash and cash equivalents		5,545	24,188	48,478	18,643	(24,290)
Cash and cash equivalents at the beginning of the period	40,AM	62,454	116,024	67,546	53,570	48,478
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**67,999**	**140,212**	**116,024**	**72,213**	**24,188**

Major Estimate and Actual (2015) Variance Narratives for Controlled Operations

1) The finance costs reduced as a result of lower interest rates and reduced borrowings due to project deferrals.
2) The energy cost reduced as a result of lower energy contract rates, PTA's withdrawal from the optional Green power surcharges and cessation of the carbon tax.
3) The user charges and fees reduced in recognition of lower patronage and reduced Transperth fares due to the cessation of the carbon tax.
4) The grants and subsidies reduced to reflect the cessation of Commonwealth concession for interstate pensioners and senior card holders on public transport in Western Australia.
5) The interest revenue increased as a result of the higher cash balances held.
6) The other revenue increased as a result of higher than anticipated miscellaneous revenues ($4.9 million), recoupment of costs and external works undertaken for third parties ($6.7 million) and foreign exchange gains ($2.1 million).
7) The operating subsidy contributions reduced by $10.3 million due to the net effect of the above mentioned estimate adjustments.
8) The Royalties for Region Fund increased mainly for the enhancement trial of the AvonLink train service ($2.6 million).
9) The changes in the asset revaluation surplus was the result of a revaluation of the freight network infrastructure.
10) Cash increased by $67.2 million due to project deferrals in the PTA approved asset investment program, additional revenue and non-cash expenditure.
11) Cash held for specific projects increased.
12) Prepayment of Riskcover annual premium.
13) Decreased due to the payment of the 27th pay in a financial year.
14) Revaluation of the freight network infrastructure.
15) Projects delivering intangible assets encountered some delays and were not completed and capitalised, values are therefore still reflected in the Work-in-Progress account under Infrastructure, property, plant and equipment.
16) Actual includes unearned revenue, salary payable, interest payable and other provisions. (refer to point 19)
17) The current borrowings were increased by $30 million due to the adoption of the WATC working capital facility and the additional principal repayment for 2016. (refer to point 20)
18) The contaminated sites provision was increased to provide for further remediation works identified.
19) Estimate includes unearned revenue, salary payable, interest payable and other provisions. (refer to point 16)
20) The non-current borrowings were decreased by $30 million due to the adoption of the WATC working capital facility and $38.7 million due to project deferrals in the PTA asset investment program. (refer to point 17)
21) The contaminated sites provision was increased due to identification of further remediation works.
22) The Contributed Equity increase of $13 million was mainly due to expenditure deferrals of the new Perth Stadium offset by net assets transferred between Main Roads WA and the PTA ($42 million).
23) Due to revaluation of PTA's asset in 2014 and 2015. (refer to note 35 Equity, page 185)

24) The accumulated deficit decreased by $29 million mainly due to a transfer of assets written off $12.2 million in 2014 and a combination of higher external revenue and slightly lower expenditure.

25) The operating subsidy contribution was reduced by $10.3 million mainly due to interest expense adjustment and general government efficiency dividend.

26) The new Perth Stadium Account was reduced by $22.1 million to align to the stadium construction program.

27) The Royalties for Region funds was reduced by $1.8 million due to project deferral.

28) Finance costs were reduced by $13 million due to deferral of borrowings and lower interest rates.

29) Grants and subsidies were reduced by $10 million due to reduction in fuel costs and general government efficiency dividend.

30) Estimate did not reflect GST for deferrals and carryovers.

31) Grants and subsidies were reduced to reflect the cessation of Commonwealth concession for interstate pensioners and senior card holders on public transport in Western Australia.

32) Higher cash balance resulted in increased interest income.

33) GST receipts on sales estimate did not reflect GST for increased revenue.

34) Estimate did not reflect GST for deferrals and carryovers.

35) Other receipts increased by $4.4 million due to higher than anticipated miscellaneous revenues

36) Purchase of non-current physical assets decreased by $45.5 million due to deferrals to align to the new Perth Stadium ($22.1 million) construction program and PTA's asset investment program.

37) Adoption of the WATC working capital facility results in multiple drawdowns and repayments. (see point 39)

38) Repayment in full of the Commonwealth loan.

39) Adoption of the WATC working capital facility results in multiple drawdowns and repayments. (see point 37)

40) Cash transferred from Department of Transport from the Perth Parking Fund for the Busport project ($63.645 million).

41) Non-current assets held for sale have been written down to fair value.

Major Actual (2015) and Comparative (2014) Variance Narratives for Controlled Operations

A) Increased depreciation costs resulting from the acquisition of new buses, new railcars and the completion of Butler rail extension.

B) Lower energy costs resulting from lower energy contract rates, PTA's withdrawal from the optional Green power surcharges and cessation of the Carbon Tax.

C) The loss in 2014 was primarily the result of a one off write down of the value of sleepers and ballast on the freight network.

D) Higher workers compensation costs and write-down of non-current assets classified as held for sale.

E) Cessation of the Commonwealth concession for interstate pensioners and senior card holders on public transport in Western Australia.

F) Lower cash balance and lower interest rates.

G) Higher operating subsidy is the result of higher finance and operating costs.

H) Revaluation of the freight network infrastructure.

I) Carryover of restricted cash and internal funds and balances due to provisions and project deferrals.

J) Higher drawdown from the Holding account for the bus replacement as per PTA asset investment program.

K) Decreased due to payments for the 27th pay in a financial year.

L) Drawdown from the Holding account for the bus replacement as per PTA asset investment program.

M) Revaluation of the freight network infrastructure.

N) Increased payable is mainly due to increased PTA business activities related to major projects.

O) Short term borrowings of $30 million through the WATC working capital facility.

P) Movement in contaminated sites provision.

Q) Increased number and value of contract securities held by PTA.

R) Net increase in borrowings to fund PTA's asset investment program.

S) Movement in contaminated sites provision.

T) Net asset transfer from (to) Main Roads WA ($42 million) and Department of Transport contribution to the Busport project from the Perth Parking fund and other assets funded by equity contribution.

U) Mainly due to the revaluation of the freight network infrastructure.

V) Net deficit for the year mainly due to unfunded depreciation.

W) Increased operating and finance costs.

X) Mainly contribution from the Department of Transport from the Perth Parking Fund for the Busport project.

Y) Contribution from Government for the new Perth Stadium to align to the stadium construction program.

Z) The funding in 2014 includes a one off $3.4 million for the purchase of buses for regional Western Australia.

AA) Movement in drawdown from the Holding account to reflect PTA approved asset investment program.

AB) Higher finance costs resulting from increased borrowings to fund the PTA asset investment program.

AC) Bus contract cost escalation and increased Bus service kilometres for the Transperth bus network.

AD) Higher receipts of parking fines.

AE) 2014 includes a prepayment to Riskcover for the workers compensation premium.

AF) Cessation of Commonwealth concession for interstate pensioners and senior card holders on public transport in Western Australia.

AG) Lower cash balance and lower interest rates.

AH) In 2014, a one-off contribution of $12.774 million was received from the City of Perth for the Perth City Link project – Bus.

AI) Purchase of non-current physical assets decreased by $10.8 million due to revised asset investment program.

AJ) In 2015, there was increased short-term drawdowns and repayments to cover temporary working capital requirements.

AK) The Commonwealth loan was repaid in full in 2015.

AL) In 2015, there was increased short-term drawdowns and repayments to cover temporary working capital requirements.

AM) Cash transferred in from the Department of Transport from the Perth Parking Fund for the Busport project and carryover of restricted cash and internal funds and balances due to provisions and project deferrals.

AN) Non-current assets held for sale have been written down to fair value.

44. 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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
COST OF SERVICES										
Expenses										
Employee benefits expenses	134,375	125,231	13,839	13,838	3,385	3,725	6,896	6,466	158,495	149,260
Supplies and Services	182,721	176,192	21,889	22,546	1,394	1,316	12,940	19,641	218,944	219,695
Depreciation and amortisation expense	175,856	159,455	4,185	4,409	1,568	1,377	98,329	90,048	279,938	255,289
Finance costs	78,649	71,710	2,263	2,512	0	0	2,676	2,559	83,588	76,781
Grants and subsidies	360,914	357,705	0	0	117,617	115,856	0	0	478,531	473,561
Energy and fuel	21,955	25,742	3,148	3,518	0	0	938	1,317	26,041	30,577
Loss on disposal of non-current assets	21	2,116	0	0	0	0	0	13,512	21	15,628
Other expenses	16,039	13,817	1,340	1,043	622	270	3,895	669	21,896	15,799
Total cost of services	**970,530**	**931,968**	**46,664**	**47,866**	**124,586**	**122,544**	**125,674**	**134,212**	**1,267,454**	**1,236,590**
Income										
User charges and fees	199,101	198,251	10,028	10,176	5,166	4,700	0	0	214,295	213,127
Operating lease revenue	0	0	0	0	0	0	5,466	5,466	5,466	5,466
Commonwealth grants and contributions	0	264	0	41	0	0	4	17	4	322
Interest revenue	0	0	0	0	0	0	1,375	1,843	1,375	1,843
Gain on disposal of non-current assets	0	0	0	0	0	0	0	0	0	0
Other revenue	34,895	34,359	1,027	942	0	0	13,993	12,424	49,915	50,126
Total income other than income from State Government	**233,996**	**232,874**	**11,055**	**11,159**	**5,166**	**4,700**	**20,838**	**19,750**	**271,055**	**270,884**
NET COST OF SERVICES	**736,534**	**699,094**	**35,609**	**36,707**	**119,420**	**117,844**	**104,836**	**114,462**	**996,399**	**965,706**

	Metropolitan and Regional Passenger Services		Country Passenger Rail and Road Coach Services		Regional School Bus Services		Rail Corridor and Residual Freight Issues		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
INCOME FROM STATE GOVERNMENT										
Operating subsidy contributions	585,534	558,136	28,638	33,965	118,608	113,266	4,274	7,084	737,054	712,451
Services received free of charge	0	0	0	0	0	0	490	360	490	360
Royalties for Regions	0	0	2,564	17	0	2,387	0	0	2,564	2,404
Total income from State Government	**585,534**	**558,136**	**31,202**	**33,982**	**118,608**	**115,653**	**4,764**	**7,444**	**740,108**	**715,215**
Surplus/(deficit) for the period	**(151,000)**	**(140,958)**	**(4,407)**	**(2,725)**	**(812)**	**(2,191)**	**(100,072)**	**(107,018)**	**(256,291)**	**(250,491)**

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.

45. Remuneration of auditor

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2015 $000	2014 $000
Auditing the accounts, financial statements and key performance indicators	**189**	**166**

46. Act of Grace payments

Three Act of Grace payments made pursuant to authorisations given under Section 80(1) of the *Financial Management Act 2006*. (2014: Three)	**109**	**34**

Glossary of terms

AM	Asset Management
AMP	Asset Management Plan
ASL	Acceptable Service Level
CAT	Central Area Transit
CMR	Central Monitoring Room
CNG	Compressed Natural Gas
CRM	Composite Rate Model
CCTV	Closed-circuit television
DAIP	Disability Access and Inclusion Plan
DSAPT	Disability Standards for Accessible Public Transport
EEV	Enhanced Environmentally-friendly Vehicle
FTZ	Free Transit Zone
GPS	Global Positioning System
HSE	Health, Safety and Environment
IPLS	Infrastructure Planning and Land Services
LTI	Lost-Time Injury
N&I	Network and Infrastructure (PTA division)
NMR	New MetroRail (former PTA division)
OMI	Office of Multicultural Interests
ORS	Office of Rail Safety
OSH	Occupational Safety and Health
OTR	On-time running
PCL	Perth City Link
PDP	Project Definition Plan
PMP	Prevention Maintenance Program
PPTA	Perth Public Transport Area
PSA	Property Street Addresses
PSM	Passenger Satisfaction Monitor
PTA	Public Transport Authority of Western Australia
RTBS	Regional Town Bus Services
SBS	School Bus Services (PTA branch)
TOD	Transit Oriented Development
TRIS	Transperth Route Information System
TTO	Transperth Train Operations (PTA division)
UWA	University of Western Australia
WAGRC	Western Australian Government Railways Commission (PTA predecessor)
Acceptable Service Level (ASL)	Is defined as an hourly service during the day with at least three trips, ie. 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.

Public Transport Authority

Transperth

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