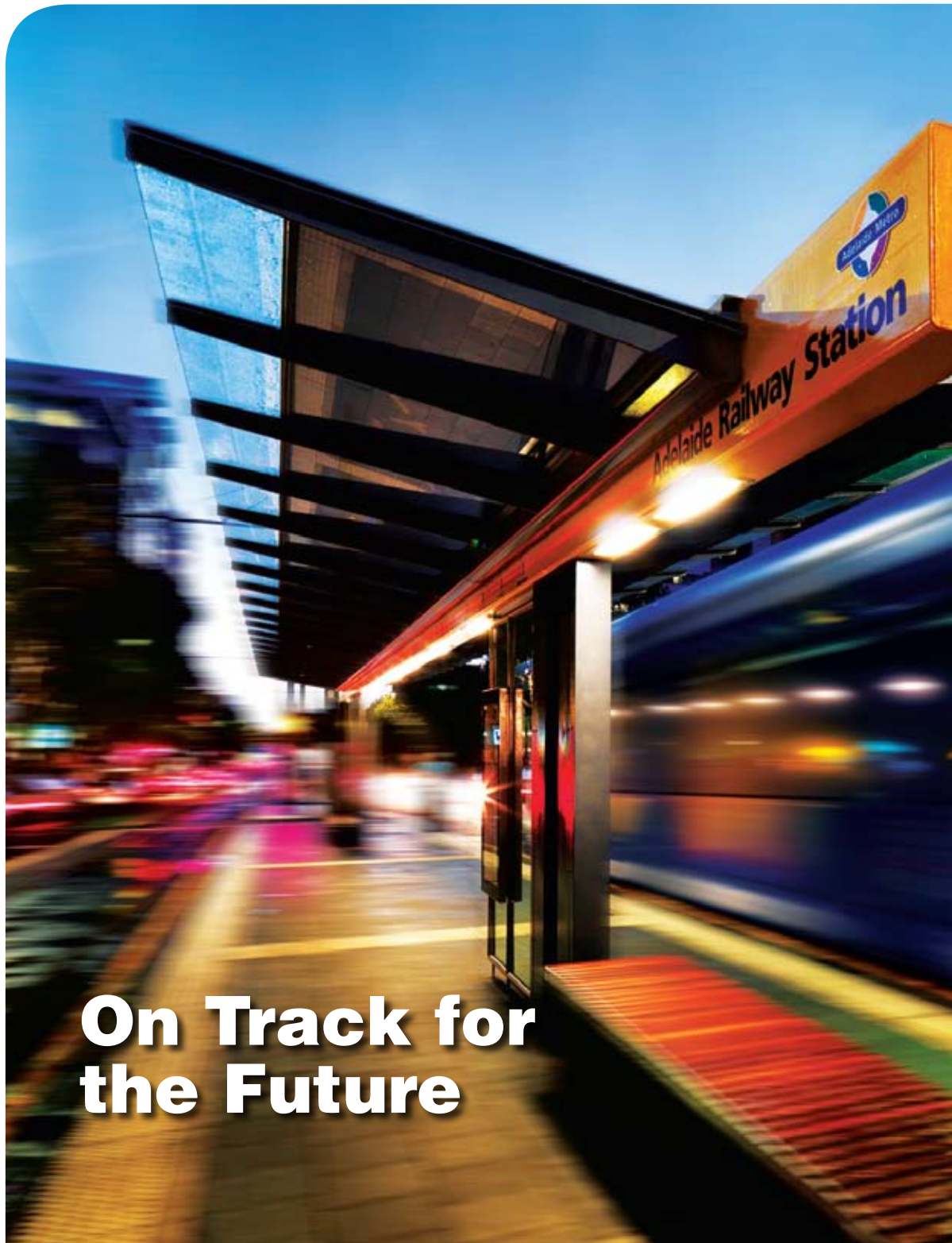




Government of South Australia
TransAdelaide

Annual Report 2008-09



**On Track for
the Future**



Government of South Australia
TransAdelaide

Office Address

Adelaide Railway Station
North Terrace
ADELAIDE SA 5000

Postal Address

GPO Box 2351
ADELAIDE SA 5001

ABN

64 260 242 307

Phone

08 8218 2200

Facsimile

08 8218 2206

Website

www.transadelaide.com.au

ISSN

1441-421X

Letter of Transmittal

30 September 2009

The Hon. Patrick Conlon MP
Minister for Transport
Parliament House
North Terrace
ADELAIDE SA 5000

Dear Minister

On behalf of the Board and Management of TransAdelaide, I am pleased to present the TransAdelaide Annual Report for the year ended 30 June 2009.

The report documents the achievements and activities of TransAdelaide over the past twelve months and on behalf of TransAdelaide staff, I commend the report for presentation to Parliament.

The Annual Report complies with the requirements of the Public Corporations Act 1993 (SA), the TransAdelaide (Corporate Structure) Act 1998 (SA), the Public Sector Management Act 1995 (SA) and the Department of Premier and Cabinet Reporting Requirements.

Yours sincerely



Bob Stobbe
CHIEF EXECUTIVE OFFICER

Contents

TransAdelaide's vision	iv
Business overview	1
Chair's report	2
CEO's report	4
The year in review	7
Building a sustainable future	11
Our community	15
Corporate governance	20
Corporate and statutory reporting	24
Financial statements	
Directors' report	34
TransAdelaide Financial Statements 2008-09	37
Certification of the Financial Statements	76
Independent Auditor's Report	77



TransAdelaide's vision

We will continue to develop a customer focussed, integrated transport system providing frequent, rapid, reliable and safe services across greater Adelaide.

TransAdelaide will be a dynamic contributor to the State's economic, social and environmental prosperity through increasing rail patronage to achieve South Australia's Strategic Plan target (T3.6): to increase public transport to 10 percent of weekday passenger vehicle kilometres by 2018.

Business overview

TransAdelaide's rail network is the spine of Adelaide's integrated public transport system.

It connects people from Gawler and beyond in the north, from Noarlunga and beyond in the south, from Belair in the hills, from Outer Harbor and Glenelg.

We employ over 600 people in a range of fields from customer service, tram operators and train drivers to a range of engineering and trade disciplines. This team operates 99 railcars and 16 trams on 140 route kilometres of track.

As a statutory authority, TransAdelaide reports to the Minister for Transport, Hon. Patrick Conlon MP and provides its services under a contract with the Department for Transport, Energy and Infrastructure's Passenger Transport Division.

TransAdelaide has an important role to play in achieving several targets from South Australia's Strategic Plan. The primary target is within Objective 3: Attaining Sustainability. Specifically it is to contribute to the achievement of T3.6 which is to increase the use of public transport to 10% of metropolitan weekday passenger vehicle kilometres by 2018. But TransAdelaide's contribution to achievement of South Australia's Strategic Plan objectives range far wider than this as we have significant impact on achieving many other goals set out in the Plan. TransAdelaide makes a real contribution to the quality of life for the people of Adelaide and its surrounds.



Chair's report



Victoria Hickey, Board Chair

TransAdelaide has begun a very exciting and challenging journey which will see our rail network transformed into a modern and vibrant system. This rebuilding has many elements. Rail lines will be concrete re-sleepered, electrified and extended. Along the way, stations will be redeveloped and upgraded. Existing railcars are presently being refurbished internally and the majority will be converted to electric running while new railcars and trams are to be purchased.

This infrastructure renewal is occurring as demand for public transport continues to rise. People are becoming increasingly conscious of the many benefits of public transport; to the environment as well as the convenience of avoiding road congestion and the financial savings to be made from not using their cars as frequently. The great challenge is to be able to maintain a quality service that meets community needs against a backdrop of major infrastructure projects.

The Board was delighted to secure the services of Bob Stobbe as Chief Executive Officer. He has brought a wealth of infrastructure experience and great focus on customer service. Since arriving in September 2008, Bob has made great progress in preparing the organisation for the task ahead. His leadership and passion for raising standards of safety, customer service and operational efficiency has set the tone for TransAdelaide as we pursue our strategic vision to provide the best possible service whilst working around the challenges of the next several years.

Safety

Safety for our customers and staff remains a major focus of our business. We feel that good progress is being made to develop a safety culture in which all staff look at situations with a "what if" mentality and are motivated to respond to potentially dangerous situations. All indicators show improved performance with injuries and time lost through injury down on previous years. Similarly there have been fewer reports of injuries by customers. Nonetheless, one incident is one too many and zero tolerance to injury is TransAdelaide's safety mantra.

The increase in patronage for both trams and trains of about 1.4 percent was pleasing. Growth in patronage over the past year was held back by disruptions to services such as those caused by extreme heat conditions in January and February. The most prominent disruption has been caused by the closure of the Belair line for concrete resleepering. Disruption from line closures will continue with the Noarlunga and Gawler lines to follow, however, the challenge remains to continue patronage growth, in spite of service disruption, as demand for public transport increases.

Restructure

The organisational restructure which Bob has overseen and the rail operations, customer service and safety expertise that new recruits have subsequently brought has TransAdelaide very well placed to seize the generational opportunity to upgrade and extend our tram and train networks.

I thank my fellow Board members, with their depth of experience in public transport, for their contribution to the governance of TransAdelaide over the past year. I would also like to make particular mention of Rod Hook, who stepped down from the board in August 2008, after fulfilling an important role in strengthening the co-ordination between TransAdelaide and the Department for Transport, Energy and Infrastructure in this time of increased joint activity on infrastructure projects.

These are very exciting times for TransAdelaide's Board, management and staff and we all look forward to the challenges and opportunities ahead.



CEO's report



Bob Stobbe, Chief Executive Officer

Preparing TransAdelaide for a generational transformation of infrastructure and operations whilst simultaneously improving safety and customer service has been my priority since commencing my role in September 2008.

Rail Revitalisation

The biggest investment ever by a State Government in Adelaide's public transport system has launched a very exciting period for TransAdelaide. The \$2 billion investment will transform Adelaide's network into a vibrant state of the art system providing faster, cleaner, more frequent and efficient public transport services for our community. The 'Rail Revitalisation Project' contains major works such as the concrete resleepering of the rail network, upgrading of stations and facilities, electrification of rail lines, tramline extensions, the purchase of trams and electric trains, a new state-of-the-art smart card ticketing system and refurbishment of all and electric conversion of most of the 3000/3100 railcar fleet. There's also the relocation of the railcar depot from the Adelaide Rail Yards to Dry Creek where groundwork has started for the new facility. Federal funding has also been made available to extend the Noarlunga line to Seaford and bring forward by two years the upgrading of the Gawler line.

It is an exciting time for TransAdelaide given the generational opportunity to completely transform our passenger rail services, but the scope and breadth of this transformation also brings very significant challenges. The system upgrade phase we have commenced will come at the price of disruptions as we replace our ageing infrastructure. These works will require public understanding so we place great importance on engaging with our community and are doing our absolute best to minimise the impact of these disruptions to our customers.

Several major projects have started. As mentioned above, site preparation works commenced in April for the Railcar Depot Relocation at Dry Creek and for the Entertainment Centre phase of tramline extensions as well as the South Road tramline overpass. Concrete resleepering of the Belair rail line also commenced in April and the refurbishment program for our fleet of 3000/3100 series railcars is underway. For our customers, the Belair line project is presently the most visible and impactful project. Whilst bus substitutes have been operating we found that many people were driving down to Tonsley station to commute into the city. We were able to respond with extra capacity added to cope with these extra passengers on the Tonsley line and the car park was given a quick upgrade as well as arranging with the Marion Council to provide free on-street parking.

Restructure

Soon after commencing, I announced a restructure to increase our focus on safety and customer service.

This restructure has added two divisions that position us for the very exciting challenges ahead and made necessary two very important appointments to senior management. The position of Chief Operating Officer also was created to consolidate our train and tram services. These appointments have reinvigorated TransAdelaide and bring added expertise to aspects of our business that are targeted for greater emphasis.

Peter Doggett from the Transport Infrastructure Development Corporation (NSW) as Chief Operating Officer

Erryn Munchenberg from Worley Parsons Resources and Energy as Executive Manager Safety, Security and Environment

Andrea Higgs from BT Financial Services as Executive Manager Customer Service

The divisions under Peter, Erryn and Andrea have all been bolstered by other important, senior appointments which will enable us to firstly manage the redevelopment and expansion phase we have entered and to then drive





continuous improvement. It is important that we have cultural change and a greater emphasis on customer service and safety while continuing to transform the operations of the business. Improving customer service, safety and operational efficiency have been equal priorities since taking my role as Chief Executive Officer in early September and these new appointments have provided us with long-term, international rail industry expertise and an excellent mix of public and private sector experience in the areas of customer service and safety.

Safety

TransAdelaide has wholeheartedly adopted the zero harm vision contained within the Government's Safety in the Public Sector strategy and I am very pleased by improving performance indicators. The safety of our workforce, our customers and the community in general has the highest priority. Much effort is being focussed on the continuing development of a resilient safety culture.

Our efforts have been complemented by safety campaigns targeting the wider community. The Department for Transport, Energy and Infrastructure conducted a special rail safety campaign during the year commencing in late March. The theme was simple: "Some Things Are Worth Waiting For" and stressed the grave consequences that are possible through impatience at level crossings. This campaign was in addition to National Rail Safety Week in July 2008 with its television based awareness campaign and the award winning "Don't Play With Trains" community service announcements. Rail Safety Week also saw the commissioning of our first "Caution, More Than One Train" warning systems at Emerson Station. Another 10 locations have had the signs installed over the past year with six to follow in this phase of the project. We are the first rail system to have such warning systems.

Passenger Growth

Our patronage has increased by 1.4 percent, which is a very satisfying result given the major projects that have commenced. I thank TransAdelaide staff for their effort and contributions over the past year. We have a big task ahead – to maintain growth, improve customer service and safety and increase operational efficiency in the midst of unprecedented and very exciting infrastructure and organisational development. There's a lot to be achieved and I look forward to the coming years with confidence.



The year in review

Passenger Transport Services

TransAdelaide's rail network has a vital role in Adelaide's integrated public transport system. Our 99 railcars and 16 trams over 140 route kilometres of track connect people from Gawler and beyond in the north, from Noarlunga and beyond in the south, from Belair in the hills, from Outer Harbor and Glenelg. The rail lines radiate from Adelaide's Central Business District and are fed by bus services from surrounding suburbs.

Total patronage for trams increased over the past financial year by 1.5 percent, trains increased 1.4 percent. This represents a figure of 14.36 million passengers bringing an overall growth for both systems of 1.43 percent.

	2004-05	2005-06	2006-07	2007-08	2008-09	Percentage Growth
Train	11.17m	11.71m	11.62m	11.58m	11.74m	1.40%
Tram	2.10m	2.07m	2.36m	2.58m	2.62m	1.50%
TOTAL	13.27m	13.78m	13.98m	14.15m	14.36m	1.43%

This past year of patronage growth has set the challenge to continue the pattern whilst rail lines are closed for upgrading and railcars are removed from service for refurbishment. This will be possible by increasing operational efficiency and careful use of our resources. A significant contributor to this will result from the acquisition of a new Service Planning and Scheduling System. The new system is expected to be implemented during 2010.

Patronage is expected to be affected by infrastructure works under the Rail Revitalisation Project, the most obvious being the closure of lines to enable them to be concrete re-sleepered. Belair has been closed from April with its reopening expected in August 2009. This will be followed by the Noarlunga and Gawler lines.

Train Lines	2007 - 08	2008 - 09	Change	Percentage
Outer Harbor	2 477 196	2 482 746	5 500	0.2%
Gawler	3 844 992	4 068 608	223 616	5.8%
Belair	1 121 517	978 541*	-142 976	-12.7%
Noarlunga	4 138 297	4 214 105	75 808	1.8%

* Includes substitute bus figures for May and June 2009



A great deal of effort has been made to increase passenger comfort and thereby make commuting by rail more attractive for people. A first step has been the replacement of windows in the 3000/3100 railcar fleet pre-empting the major refurbishment. This refurbishment will completely remodel railcar interiors and provide a safer, modern, comfortable and refreshed environment for passengers. The railcars will be Disability Discrimination Act compliant and have more designated spaces for wheelchairs and mobility aids as well as upgraded passenger information systems with hearing loops for the visually impaired. Security will also be improved with additional CCTV cameras including a live feed to the driver's compartment and emergency call buttons. In the meantime, the new windows have been greatly appreciated by our customers.

The first three refurbished 3000/3100 series railcars are expected to be returned to service in October 2009. The entire fleet will be refurbished by 2012. Following this, fifty-eight will be converted to electric whilst the remaining 12 will remain diesel powered to service the Belair line.

Infrastructure

Major infrastructure works have commenced under the Rail Revitalisation Project. The most notable, or that with the greatest impact to customers, has been concrete resleepering of the Belair line which commenced in April. Upgrades are being made to the Blackwood, Coromandel and Eden Hills stations. Work has progressed well and services are expected to resume on schedule in late August 2009. The re-opening of the Belair line with upgraded stations and improved operating conditions is eagerly anticipated as, given the new Oaklands Interchange experience, a spike in patronage is expected. The new Oaklands Interchange which opened in June 2008 has proven very popular with customers. A survey has shown an increase of 40 percent in the number of people using the facility when compared to the previous survey conducted in 2007.

Many infrastructure projects over the past year have been focussed on pedestrian safety with the installation of automatic gates at several pedestrian

crossings over the past eighteen months, including at Parafield as part of this station's major upgrade. 'Caution, more than one train' warning systems have been installed at eleven locations with six to come in the present program. They are a first for Australian metropolitan rail networks and a study of their effectiveness underway by the University of South Australia's Behavioural Science Department has created interest from interstate counterparts.

Work commenced in April 2009 on the next phase of the Coast to Coast light rail project, the extension from City West to the Entertainment Centre. The new service to the Entertainment Centre will provide convenient access to the new Royal Adelaide Hospital, the upgraded Entertainment Centre, Hindmarsh Stadium and major events at Bonython Park. The project also includes a Park and Ride facility at the Entertainment Centre, providing an attractive alternative to driving and parking in the city.

Replacement of switch timbers within the Adelaide Rail Yard was completed over the past year and similar timber replacement for track and switches on the Gawler line has been accelerated enabling the reduction of speed restrictions. Completion of the resleeper project will also largely remove the problems associated with heat buckles over summer. Speed restrictions other than under exceptional circumstances are expected to become very rare.

Another highly visible project, the South Road Tram Overpass, has progressed through consultation, planning and design phases with the final design announced and work due to commence in the first part of next financial year. A temporary tram line has been installed around the site to enable tram services to continue during construction. The overpass is expected to be completed by late 2009.

Less visible projects within the rail corridor but of great significance have included the on-going fencing upgrade project to improve safety and security, vegetation removal and bushfire mitigation (particularly Belair line).

Maintenance and upgrading of railway stations, tram stops and within the rail corridor has been ongoing. Work has also continued under TransAdelaide's Disability Action Plan, aimed at meeting State Government objectives under the Promoting Independence – Disability Action Plans for South Australia and attaining Disability Discrimination Act (DDA) compliance. Particular DDA compliance progress has been made in the provision of signage that enables recognition by people with visual impairment. This higher standard for signage benefits all passengers and TransAdelaide has compiled a new standard set of signs. The Adelaide Railway Station has been the first station to have this new signage installed as part of an upgrade which included tactile tiles and increased lighting levels throughout the concourse and platform areas. The new signs will be rolled out across the network as the station upgrade element of the Rail Revitalisation Project continues.





TransAdelaide is grateful to the members of the Transport Accessibility Advisory Group who provide expertise and insight into the requirements of people with disabilities. The group comprises people with disabilities representing the disability sector which operates as a focus group and a source of specialist consultative services.

Facilities at the Glengowrie tram depot were improved with new kitchen facilities, a new meeting and training room, new car park and new covered outdoor areas. Major works are being planned for the depot next financial year to cater for the increase in light rail operations. These will include increasing stabling capacity, alterations to existing maintenance facilities and a further extension and upgrade to office accommodation and staff facilities.

Looking Ahead

The requirement to not only maintain, but improve passenger services during the Rail Revitalisation Project and to then continuously improve service following completion of works has guided a significant organisational restructure during the past year. Three key appointments highlight the restructure which reflects the development phase TransAdelaide has entered as well as the increased emphasis on customer service and communications. Peter Doggett has joined as Chief Operating Officer, Erryn Munchenberg as Executive Manager, Safety Security and Environment and Andrea Higgs as Executive Manager, Customer Service and Communications.

Significant progress has occurred since these appointments were made with each new Executive Manager assessing their area of responsibility and initiating a range of projects aimed at achieving strategic objectives.



Building a sustainable future

The largest investment ever by a State Government in South Australia's public transport infrastructure will see TransAdelaide's train and tram networks transformed into a modern and vibrant system over the next several years.

There are many elements of the Rail Revitalisation Project encompassing all aspects of our business: infrastructure, upgrading of and new trains, new trams, new engineering and stabling facilities, employee and customer safety and security enhancements, increased operations and improved communications.

The concrete resleepering of the Belair line is well underway and stations along the line are being upgraded. The Noarlunga line is next to be concrete resleepered and with Federal Government funding will be extended to Seaford with a new bridge over the Onkaparinga River and two new stations built to serve this area of population growth. There will be significant upgrades to the Outer Harbor line with work due to commence in late 2009 on the Port Adelaide station and viaduct. The Federal funds also enable the Gawler line concrete resleepering to start two years ahead of the initial schedule.

Work has also commenced on the tramline extension to the Entertainment Centre, the latest phase of the project to take light rail to Semaphore. Trams have been sourced from Spain which will be adding to our system capacity.

The 3000/3100 series railcar refurbishment project has started. These will be converted to electric running following conversion of the rail line and along with new electric railcars will provide comfortable, quiet and environmentally sound train services. The new Railcar Depot, with state-of-the-art engineering and stabling facilities is also underway at Dry Creek which will eventually free the present location for redevelopment as the new Royal Adelaide Hospital.

Our Team

TransAdelaide's generational upgrading will not only be of great benefit to our customers but is also anticipated with great enthusiasm by our team. TransAdelaide employs over 600 people in a range of occupations from specialist technicians, engineers, customer service, train drivers, tram operators and professional staff covering multiple categories. We have a stable workforce and provide many opportunities for people to build their careers. A new Access and Equity Policy, drawn from our Disability Action Plan, came into force this past year and will guide employment opportunities for minority groups and those with physical disabilities. TransAdelaide is committed to equal opportunity based on merit.

TransAdelaide greatly values our workforce and our Learning and Development unit manages and conducts programs to continuously develop the capabilities of individuals and groups. Programs range from professional development to specific training for drivers and technical staff. TransAdelaide is a Registered



Training Organisation (RTO) and runs programs for Certificates I, II, III and IV in Transport and Distribution and Transport and Logistics. A new e-learning training package, Rail Safety and Environmental Awareness for Contractors was launched in September which enables contractors to complete essential training on-line that will allow them to work within the restricted area of the rail corridor. Training has also been received from the Department for Environment and Heritage regarding fire hazard reduction work within the rail corridor.

The organisational restructure created a strengthened Safety, Security and Environment division which has been very active since the appointment of Erryn Munchenberg as Executive Manager. Staff with a safety function, who had previously reported to divisional managers, have been brought together as a specialist team. As a result, safety management, monitoring, reporting and improvement of systems, which was previously scattered, has now been consolidated. This has also provided added momentum to the major project of developing an on-line Safety Health and Environment Management System. All managers and supervisors have now had refresher OH&S training and a more rigorous induction program, introduced this past year, includes more OH&S content for new employees. The safety message has become ubiquitous in staff communications. Regular meetings are now conducted to identify worksite hazards, provide solutions as well as to generally reinforce and strengthen our safety culture.

The restructure also strengthened the customer service area with a specific Customer Service and Communication division established which, in a similar fashion to Safety, Security and Environment has pulled together people with that function “under one roof” as well as adding expertise through recruitment.

Further developing internal communications is a very important element of this new division's role. This is particularly important as feedback from our people is vital to capturing and applying their knowledge as new systems are introduced and others updated.



The welfare of our people is vitally important and is the driver behind our focus on health and safety as we pursue the target of Zero Harm. Occupational Health and Safety (OH&S) training continues to have the highest priority with managers and supervisors completing programs throughout the year. A new Manual Handling and Fitness for Work program has been developed in conjunction with the Corporate Health Group and has already been credited with a reduction in reportable injuries over the past year. A more extensive OH&S component in the new staff induction sessions has also been acknowledged as a contributor to improving OH&S results. The reduction in workplace and psychological injury claims over the past year continues a downward trend and sees TransAdelaide achieving the targets set by the government's initiative, Safety in the Public Sector (SIPS) 2007-2010.

A feature of TransAdelaide's stable workforce is the number of long-serving employees. The 2008 Annual Awards Presentation saw eleven people recognised for 25 years service and three recognised for 40 years service. The awards night has become a highlight on the TransAdelaide calendar and this past year was more memorable for the introduction of a 'Rail of Honour' award with six inaugural inductees: Neil Thomson; Harry Taylor; Peter Stacey; Barrie Dunk; David Burton and David Irving. Tram Operator, Peter Tsoukalas was announced as Employee of the Year for 2008.





Our Environment

TransAdelaide is pivotal to reducing Greenhouse gases as reflected by our major role in achieving South Australia Strategic Plan Target T3.6: Use of Public Transport; increase the use of public transport to ten percent of metropolitan weekday passenger vehicle kilometres by 2018. We also strive to reduce our own environmental impact and are committed to the Greening of Government (GoGo) Action Plan and the National Framework for Energy Efficiency.

TransAdelaide is now registered for National Greenhouse Emission Reporting (the carbon credits mechanism) which is expected to be activated in late 2009.

Energy and diesel fuel usage is a major factor in providing our services and will remain so even after the conversion to electric running (except for the Belair line) is complete. Lighting upgrades and simple conservation policies have nonetheless made gains over the past year.

Much work is being driven by our Environmental Coordinator and the volunteer members of our Greenhouse Taskforce. A waste recording system is now in place which will enable management and reduction. A water recovery system now processes contaminated water from graffiti removal. This saves waste disposal costs as well as providing recycled water for use at the station being cleaned. Other water conservation projects include the installation of two 22,500 litre rainwater tanks at the Mile End depot and water efficiency upgrades completed at most stations with the balance expected to be finished by late 2009.

The Oaklands Interchange which opened in June 2008 has since won two environmental awards: first place for Water Saving Innovation in the Urban Application Category as well as the SA Water prize as Overall Award for Best Water Saving Innovation. It utilises eco-swales and sumps to re-use all rainfall on the site for the existing 100 year old trees and the new plantings. Such water conservation techniques, along with selection of water-wise native plants is being applied to all TransAdelaide landscaping projects.



Our community

Engaging with our Community

TransAdelaide is committed to engaging with and responding to the needs of the community we serve. This ranges from adjusting timetables for special requirements of particular groups to providing our Adopt-a-Station volunteer groups with the tools and materials to care for their local train station or tram stop. It includes a commitment to continuous improvement in all aspects of our business. We strive to provide the best possible service and eagerly anticipate modernised infrastructure via the Rail Revitalisation Project.

Our focus on community and customer expectations has been strengthened with the appointment of Andrea Higgs as Executive Manager Customer Service and Communications. Great effort is being made to improve peoples' experience using TransAdelaide's rail and tram services. This includes the design and standardisation of signage across the network, sensitivity to customer comfort such as demonstrated by the distribution of water during the record breaking heat experienced in late January and early February 2009 plus improved delivery of general information and communications at times of service disruption.

Feedback is vital and we continue to maintain close links with our community to stay in touch with issues and requirements. The monthly meetings of the Rail Customer Panel's six members continue to be a very important complement to passenger surveys. Members of the panel are interested commuters, representing a particular line, who have responded to vacancy notices to join this advisory group.

At present, commitment to our community has an added dimension as we progress through the major developments contained in the Rail Revitalisation Project and the disruptions this will cause our normal services. A special Community Engagement team has the role of engaging with and managing community communications. An important element of their work is to foster community understanding. The experience from the Belair line concrete re-sleepering has been very positive as people quickly adjusted to closure of the line and either shifted to substitute bus services, travelled to the Tonsley station or used private vehicles. The adoption of Tonsley as a Park and Ride station was more popular than anticipated and our Engagement team responded by quickly requesting extra railcars, improvements to the existing car park and arranged for free on street parking in the vicinity of the station.

Community Rail Safety

A key commitment to our community is to improve and promote rail safety, particularly at level crossings which are danger hot-spots. The approach to doing so consists of development and installation of safety systems as well as education and awareness campaigns. Safety systems such as gated pedestrian crossings and warning systems such as the 'Caution, More Than One Train' signs are installed at high priority locations where they will be most effective.





Requirements for compliance under the Disability Discrimination Act such as tactile tiles which define the edges of platforms, ramps and so on, whilst designed for vision impaired people, also have safety benefits for the general population.

The past year's National Rail Safety Week in July 2008 continued the focus on rail crossings, recognised as critical safety locations with the impactful television based community awareness campaign 'Don't Play With Trains'. An appropriate launch to the week was the commissioning of the first 'Caution, More Than One Train' warning system at Emerson Station. The award winning series of advertisements coincidentally includes one based on the danger of a second train passing through a pedestrian crossing.



The Rail Safety Week campaign was complemented during the year by the 'Some Things Are Worth Waiting For' advertising campaign commissioned by the Department for Transport, Energy and Infrastructure. This campaign, which commenced in late March, ran on metropolitan and regional television and radio as well as outdoor advertising, including on trams. Its message is the potential tragedy from impatience at level crossings.

TransAdelaide and the South Australia Police's Rail Education Unit has been on hiatus as we work with the Department for Transport, Energy (DTEI) and Infrastructure to incorporate a more extensive rail safety program within their 'Way To Go' road safety program. The Rail Education Unit had been restricted to primary schools along the rail corridor however linking with DTEI's 'Way To Go'

will greatly extend the rail safety message to many more schools beyond those in proximity to the rail corridor. This new initiative is expected to commence in 2009's third school semester.

We strive to provide a safe and secure environment for train and tram passengers, free of graffiti. For this, TransAdelaide is largely reliant on the South Australia Police Transit Division (SAPOL) and we greatly appreciate their professionalism and effort. Our excellent relationship with SAPOL continues to develop and reporting systems and protocols are continually improved. We have also been able to extend our use of private security contractors who are now on all train services from 6.00pm compared to the 7.00pm start of the last several years.



Another very important element of our safety management is disaster preparedness. The 'Flexity3' multi-agency disaster exercise held in May 2009 contributed to this and further developed the excellent relationship TransAdelaide has with emergency services. Like the previous year's 'Jumbo 08' exercise South Australia Police, SA Ambulance Service, Metropolitan Fire Service, State Emergency Service along with observers from the Country Fire Service participated. This year's 'Flexity3' was based on a level crossing accident with a Flexity tram. Both exercises have provided the opportunity to gain experience and test skills and equipment. They have also been very important for the development and refining of protocols and systems which ensure coordinated responses to disaster situations. An access guide for emergency services to



TransAdelaide's rail corridor and facilities has now been developed from the experience gained in these exercises.

Special Services for Community Events

TransAdelaide provides special services for several major community events throughout the year. The Royal Adelaide Show requires temporary infrastructure such as a ticket office and ticket validators as well as an open-sided marquee for shelter. Others, such as race meetings at Gawler and Morphettville are supported by stopping at the 'part-time' station and tram stop respectively whilst others are supported by additional services or early starts to the regular time to cater for special occasions or events.

Royal Adelaide Show

The special 15 minute shuttle service from the Adelaide Railway Station to the temporary station at the showgrounds had a twelve percent increase over the previous year in patronage with 369 000 people making the trip. The trams division also created a record with an eighteen percent increase in patronage over the nine-day show period.

Christmas Pageant

The Christmas Pageant is clearly TransAdelaide's busiest day when thousands of people commute into the city centre for this spectacular family event. Every available railcar is utilised as services are given extra capacity. TransAdelaide does everything possible to satisfy this spike in demand as this and other such community events provide TransAdelaide with the opportunity to demonstrate the convenience and value of our rail services.

ANZAC Day Dawn Service

Inclement weather did not keep people away from the 2009 ANZAC Day Dawn Service. Additional services, starting earlier than the regular timetable were well patronised and the free travel for veterans was greatly appreciated.

City to Bay

A record number of participants in the 2008 City to Bay was reflected by a busy day on the trams. Voucher collections were up by 47 percent and validations were up by 118 percent.

World Amateur Teams Golf Championships

The closure of the Grange line at Seaton Park station and the provision of substitute buses to Grange and East Grange stations constituted the 'special' service provided by TransAdelaide for this very important golf tournament in October 2008. The Grange line, which runs directly through the Royal Adelaide golf course, was closed to ensure player and spectator safety.



Melbourne Cup Trams

Our special Melbourne Cup Day services which had ten-minute timetabled services between 9am and 6.40pm were once again appreciated by customers as shown by an additional, almost 50 percent patronage compared with the average daily figures for the rest of November.

Special events such as the Show, City to Bay, the Christmas Pageant and when international cricket is played at Adelaide Oval draw people, who may not normally use public transport, to our rail services and experience the convenience and other advantages of train and tram travel.

TransAdelaide benefits in many ways from active engagement with our community. Besides the benefits of strong two-way communication we also benefit from the dedicated work of volunteers who make up the Adopt-a-Station groups. There are almost 300 people in groups of various sizes for whom we provide tools and materials to enable them to care for their "local" railway station or tram stop. The Friends of Belair group has been particularly active and has seen their community project, for which they raised \$36 000, culminate with the rebuilt Belair station signal cabin returned to its original location. This was the last project to complete restoration of the Belair railway station following a fire that damaged the station and signal cabin in 2003. The signals cabin restoration was done by students from Marelston TAFE.

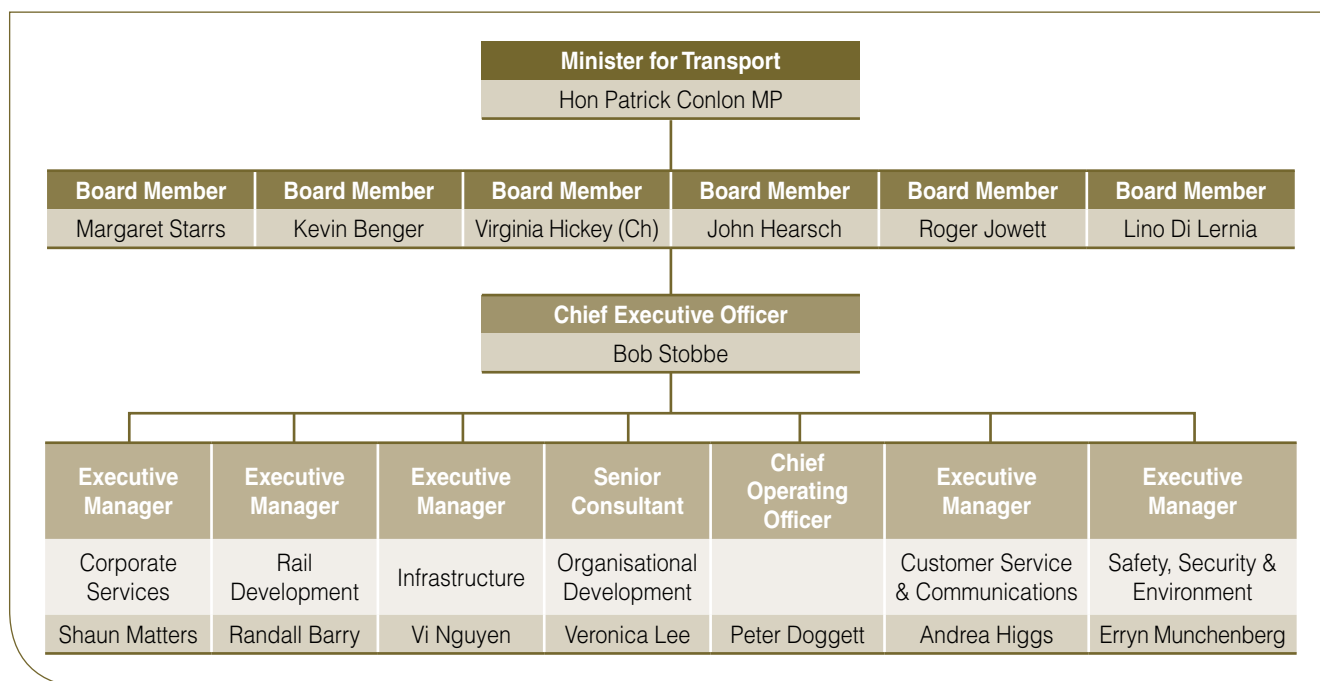
TransAdelaide staff often take the opportunity to participate in community activities and regularly contribute to a rotation of charitable organisations. This generally consists of monthly fund raisers however one group really rolled the sleeves up and represented TransAdelaide with distinction during the year in the Deaf CanDo 'Great Race': Nikki Hume, Karen Floyd, Ellen Peterson and Jolie Allanson finished fifth of twenty teams in fundraising and seventh in the actual race which saw them follow clues from Adelaide and through the Fleurieu Peninsula. They had a great time and encouraged by the experience are entered in the 2009 event.



Corporate governance

A strong and effective Corporate Governance Framework is the foundation for the achievement of TransAdelaide's strategic goals. It confirms our commitment to transparency and accountability with clear communication between the Minister for Transport, our Board of Directors and Chief Executive Officer.

Our Corporate Governance Framework is based on the principles of ethical dealings with all stakeholders and the pursuit of continuous improvement. It is guided by the *TransAdelaide (Corporate Structure) Act 1998*; guidelines issued by the Department of Premier and Cabinet and the Department of Treasury and Finance's Financial Management Framework.



TransAdelaide's Board of Directors

The Governor of South Australia appoints the Board of Directors in accordance with the *TransAdelaide (Corporate Structure) Act 1998* which, amongst other things requires that:

It will consist of not more than six members:

- one person will be a person nominated by the Minister after taking into account the recommendations of the United Trades and Labour Council; and
- the remainder will be persons nominated by the Minister.



Members of the Board are independent of the organisation and have been chosen on the basis of their skills and experience in matters that impact TransAdelaide's operations and future development.

Chaired by Virginia Hickey, the other five members of the board are: Kevin Bengier, Roger Jowett, Margaret Starrs, John Hearsch and Lino Di Lernia who replaced Rod Hook in August 2008.

The Board is responsible for the overall corporate governance of TransAdelaide. This includes approval of strategic directions, monitoring operational and financial performance, ensuring adequate evaluation and management of risk and evaluating the performance and remuneration of senior management as well as providing accountability to the Government of South Australia.

The foundation of our corporate mission is the responsibility to contribute strongly to the achievement of South Australia's Strategic Plan (SASP) target T3.6: Increase the use of public transport to 10 percent of weekday travel by 2018. TransAdelaide also contributed to the achievement of many other SASP targets across the range of major objectives: Economic Growth, Improving Wellbeing, Attaining Sustainability and Building Communities.



- 1 - Virginia Hickey
- 2 - Kevin Bengier
- 3 - Lino Di Lernia
- 4 - Roger Jowett
- 5 - John Hearsch
- 6 - Margaret Starrs



Chair, Ms Virginia Hickey

Ms Hickey brings expertise in corporate governance, commercial law and transport. She is a corporate governance consultant, lawyer and a director on a number of government and private sector boards including being a Councillor of the National Competition Council and on the board of Flinders Ports. Virginia is a member of TransAdelaide's Audit and Risk Committee and on the Board of TransAdelaide's joint venture, TransitPlus.

Mr Kevin Benger

Mr Benger is Chief Executive Officer of Community CPS Australia Ltd. He brings financial and transport skills to the Board from both his current role and 30 years involvement in transport, including as a former General Manager of TransAdelaide. Kevin is Chair of the Audit and Risk Committee and is also on the Board of TransitPlus.

Mr Roger Jowett

Mr Jowett is the National Transport Policy Advisor for the Rail, Tram and Bus Union (RTBU). He was formerly National Secretary of the RTBU and was a member of the Australian Council of Trade Unions Executive. Roger has represented the union on a number of union/employer consultative committees at both state and national level.

Ms Margaret Starrs

Ms Starrs is the Principal of her own consulting firm, MM Starrs Pty Ltd. She consults on road, rail and air infrastructure including for public transport and the operations of suburban railways. She has been Deputy Chief Executive and Director Economic Policy for the National Road Transport Commission as well as senior positions with the Department of Transport, South Australia during the 1970s and 1980s. Margaret is a member of TransAdelaide's Audit and Risk Committee.

Mr John Hearsch

Mr Hearsch is the Principal of his own consultancy, John Hearsch Consulting Pty Ltd. John was Group Manager, Freight with Queensland Rail following a long career with VicRail and V/Line and as Chief General Manager, Transport Operations for the State Transport Authority of Victoria.

Mr Lino Di Lernia

Mr Di Lernia has diverse experience in finance, management, and infrastructure projects. Lino's experience in the rail industry includes his current role of Program Director of the Advanced Train Management Systems with the Australian Rail Track Corporation (ARTC). In his previous role as a Project Director with the Office of Major Projects and Infrastructure, he was responsible for the strategic implementation of major port, road and rail infrastructure developments.

Board remuneration is determined by the Commissioner of Public Employment. Final approval rests with the Governor following advice and approval from cabinet.

Audit and Risk

TransAdelaide has a formal Risk Management Policy that is consistent with the Australian Standards for Risk Management (AS 4360). Our Risk Management Policy also reflects the South Australian Government Risk Management Policy Statement, relevant Treasurer's Instructions. It is monitored by the Audit and Risk Committee consisting of board members, Virginia Hickey, Margaret Starrs and chaired by Kevin Bengier.

TransAdelaide's internal auditor is Deloitte. The internal auditors have direct access to the Audit and Risk Committee and provide professional services by reviewing compliance with established internal controls. The external auditor is the Auditor-General's Department which sets the scope of the audit program to comply with obligations under Section 31 of the *Public Finance and Audit Act* 1987 and Sub Section 32(4) of the *Public Corporations Act* 1993.



Also see Directors' Report at head of Financial Report (page 34)

Corporate and statutory reporting

Employee Statistics

Total Number of Employees

Persons	651.0
FTEs	649.2

Gender % Persons % FTEs

Male	87.4	87.5
Female	12.6	12.5

Number of Persons During the 08-09 Financial Year

Separated from TransAdelaide	42
Recruited to TransAdelaide	80

Number of Persons at 30 June 2009

On leave without pay	1
----------------------	---

Number of Employees by Salary Bracket

Salary Bracket	Male	Female	Total
\$0-\$47,999	228	33	261
\$48,000-\$60,999	91	20	111
\$61,000-\$78,199	197	23	220
\$78,200-\$98,499	34	3	37
\$98,500+	19	3	22
TOTAL	569	82	651

Industrial Relations and Workplace Agreements

Negotiations relating to the development of new workplace agreements to cater for Tram Operations and Salaried employee groups were concluded during the 2008-09 financial year. This resulted in revised terms and conditions and payment of associated wage increases for affected workgroups.

The negotiation of revised workplace agreements for Infrastructure and Maintenance employees commenced in late-2008 and gave rise to proposed wage increases for affected employees being endorsed for introduction in 2009.

Employee meetings held to consider related wage proposals resulted in minor disruption to scheduled train services on one occasion in March 2009.

Status of Employees in Current Position					
FTEs	Ongoing	Short-term Contract	Long-term Contract	Other (Casual)	Total
Male	530.5	7	30.8	0	568.3
Female	69.9	6	5.0	0	80.9
TOTAL	600.4	13	35.8	0	649.2
PERSONS	Ongoing	Short-term Contract	Long-term Contract	Other (Casual)	Total
Male	531.0	7	31.0	0	569.0
Female	71.0	6	5.0	0	82.0
TOTAL	602.0	13	36.0	0	651.0

Executives by Gender, Classification and Status										
Classification	Ongoing		Contract Tenured		Contract Untenured		Other (Casual)		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
GRPM	0	0	0	0	4	3	0	0	4	3
TOTAL	0	0	0	0	4	3	0	0	4	3

Average Days Leave per Full Time Equivalent Employee				
Leave Type	2005-06	2006-07	2007-08	2008-09
Sick Leave	9.0	8.4	7.3	7.2
Family Carer's Leave	0.4	0.4	0.4	0.6
Miscellaneous Special Leave	0.4	0.2	0.1	0.1





Number of Employees by Age Bracket by Gender

Age Bracket	Male	Female	Total	% of Total	Workforce Benchmark*
15-19	1	0	1	0.15	6.5
20-24	20	7	27	4.14	10.3
25-29	23	7	30	4.61	11.1
30-34	25	8	33	5.07	10.7
35-39	56	10	66	10.14	11.7
40-44	86	4	90	13.82	11.4
45-49	116	20	136	20.09	11.9
50-54	112	12	124	19.05	10.3
55-59	78	8	86	13.21	8.2
60-64	45	4	49	7.53	5.3
65+	7	2	9	1.38	2.6
TOTAL	569	82	651	100.0	100.0

* Source: Australian Bureau of Statistics Australian Demographic Statistics, 6291.0.55.001 Labour Force Status (ST LM8) by sex, age, state, marital status – employed – total from Feb78 Supertable, South Australia at May 2009.

Aboriginal and/or Torres Strait Islander Employees

Male	Female	Total	% of TA	Target*
2	0	2	0.03	2%

* Target from South Australia's Strategic Plan

Cultural and Linguistic Diversity

	Male	Female	Total	% TA	% SA Community*
# of employees born overseas	107	21	128	19.66	20.3%
# of employees who speak language(s) other than English at home	56	12	68	10.44	16.6%

* Benchmarks from ABS Publication Basic Community Profile (SA) Cat No. 2001.0

Number of Employees With Ongoing Disabilities Requiring Workplace Adaptation

Male	Female	Total	% TransAdelaide employees
12	4	16	2.45

Documented Review of Individual Performance Management

Employees with:	% of Total Workforce
A review within the past 12 months	89
A review older than 12 months	11
No review	0

Leadership and Management Training Reporting

Training and Development	Total Cost (\$)	% of Total Salary Expenditure
Training and Development Expenditure	801 000	1.4
Total leadership and management development expenditure	242 000	0.4



Injury Management and Prevention

TransAdelaide is self-insured for the purposes of managing workers rehabilitation and compensation. To maintain self insured status TransAdelaide is required to demonstrate compliance with WorkCover Performance Standards that are due for the next periodic evaluation in 2009.

We continue to develop improved procedures for supporting workers injured on the job. These procedures focus on early intervention and are supported by an education program provided to all our employees. To supplement this program, an Injury Management kit was introduced in 2009 to provide a comprehensive guide to the processes and resources established to cater for the management of injury claims and the return to work of employees injured in the course of their employment.

The following tables summarise TransAdelaide's Occupational Health and Safety performance over the past reporting year:

Number of notifiable occurrences pursuant to OHS&W Regulations Division 6.6	0
Number of notifiable injuries pursuant to OHS&W Regulations Division 6.6	0
Number of notices served pursuant to OHS&W Act s35, s39 and s40 (default, improvement and prohibition notices)	0

TransAdelaide Gross Workers Compensation

Expenditure	2008-09 (\$m)	2007-08 (\$m)	Variation (\$m) + (-)	% Change + (-)
Income Maintenance	340 755	307 773	32 982	10.7%
Lump Sum Settlements Redemptions – s42	415 797	184 442	231 355	125%
Lump Sum Settlements Permanent Disability – s43	107 871	173 893	(66 022)	(38%)
Medical/Hospital Costs combined	249 442	208 134	41 308	19.8%
Other	11 385	24 652	(13 267)	(54%)
Total Claims Expenditure	1 125 250	898 954	226 296	25.2%

Meeting Safety Performance Targets

	Base: 2005-06	Performance: 12 months to end of June 2009			Final Target
	Number or %	Actual	Notional Quarterly Target *	Variation + (-)	Number or %
1 Workplace fatalities	0	0	0	0	0
2 New Workplace Injury Claims	153.0	89.0	130.0	(41)	122.0
3 New Workplace Injury Claims Frequency Rate	1.22	0.65	1.04	-0.39	0.98
4 Lost Time Injury Frequency Rate	84.0	23.0	71.0	-44	67.0
5 New Psychological Injury Claims	36.0	31.0	33.0	(2)	29.0
6 Rehabilitation and Return to Work					
6a Early Assessment within 2 days	79.61%	81.82%	80%	1.82%	80% or more
6b Early intervention within 5 days	95.83%	91.67%	80%	11.67%	80% or more
6c RTW within 5 business days	83.00%	91.86%	75%	16.86%	75% or more
7 Claim Determination					
7a Claims determined in 10 business days	78.5%	75.53%	75%	0.53%	75% or more
7b Claims determined after 3 months	7.4%	4.26%	3%	1.26%	3% or less
8 Income Maintenance Payments for Recent Injuries					
2006/07 Injuries (\$ at 24 months development)	–	\$202 580	\$109 127	\$93 452	Below previous 2 years average
2007/08 Injuries (\$ at 12 months development)	–	\$58 322	\$106 232	(\$47 910)	Below previous 2 years average



Consultancy Expenditure 2008-09

Consultant	Below \$10 000	Cost
19		54 523
Total consultancies < \$10 000		54 523
Consultant	\$10 000 - \$50 000	Cost
	Purpose	
KPMG	Preparation & Lodgement FBT return	10 800
Morrison Low	Various track maintenance consults	11 532
Stace Management	Professional services to TA board	14 777
Busch Consultancy	Train Planning	16 250
Rail Advisory Service	Strategic Operations Plan	17 010
Rail Networks	Review of CTC system	19 445
PKF	Enhancement of internal controls & documentation T12/28 requirements	20 400
GHD	Strategic operations and maintenance review	21 325
The Teleran Group	Psychometric testing	24 972
Halcrow	Railcar availability	25 073
Coffey Rail	Engineering services review maintenance practices	28 000
Australian Railway Association	LEK stakeholder briefing document	30 906
Soil and Groundwater Consulting	Investigation of Morphett Bridge works	34 455
Spencer Consulting Pty Ltd	Change management support	40 250
Stace Management Networks	Executive/Management workshop	41 607
Integrated Know How	Change management framework	42 000
Total consultancies \$10 000 - \$50 000		398 802
Consultant	Above \$50 000	Cost
	Purpose	
United Group Infrastructure	Software Modification on CTC system	54 804
Giro Consulting	Evaluation of Rostering and Timetable systems	60 000
Deloitte	Internal Audit Services	64 501
Total Consultancies > \$50 000		179 305
Total Consultants		632 630





Energy Use Comparison

	Energy Use (GJ)	Expenditure (\$)	GHG Emissions (Tonnes CO ₂ equivalent)
Base year 2000-01			
Electricity	30 969	1 031 005	10 202
Diesel	287 237	5 917 274	22 433
Petrol	718	17 424	58
TOTAL	318 924	6 965 703	32 693
Current year 2008-09 (+/- 2007-08)			
Electricity	33 992 (-1 326)	1 382 544 (166 158)	9 253 (-558)
Diesel	348 365 (13 685)	11 973 499 (1 001 116)	26 173 (2 764)
Petrol	3 480 (-3 395)	138 525 (-148 222)	310 (-379)
TOTAL	386 673 (9 800)	13 533 293 (1 057 777)	35 736 (1 827)
Target for 2010	367 339	N/A	33 949

Annual Asbestos Management Report 2008-09

Category	# Sites Start of Year	# Sites End of Year	Category Description	Interpretation One or more items at these sites ...
1	0	0	Remove	Should be removed promptly
2	37	32	Remove as soon as practicable	May need removal during maintenance works
3	N/A		Use care during maintenance	May need removal during maintenance works
4	N/A		Monitor condition	Has asbestos present. Inspect according to legislation and policy
5	N/A		No asbestos identified/identified asbestos has been removed	All asbestos identified as per OHS&W 4.2.10(1) has been removed
6	N/A		Further information required	These sites not yet categorised



Freedom of Information Act – Information Statement

In accordance with section 9 of the *Freedom of Information Act* 1991, the following represents TransAdelaide's information statement as at 30 June 2009:

Arrangements for Public Participation: TransAdelaide facilitates public participation in the development of services through a Rail Customer Panel that meets monthly to provide feedback and input to service design and delivery. TransAdelaide also has an 'Adopt-a-Station' program that provides avenues for community groups to participate in the maintenance and beautification of stations (infrastructure) and their environs.

Contact Arrangements: Requests for access to TransAdelaide documents or requests to seek amendment of TransAdelaide's records concerning the personal affairs of an individual should be directed in writing to:

The Freedom of Information Officer
TransAdelaide
GPO Box 2351
ADELAIDE SA 5001

Documents held by TransAdelaide: Available at www.transadelaide.com.au

- Annual Reports
- 'Year in Review'
- 'Express' newsletters
- List of Policies

Whistleblower Legislation: TransAdelaide's Executive Manager Corporate Services is responsible for the application of the *Whistleblowers Protection Act* 1993 within TransAdelaide to provide TransAdelaide's employees, suppliers and members of the public with confidentiality regarding allegations of mal-administration, waste or illegal activities or corruption in the workplace.

Privacy Legislation: TransAdelaide is required to comply with the State Government's 'Information Privacy Principles Instruction'. These principles are applied throughout the organisation to provide appropriate levels of privacy protection to personal information.

Ethical Standards and Performance: A Code of Conduct has been in place throughout the course of the year to ensure all business affairs are conducted legally, ethically and with the strict observance of the highest standards of integrity and propriety. This Code of Conduct applies to all executives, employees and contractors of TransAdelaide.

Fraud: There was one incidence of fraud identified within TransAdelaide during the year. This led to disciplinary action against one employee for minor misappropriation. In the fourth quarter of 2008, TransAdelaide commissioned an internal audit of our Fraud and Whistleblowers frameworks and has continued to enhance its Fraud Control and Whistleblowers policies and procedures. Defined business procedures, policies and internal controls are implemented across TransAdelaide to lower the risk of fraud. As part of this, there is a framework



that encompasses strategies for fraud prevention; awareness raising; training; mechanisms for detection; investigation and response as well as performance reporting.

Third Party Claims: Rail related third party and public liability claims continue to be managed in-house by TransAdelaide. The number and value of claims remains at similar levels to last year. During the year risk assessments were conducted and risk mitigation strategies implemented to reduce the likelihood and severity of incidents.

Overseas Travel:

No. of Employees	Destinations	Reason for Travel	Total Cost
2	Berlin/Montreal	Assess rostering and scheduling systems	55 800
3	Madrid	Several trips to acquire trams	32 500
TOTAL			88 500



Financial statements



Directors' report

The TransAdelaide Board has pleasure in presenting its report on the Financial Report of the economic entity for the financial year ended 30 June 2009.

Principal Activities

TransAdelaide is a body corporate subject to the provisions of the Public Corporations Act 1993. The TransAdelaide (Corporate Structure) Act 1998 provides that TransAdelaide's principal activity is to operate passenger transport services. This continued to be our primary focus throughout the year.

TransAdelaide's five-year agreement for the provision of metropolitan rail services with the Public Transport Division (PTD) was renewed by the Government in 2005 taking the contract through until 24 April 2010.

TransAdelaide is a joint shareholder in Transitplus Pty Ltd, a private company that provides passenger transport services in the Adelaide Hills region also under contract with the PTD.

Providing our passenger transport services within greater metropolitan Adelaide requires management of tram and train fleets as well as substantial infrastructure. The focus in 2008-09 has been on improving customer service, employee, community and customer safety whilst managing infrastructure upgrades.

Review of Operating Result

The financial year ended 30 June 2009 has seen TransAdelaide record a net profit of \$1.7m. The profit result has been brought about primarily due to reductions in the carrying amount of provisions and savings made in relation to more favourable fuel prices.

Significant Changes in the Economic Entity

There have been no significant changes to the Economic Entity in 2008-09

Ministerial Control and Direction

TransAdelaide did not receive any specific Ministerial Direction during 2008-09.



Payment of Accounts

Account Payment Performance

Particulars	Number of Accts Paid	Percentage of Accts paid (by number)	Value in \$A of Accts paid	Percentage of Accts paid (by value)
Paid by due date	18 231	98.70%	\$84 414 456	97.82%
Paid late, within 30 days of due date	175	0.95%	\$824 586	0.97%
Paid more than 30 days from due date	66	0.36%	\$144 775	0.17%

Board Member's Benefits

Neither during, nor since the financial year has any Board Member received or been entitled to receive a benefit, other than their disclosed remuneration as shown in note 10.

Board Member's Interests in Contracts

As at the date of this report, no Board Member had interests in contracts or proposed contracts with any part of the economic entity.

Indemnities and Insurance

TransAdelaide pays an insurance premium in respect of insuring the Board members, the General Manager, all of its Executive Officers and employees of any related body corporate against a liability incurred as a Board Member, Secretary or Executive Officer to the extent permitted by the Passenger Transport Act 1994.

Contractual Arrangements

New Contracts

TransAdelaide did not enter into any contract exceeding \$4.0 million (GST exclusive) during 2008/09.

TransAdelaide used the Whole of Government Contract for Bulk Fuels and Lubricants and engaged South Australian Farmers Fuel (SAFF) and subsequently Mogas Pty Ltd for the supply of diesel fuel for Railcar Operations. The value of this service provision for the 2008/09 year is approximately \$11.8m (GST inclusive).





Continuation of Existing Contracts

The following contractual arrangements exceeding \$4.0m entered into previously were continued during 2008/09:

1 Provision of railcar maintenance and related services.

The contract was awarded to Bombardier Transportation Australia Pty Ltd on a ten-year term, commencing 11 June 2005.

The scope of the contract is:

- to carry out planned preventative and corrective maintenance of railcars;
- to carry out unplanned preventative and corrective maintenance of railcars;
- the cleaning of railcars; and
- monitoring of railcar condition.

The contract's objectives are to:

- provide a public transport service which achieves the highest standard of reliability, safety and comfort for our customers in a manner which is economical and cost-effective;
- provide the services in a manner which is designed to enhance the overall quality and performance of TransAdelaide's rail operations;
- provide the services fully in compliance with the Rail Safety Act and required standards.

At 30 June 2009 there has been no transfer of assets to Bombardier Transportation Australia Pty Ltd and there are no contingent and other liabilities that have not been reflected in the accounts.

2 Upgrading of TransAdelaide's existing Passenger Information (PI) systems.

A new public tender process was held in December 2008. The contract was awarded to O'Donnell Griffin with a practical completion expected to be achieved in late 2010. The scope of the contract is to upgrade the PI systems which have been in service since 1988.

The contract's objectives are to:

- provide train passengers with a public transport service that achieves the highest standards of reliability and safety;
- eliminate the risk of the current network reaching technical obsolescence and diminishing the level of available equipment support;
- improve the efficiency, productivity and adaptability of the PI system to better meet the current and future operational and business needs of TransAdelaide.

At 30 June 2009, there has been no transfer of assets to O'Donnell Griffin and there are no contingent and other liabilities.

TransAdelaide Financial Statements 2008-09

Statement of Comprehensive Income 30 June 2009

	Note	2009 \$'000	2008 \$'000
Income			
Revenues from the provision of services	4	90,603	86,471
Revenues from Government	5	1,997	2,063
Interest revenues	6	537	673
Net gain from the disposal of non-current assets	7	-	265
Other revenues	8	30,041	24,412
Income from joint venture	23	1,233	961
Total Income		124,411	114,845
Expenses			
Employee benefits expenses	9	56,232	49,970
Supplies and services	12	59,875	55,788
Depreciation and amortisation expense	13	5,657	12,204
Borrowing costs	14	-	2,513
Other expenses	15	165	27
Total Expenses		121,929	120,502
Profit/(loss) before asset transfer		2,482	(5,657)
Grant Funding in advance written off	30	-	9,045
Debt Forgiven	26	-	67,134
Transfer of non-current assets	7	-	(525,410)
Net Asset Transfer		-	(449,231)
Profit/(loss) before Income tax equivalents		2,482	(454,888)
Income tax equivalent expense	16	744	-
Profit/(loss) after Income tax equivalents		1,738	(454,888)
Other Comprehensive Income			
Changes in asset revaluation reserve	31	26,461	-
Total Comprehensive result		28,199	(454,888)

The net profit/(loss) after income tax equivalents and Total comprehensive result are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes

TransAdelaide Financial Statements 2008-09

Statement of Financial Position 30 June 2009

	Note	2009 \$'000	2008 \$'000
Current Assets			
Cash and cash equivalents	17	8,797	4,142
Receivables	18	7,555	8,768
Inventories	19	4,396	4,947
Total Current Assets		20,748	17,857
Non-Current Assets			
Property, plant and equipment	20	146,204	120,542
Intangible assets	21	134	113
Other non-current assets	23	200	200
Total Non-Current Assets		146,538	120,855
Total Assets		167,286	138,712
Current Liabilities			
Payables	24	7,768	8,391
Employee benefits	27	6,589	6,355
Provisions	28	1,938	2,013
Other current liabilities	29	3,277	702
Total Current Liabilities		19,572	17,461
Non-Current Liabilities			
Payables	24	1,340	1,459
Employee benefits	27	14,540	13,398
Provisions	28	8,124	10,883
Total Non-Current Liabilities		24,004	25,740
Total Liabilities		43,576	43,201
Net Assets		123,710	95,511
Equity			
Asset revaluation reserve	31	77,631	51,170
Retained earnings		46,079	44,341
Total Equity		123,710	95,511
The Total Equity is attributable to the SA Government as owner			
Commitments for expenditure	32		
Contingent assets and contingent liabilities	33		

The above statement should be read in conjunction with the accompanying notes

TransAdelaide Financial Statements 2008-09

Statement of Changes in Equity 30 June 2009

	Note	Asset Revaluation Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2007		469,278	81,121	550,399
Profit (loss) after income tax equivalent for 2007-08		-	(454,888)	(454,888)
Total comprehensive result for 2007-08		-	(454,888)	(454,888)
Transferred to retained profits amounts realised on disposal of assets		(418,108)	418,108	-
Balance at 30 June 2008		51,170	44,341	95,511
Profit and Loss after income tax equivalent for 2008-09		-	1,738	1,738
Gain on revaluation of rollingstock during 2008-09	31	26,461	-	26,461
Total comprehensive result for 2008-09		26,461	1,738	28,199
Balance at 30 June 2009		77,631	46,079	123,710

All changes in equity are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes

TransAdelaide Financial Statements 2008-09

Statement of Cash Flows 30 June 2009

	Note	2009 \$'000	2008 \$'000
Cash flows from Operating Activities			
Cash Inflows			
Sales of goods and services		89,740	86,467
Interest received		512	798
Receipts from SA Government		1,997	2,793
Dividend received		1,259	1,035
GST recovered from the ATO		12,428	10,098
Other receipts		34,539	17,368
Cash generated from operations		140,475	118,559
Cash Outflows			
Employee benefit payments		(55,351)	(49,169)
Payments for supplies and services		(63,667)	(54,747)
Interest paid		-	(2,955)
Tax equivalent paid		-	210
GST Paid to the ATO		(6,747)	(6,274)
GST remitted to ATO		(5,132)	(3,993)
Cash used in operations		(130,897)	(116,928)
Net cash provided by operating activities	34(b)	9,578	1,631
Cash flows from Investing Activities			
Cash Inflows			
Proceeds from sale of property, plant and equipment		-	63
Proceeds from sales/maturities of investments		-	903
Cash generated from investing activities		-	966
Cash Outflows			
Purchase of property, plant and equipment		(4,816)	(11,012)
Purchase of intangibles		(107)	(42)
Cash used in investing activities		(4,923)	(11,054)
Net cash used in investing activities		(4,923)	(10,088)
Cash flows from Financing Activities			
Cash Outflows			
Repayment of borrowings		-	(8,071)
Net cash used in financing activities		-	(8,071)
Net increase/(decrease) in cash and cash equivalents		4,655	(16,528)
Cash and cash equivalents at the beginning of the period		4,142	20,670
Cash and cash equivalents at the end of the period	34(a)	8,797	4,142

The above statement should be read in conjunction with the accompanying notes

TransAdelaide Financial Statements 2008-09

Note Index 30 June 2009

	Note
Objectives of TransAdelaide	1
Summary of Significant Accounting Policies	2
Asset Transfer	3
Income Notes	
Revenues from the provision of services	4
Revenues from/payments to SA Government	5
Interest Revenues	6
Net gain/(loss) from the disposal of non-current assets	7
Other revenues	8
Income from joint venture	23
Expense Notes	
Employee benefits expenses	9
Supplies and services	12
Depreciation and amortisation expense	13
Borrowing costs	14
Other expenses	15
Payments to Government	5
Income tax equivalent expense	16
Asset Notes	
Cash and cash equivalents	17
Receivables	18
Inventories	19
Property, plant and equipment	20
Intangible assets	21
Reconciliation of asset carrying amounts	22
Other non-current assets	23
Liabilities Notes	
Payables	24
Financial Instruments / Financial Risk Management	25
Borrowings & Debt Forgiven	26
Employee benefits	27
Provisions	28
Other liabilities	29
Government Grants	30
Equity Notes	
Reserves	31
Other Notes	
Remuneration of employees and TVSP disclosure	9
Key management personnel	10
Related party disclosures	11
Commitments	32
Contingent assets and contingent liabilities	33
Cashflow Reconciliation	34
After balance date events	35

Notes to the Financial Statements (continued)
Year Ended 30 June 2009

Note 1 Objectives of TransAdelaide

TransAdelaide was established as a Public Authority under the *TransAdelaide (Corporate Structure) Act 1998* in January 1999.

TransAdelaide is a body corporate subject to the provisions of the *Public Corporations Act 1993*. The *TransAdelaide (Corporate Structure) Act 1998* provides that TransAdelaide's principal activity is to operate passenger transport services, an activity that continued to be the primary focus throughout the year.

Note 2 Summary of Significant Accounting Policies

a) Statement of compliance

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and Treasurer's Instructions and Accounting Policy Statements promulgated under the provision of the *Public Finance and Audit Act 1987*.

Except for the amendments to AASB 101 *Presentation of Financial Statements* (September 2007 version) including AASB 2007-8 and AASB 2007-10, which TransAdelaide has early adopted, Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by TransAdelaide for the reporting period ending 30 June 2009. These are outlined in Note 4.

b) Basis of preparation

The preparation of the financial report requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying TransAdelaide's accounting policies. The areas involving high degrees of judgement or where assumptions and estimates are significant to the financial statements, these are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, that have been included in this financial report:
 - a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$100,000 for separate identification of these items applies;
 - b) expenses incurred as a result of engaging consultants;
 - c) employee targeted voluntary separation package information; and
 - d) employees whose normal remuneration is \$100,000 or more (within \$10,000 bandwidths) and the aggregate of remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees.
 - e) Board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

Notes to the Financial Statements (continued)
Year Ended 30 June 2009

b) Basis of preparation (continued)

TransAdelaide's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Cash Flow Statement has been prepared on a cash basis.

The financial report has been prepared on a 12 month operating cycle and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial report for the year ended 30 June 2009 and the comparative information presented for the year ended 30 June 2008.

c) Reporting entity

The financial statements cover TransAdelaide as an individual reporting entity. TransAdelaide is a Public Authority pursuant to the *TransAdelaide (Corporate Structure) Act 1998*.

d) Segment reporting

TransAdelaide has not established any partnership or body corporate to carry out its principal business operations. However TransAdelaide has a 50% interest in Transitplus Pty Ltd, a joint venture entity established for the provision of bus services through the Adelaide Hills.

Business operations are conducted in the one business and geographical segment.

e) Comparative Information

The presentation and classification of items in the financial statements are consistent with prior periods except where adjusted to reflect the early adoption of AASB 101 *Presentation of Financial Statements* and specific revised accounting standards and accounting policy statements.

The restated comparative amounts do not replace the original financial report for the preceding period.

f) Rounding

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

g) Taxation

In accordance with Treasurer's Instruction 22 *Tax Equivalent Payments*, TransAdelaide is required to pay to the State Government an income tax equivalent. TransAdelaide is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, land tax equivalents and local government rate equivalents.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- Receivable and payables, which are stated with the amount of GST included.

Notes to the Financial Statements (continued)
Year Ended 30 June 2009

g) Taxation (continued)

The net amount of GST recoverable from, or payable to, the Australian Tax Office is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Australian Tax Office is classified as part of the operating cash flows.

Unrecognised commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Tax Office. If GST is not payable to, or recoverable from, the Australian Tax Office, the commitments and contingencies are disclosed on a gross basis.

h) Events after the end of the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date of the financial statements are authorised for issue, where those events provides information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

No such events have occurred related to the year ended 30 June 2009.

i) Income and Expenses

Income and expenses are recognised to the extent that it is probable that the flow of economic benefits to or from the entity will occur and can be reliably measured.

Income and expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The notes accompanying the financial statements disclose income, expenses, assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Transactions with SA Government entities below the threshold of \$100,000 have been included with the non-government transactions, classified according to their nature.

Income

The following are specific recognition criteria

Fees and Charges

Revenues from fees and charges are derived from the provision of goods and services to the public and other SA government agencies. This revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

Notes to the Financial Statements (continued)
Year Ended 30 June 2009

i) Income and Expenses (continued)

The revenue is recognised when:

- the amount of the revenue, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the entity or authority

Services directly related to the provision of rail services are disclosed under Note 7. Other services provided on an ad hoc basis are disclosed as Other Income under Note 11.

Revenues from sales

Revenues from sales are recognised when the significant risks and rewards of ownership are transferred to the purchaser.

Rental income

Rental income arising on investment properties is accounted for on a straight line basis over the lease term.

Interest income

Interest income includes interest received on bank term deposits, interest from investments, and other interest received. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Dividend revenue

Dividend revenue is recognised when the right to received payment is established.

Revenues from the SA Government

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and TransAdelaide will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the Income Statement over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are recognised as deferred income and are credited to the Income Statement on a straight line basis over the expected lives of the related assets.

Where money has been received in the form of a loan, TransAdelaide has recorded a loan receivable. Where money has been received in the form of an equity contribution, the Treasurer has acquired a financial interest in the net assets of TransAdelaide and the funding is recorded as contributed equity.

Other income

Other income from non-government entities are recognised as income when TransAdelaide obtains control of the contribution or the right to receive the contribution and the income recognition criteria are met.

Notes to the Financial Statements (continued)
Year Ended 30 June 2009

i) Income and Expenses (continued)

Resources received free of charge

Resources received free of charge are recorded as revenue in the Statement of Comprehensive Income at their fair value.

Net gain on non-current assets

Income from the disposal of non-current assets is recognised when control of the asset has passed to the buyer and is determined by comparing proceeds with carrying amount. When revalued assets are sold, the revaluation increments are transferred to retained earnings.

Expenses

The following are specific recognition criteria:

Employee benefits expenses

Employee benefit expenses include all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by TransAdelaide to the superannuation plan in respect of current services of current TransAdelaide staff. The Department of Treasury and Finance centrally recognises the superannuation liability in the Whole of Government Financial Statements.

Depreciation and Amortisation of Non-Current Assets

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as property, plant and equipment.

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, on an annual basis.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period, or method, as appropriate, which is a change in accounting estimate.

The value of leasehold improvements is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

Non-current assets held for sale are not depreciated.

Depreciation/amortisation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

Class of Assets	Depreciation Method	Useful Life (Years)
Rollingstock		
Railcars	Straight Line	20 – 42
Machinery, Plant & Equipment	Straight Line	3 – 100
Intangibles	Straight Line	3

Notes to the Financial Statements (continued)
Year Ended 30 June 2009

i) Income and Expenses (continued)

Supplies and Services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of TransAdelaide. These items are recognised as an expense in the reporting period in which they are incurred.

Maintenance Expenses

TransAdelaide undertakes major cyclical maintenance on its infrastructure assets. All costs involved with the major cyclical maintenance are recorded as an expense unless they add to the service potential of the existing infrastructure asset.

Contributions

All contributions paid by TransAdelaide have been unconditional i.e. no conditions attached.

Grants and Subsidies

For contributions payable, the contribution will be recognised as a liability and expense when TransAdelaide has a present obligation to pay the contribution and the contribution and the expense recognition criteria are met.

Resources provided free of charge

Resources provided free of charge are recorded at their fair value in the expense line items to which they relate.

Finance costs

All finance costs are recognised as an expense.

j) Current and Non-Current Classification

Assets and liabilities are characterised as either current or non-current in nature. TransAdelaide has a clearly identifiable operating cycle of twelve months. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within twelve months and more than twelve months, TransAdelaide has separately disclosed the amounts expected to be recovered or settled after more than twelve months.

k) Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where an asset line item combines amounts expected to be settled within twelve months and more than twelve months, TransAdelaide has separately disclosed the amounts expected to be recovered after twelve months.

The notes accompanying the financial statements disclose financial assets where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Transactions with SA Government entities below the threshold of \$100,000 have been included with the non-government transactions, classified according to their nature.

Notes to the Financial Statements (continued)
Year Ended 30 June 2009

k) Assets (continued)

Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet includes cash at bank and on hand and in other short-term, highly liquid investments with maturities of three months or less that are readily converted to cash and which are subject to insignificant risk of changes of value. For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

Cash is measured at nominal value.

Receivables

Receivables include amounts receivable from goods and services, GST input tax credits recoverable, prepayments and other accruals.

Receivables arise in the normal course of selling goods and services to the public and other government agencies. Receivables are generally due within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Collectibility of trade receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that TransAdelaide may not be able to collect the debt. Bad debts are written off when identified.

Other financial assets

TransAdelaide measures financial assets and debt at historical cost.

Inventories

Inventories include goods and other property held for sale in the ordinary course of business. It excludes depreciating assets.

Inventories are measured at the lower of cost or their net realisable value. Cost is allocated in accordance with the weighted average cost method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

The amount of any inventory write-down to net realisable value or inventory losses are recognised as an expense in the Statement of Comprehensive Income as an expense in the period the write-down or loss occurred. Any write-down reversals are also recognised in the Statement of Comprehensive Income.

Inventories include train, tram and infrastructure spare parts.

Non-Current Asset - Acquisition and Recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value less accumulated depreciation.

Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. If, however, the assets are acquired at no or nominal value as part of a restructuring of administrative arrangements then the assets are recorded at book value i.e. the value recorded by the transferor immediately prior to the restructure.

All non-current tangible assets with a value in excess of \$10,000 are capitalised.

Componentisation of complex assets is only performed when the complex asset's fair value at the time of acquisition is greater than \$5 million for infrastructure assets and \$1 million for other assets.

Notes to the Financial Statements (continued)
Year Ended 30 June 2009

k) Assets (continued)

Revaluation of non-current assets

All non-current tangible assets are valued at written down current cost (a proxy for fair value); and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and the estimated useful life is greater than three years.

Every five years, TransAdelaide revalues its rollingstock. However, if at anytime management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Non-current tangible assets that are acquired between valuations are held at cost until the next valuation, where they are revalued to fair value.

Any revaluation increment is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrement of the same asset class previously recognised as an expense, in which case the increase is recognised as income. Any revaluation decrease is recognised as an expense, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the asset revaluation reserve to the extent of the credit balance existing in revaluation reserve for that asset class.

TransAdelaide uses the gross method of revaluation where the gross asset value and the accumulated depreciation are both restated to the revalued amounts of the assets.

Upon disposal or derecognition, any revaluation reserve relating to the asset is transferred to retained earnings.

Impairment

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets, an impairment loss is offset against the respective asset revaluation reserve.

Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. TransAdelaide only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition of, or internal development of software is capitalised only when the expenditure meets the definition criteria (identifiability, control and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and reliable measurement and when the amount of expenditure is greater than or equal to \$10,000).

All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 are expensed.

Subsequent expenditure on intangible assets has not been capitalised. This is because TransAdelaide has been unable to attribute this expenditure to the intangible asset rather than to TransAdelaide as a whole.

Notes to the Financial Statements (continued)
Year Ended 30 June 2009

1) Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where a liability line item combines amounts expected to be settled within twelve months and more than twelve months, TransAdelaide has separately disclosed the amounts expected to be recovered after twelve months.

The notes accompanying the financial statements disclose financial liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Transactions with SA Government entities below the threshold of \$100,000 have been included with the non-government transactions, classified according to their nature.

Payables

Payables include creditors, accrued expenses and employment on-costs.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of TransAdelaide.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Employment on-costs include superannuation contributions and payroll tax with respect to outstanding liabilities for salaries and wages, long service leave and annual leave.

TransAdelaide makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement. TransAdelaide has entered into operating leases.

Operating Leases

Operating leases are recognised as an expense in the Income Statement on a straight-line basis over the lease term. The straight-line basis is representative of the pattern of benefits derived from the leased assets.

Lease incentives

All incentives for the agreement of new or renewed operating leases are recognised as an integral part of the net consideration agreed for the use of the leased asset. Incentives received to enter into operating leases are recognised as a liability.

The aggregate benefits of lease incentives received by the authority in respect of operating leases have been recorded as reduction of rental expense over the lease term, on a straight line basis.

Notes to the Financial Statements (continued)
Year Ended 30 June 2009

1) Liabilities (continued)

Lease incentives in the form of leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or estimated useful life of the improvement, whichever is shorter.

Employee Benefits

These benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Wages, salaries, annual leave and sick leave

Liability for salaries and wages are measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability is expected to be payable within twelve months and is measured at the undiscounted amount expected to be paid. In the unusual event where salary and wages and annual leave are payable later than 12 months, the liability will be measured at present value.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement of sick leave.

Long service leave

The liability for long service leave is recognised after an employee has completed 6.5 years of service. An actuarial assessment of Long Service Leave undertaken by the Department of Treasury and Finance based on a significant sample of employees throughout the South Australian public sector determined that the liability measured using the short-hand method was not materially different from the liability measured using the present value of expected future payments. This calculation is consistent with TransAdelaide's experience of employee retention and leave taken.

The unconditional portion of the long service leave provision is classified as current as TransAdelaide does not have unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service relates to an unconditional legal entitlement to payment arising after ten years of service.

Provisions

Provisions are recognised when TransAdelaide has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When TransAdelaide expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

Notes to the Financial Statements (continued)
Year Ended 30 June 2009

m) Unrecognised contractual commitments and contingent assets and liabilities

Commitments include those operating, capital and outsourcing commitments arising from contractual or statutory sources and are disclosed at their nominal value.

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

n) Insurance

TransAdelaide has arranged, through South Australian Government Financing Authority (SAICORP Division), to insure all major risks of TransAdelaide.

There is a standard \$100,000 excess on all insurance cover with SAICORP.

o) Joint Venture

In TransAdelaide's financial statements the investment in joint venture entity is carried at the lower of cost or recoverable amount. TransAdelaide's share of the joint venture entity's net profit or loss is recognised in the Income Statement from the date joint control commenced.

The economic entity's investment in joint venture entity is based upon the equity method of accounting for investment in associates as per Australian Accounting Standard AASB 128, "Investments in Associates".

Note 3 Financial Risk Management

TransAdelaide is exposed to a variety of financial risks, market risk (foreign exchange and price), credit risk and liquidity risk.

Risk management is carried out by the Corporate Services unit and risk management policies and practices are in accordance with Australian Risk Management Standards and internal written policies approved by the Board.

TransAdelaide has non-interest bearing assets (cash on hand and on call and receivables) and liabilities (payables) and interest bearing assets (held to maturity investments) and liabilities (borrowings from the SA Government).

TransAdelaide's exposure to foreign exchange risk and cash flow interest risk is minimal. TransAdelaide is exposed to price risk for changes in interest rates that relate to long-term debt obligations and investments classified either as available-for-sale or fair value.

TransAdelaide has no significant concentration of credit risk. TransAdelaide has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

Notes to the Financial Statements (continued)
Year Ended 30 June 2009

Note 4 Changes in accounting policies

Details of the accounting policies that TransAdelaide has changed during 2008-09 are detailed below. In addition, details of the impact, where significant, on TransAdelaide's financial statements from new and amended Australian accounting standards that are applicable for the first time in 2008-09 are also detailed below.

Early Adoption

TransAdelaide has early adopted the September 2007 version of AASB 101 *Presentation of Financial Statements* including AASB 2007-8 and AASB 2007-10 (these statements make consequential amendments to other standards as a result of the revised AASB 101) - this includes the preparation of a single Statement of Comprehensive Income. In accordance with the new accounting standard AASB 1052 Disaggregated Disclosures, the amount of assets and liabilities reliably attributed to each activity has been disclosed.

Issued or amended but not yet effective

Except for the amendments to AASB 101 Presentation of Financial Statements, which TransAdelaide has early-adopted, the Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective, have not been adopted by TransAdelaide for the period ending 30 June 2009. TransAdelaide has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of TransAdelaide.

Note 5 Activities of the agency

TransAdelaide operations fully relate to the provision of public transport services in the Adelaide metropolitan area.

TransAdelaide Financial Statements 2008-09

Notes to the Financial Statements (continued) 30 June 2009

Note 4 - Revenues from the provision of services	2009	2008
	\$'000	\$'000
Services received by entities within SA Government	86,783	82,797
Services received by entities external to the SA Government	3,820	3,674
Total revenues from the provision of services	90,603	86,471

Note 5 - Revenues from/payments to SA Government	2009	2008
	\$'000	\$'000

(a) Revenues from SA Government

Included in Statement of Comprehensive Income:

Appropriations from Consolidated Account pursuant to the Appropriation Act

1,997	2,063
-------	-------

Included in Statement of Financial Position movements:

Grants for capital expenditure

32	-	726
----	---	-----

(b) Payments to SA Government

Dividends paid and payable have been specifically determined and approved in consultation with the Treasurer and TransAdelaide's Minister.

No ordinary or special dividends were paid to the Department of Treasury and Finance for 2008-09.

Note 6 - Interest Revenues	2009	2008
	\$'000	\$'000
Interest received/receivable from entities within SA Government	537	673
Total interest income	537	673

Note 7 - Net gain/(loss) from the disposal of non-current assets	2009	2008
	\$'000	\$'000

Rollingstock

Less net book value of assets transferred

-	(74,542)
---	----------

Less net book value of assets disposed

-	(90)
---	------

Net gain/(loss) from disposal of rollingstock

-	(74,632)
---	----------

Permanent way

Less net book value of assets transferred

-	(175,741)
---	-----------

Less net book value of assets disposed

-	(38)
---	------

Net gain/(loss) from disposal of permanent way

-	(175,779)
---	-----------

Notes to the Financial Statements (continued)
30 June 2009

Note 7 - Net gain/(loss) from the disposal of non-current assets (continued)

Land and buildings

Proceeds from disposal	-	43
Less net book value of assets transferred	-	(221,104)
Less net book value of assets disposed	-	(36)

Net gain/(loss) from disposal of land and buildings - (221,097)

Other property, plant and equipment

Proceeds from disposal	-	20
Less net book value of assets transferred	-	(34,354)
Less net book value of assets disposed	-	(296)

Net gain/(loss) from disposal of other property, plant and equipment - (34,630)

Investment Properties

Proceeds from disposal	-	903
Less net book value of assets transferred	-	(10,121)
Less net book value of assets disposed	-	(240)

Net gain/(loss) from disposal of investment properties - (9,458)

Assets under construction

Less net book value of assets transferred	-	(9,458)
---	---	---------

Net gain/(loss) from disposal of assets under construction - (9,458)

Total Assets

Total proceeds from disposal	-	965
Less net book value of assets transferred	-	(525,410)
Less total value of assets disposed	-	(700)

Total net gain/(loss) from disposal of assets - (525,145)

Total Assets disposals comprise:

Assets Disposed of in the ordinary course of business

Total proceeds from disposal	-	965
Less total value of assets disposed	-	(700)

Net gain/(loss) from disposal of assets - 265

**Assets transferred to the Minister for Transport/
Department of Transport, Energy and Infrastructure**

Less total value of assets transferred	-	(525,410)
--	---	-----------

Net gain/(loss) from transfer of assets - (525,410)

Total net gain/(loss) from disposal of assets - (525,145)

Refer Note 3 for details of the transfer of assets in 2007-08

TransAdelaide Financial Statements 2008-09

Notes to the Financial Statements (continued) 30 June 2009

Note 8 - Other revenues	2009	2008
	\$'000	\$'000
Other revenues from entities external to the SA Government		
Property rental	1,301	3,183
Other revenue	2,708	2,548
	4,009	5,731
Other revenues from entities within SA Government		
Other services provided to Department of Transport, Energy and Infrastructure (DTEI)	26,020	17,483
Property rental	12	783
Amortisation of capitalised funding grants	-	415
	26,032	18,681
Total other revenues	30,041	24,412

Future minimum payments receivable from non-cancellable operating leases of non-investment properties are: (i) within one year \$760,000 (ii) between 2 and 5 years \$420,000, and (iii) later than 5 years \$676,000. Leases include advertising and display sites, mobile telephone transmitters and real estate with tenancies retained by TransAdelaide on transfer of assets to the Minister for Transport in 2008.

Note 9 - Employee benefits expenses	2009	2008
	\$'000	\$'000
Salaries and wages	42,063	36,675
Long Service Leave	1,290	1,433
Annual Leave	3,706	3,407
Block Book Off	708	585
Employment on-costs - superannuation	4,563	3,985
Employment on-costs - payroll tax	2,208	2,741
Board and Committee fees	220	202
Other employee related expenses	1,474	942
Total employee benefits costs	56,232	49,970

Targeted Voluntary Separation Packages (TVSPs)

Total TVSP payments in 2009 amounted to \$0 (2008 - \$0)

Notes to the Financial Statements (continued)
30 June 2009

Note 9 - Employee benefits expenses (continued)

Remuneration of Employees

Total Remuneration for employees > \$100,000

	2009	2008
	\$'000	\$'000
Total Remuneration for employees > \$100,000	8,712	6,616

The number of employees whose remuneration received or receivable falls within the following bands:

Remuneration Band \$	No. of Employees	No. of Employees
100,000 - 109,999	29	26
110,000 - 119,999	18	11
120,000 - 129,999	12	8
130,000 - 139,999	1	1
140,000 - 149,999	-	1
150,000 - 159,999	4	2
160,000 - 169,999	1	3
170,000 - 179,999	2	-
180,000 - 189,999	1	2
190,000 - 199,999	1	1
230,000 - 239,000	2	-
	71	55

The table includes all employees who received remuneration of \$100,000 or more during the year. Remuneration of employees reflects all costs of employment including salaries and wages, superannuation contributions, fringe benefits tax and any other salary sacrifice benefits.

Note 10 - Key management personnel

(a) Board Members

The following persons held the position of board member during the financial year:

- Ms V Hickey
- Mr K Benger
- Mr R Jowett
- Mr J Hearsch
- Mr R Hook To 21 August 2008
- Miss MM Starrs
- Mr L Di Lernia From 21 August 2008

Notes to the Financial Statements (continued)
30 June 2009

Note 10 - Key management personnel (continued)
(b) Other key management personnel

The following persons also held authority and responsibility for planning, directing and controlling the activities of TransAdelaide, directly or indirectly during the financial year:

Robert Stobbe	From 08 September 2008	General Manager
Randall Barry	To 05 September 2008	Acting General Manager
	From 06 September 2008	Executive Manager - Rail Development
Vi Nguyen		Executive Manager - Infrastructure Services
Shaun Matters		Executive Manager - Corporate Services
Philip Saunders	To 30 September 2008	Executive Manager - Rail Development
Fiona Kidd	To 20 January 2009	Executive Manager - Organisation Development
Richard Collett	From 06 January 2009	Executive Manager - Organisation Development
	To 24 April 2009	
Valdis Evele	To 19 September 2008	Executive Manager - Rail Systems
James Hall	To 19 June 2009	Executive Manager - Trams
Erryn Munchenberg	From 12 January 2009	Executive Manager - Safety, Security & Environment
Andrea Higgs	From 08 December 2008	Executive Manager - Customer Service & Communications
Peter Doggett	From 03 September 2008	Chief Operating Officer

(c) Key management personnel compensation

Key management personnel compensation for the years ended 30 June 2009 and 2008 is set out below.

The key management personnel are the board members and the senior management team (including the General Manager) who have responsibility for the strategic direction and management of TransAdelaide.

	2009	2008
	\$'000	\$'000
Employee benefits	2,042	1,481

(d) Remuneration of board members

The number of board members whose remuneration received or receivable falls within the following bands:

Remuneration Band	No. of Board Members	No. of Board Members
\$0 - \$9,999	-	1
\$10,000 - \$19,999	-	3
\$20,000 - \$29,999	3	2
\$30,000 - \$39,999	1	-
\$40,000 - \$49,999	1	-
\$50,000 - \$59,999	-	2
\$60,000 - \$69,000	1	-
	6	8

Notes to the Financial Statements (continued) 30 June 2009

Note 10 - Key management personnel (continued)

The total remuneration received and receivable by those board members was \$216,000 (2008 - \$202,000) which includes superannuation contributions.

Amounts paid to a superannuation plan for board members was \$43,000 (2008 - \$45,000)

In accordance with the Department of the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board duties during the financial year.

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

Remuneration of committee members

The following board members were also committee members on the TransAdelaide Audit and Risk Committee:

Audit & Risk Committee

Ms V Hickey

Mr K Benger

Miss MM Starrs

Board members V Hickey and K Benger were also on the board of Transit Plus Pty Ltd in which TransAdelaide has a 50% interest. Board fees relating to these positions are paid to the board members by TransAdelaide and are included in the remuneration above

Note 11 - Related party disclosures

TransAdelaide has a 50% interest in a joint venture entity Transit Plus Pty Ltd. TransAdelaide received an annual management fee of \$125,600 (2008 - \$125,600) and profit distributions from the joint venture entity of \$1,107,000 (2008 - \$835,000).

TransAdelaide Financial Statements 2008-09

Notes to the Financial Statements (continued) 30 June 2009

Note 12 - Supplies and services	2009	2008
	\$'000	\$'000
Supplies and services provided by entities external to the SA Government		
Security	2,111	2,072
Rollingstock maintenance	10,619	9,734
Rollingstock fuel & power	11,215	11,192
Materials, parts & consumables	27,180	28,458
Other supplies and services	5,834	901
Total supplies and services - Non SA Government entities	56,959	52,357
Supplies and services provided by entities within SA Government		
Accommodation and telecommunication	782	733
Information technology expenses	33	31
Legal costs	31	49
Accreditation fees	150	185
Contract Supplies & Maintenance	308	339
Vehicle leasing and fuel costs	1,037	1,066
Insurance	314	441
Security	101	416
Other supplies and services	160	171
Total supplies and services - SA Government entities	2,916	3,431
Total supplies and services	59,875	55,788

Consultants

The number and dollar amount of consultancies paid / payable (included in supplies and services expense) that fell within the following bands:

	2009		2008	
	No.	\$'000	No.	\$'000
Below \$10,000	62	190	27	88
Between \$10,000 and \$50,000	20	444	10	309
Above \$50,000	2	115	2	224
Total paid / payable to the consultants engaged	84	749	39	621

TransAdelaide Financial Statements 2008-09

Notes to the Financial Statements (continued) 30 June 2009

Note 12 - Supplies and services (continued)

Auditor's Remuneration

Audit fees paid / payable to the Auditor-General's Department

2009 \$'000	2008 \$'000
145	160
145	160

Other Services

No other services were provided by the Auditor-General's Department.

Note 13 - Depreciation and amortisation expense

Depreciation

Rollingstock
Permanent way
Buildings
Other property, plant and equipment

2009 \$'000	2008 \$'000
5,334	6,200
-	3,792
-	1,323
241	804
5,575	12,119
82	85
82	85
5,657	12,204

Amortisation

Intangible assets

Total depreciation and amortisation

Note 14 - Borrowing costs

Interest on borrowings
Treasury guarantee fee
Borrowing costs - SA Government

2009 \$'000	2008 \$'000
-	2,302
-	211
-	2,513
-	2,513

Total borrowing costs

Note 15 - Other expenses

Other expenses paid / payable to entities external to the SA Government

Net Bad and Doubtful Debts
Write down of inventories to net realisable value

2009 \$'000	2008 \$'000
52	-
113	27
165	27

Total other expenses - Non SA Government entities

Note 16 - Income tax equivalent expense

Profit (loss) before income tax expense
Prima facie tax (if profit) thereon at 30%

2009 \$'000	2008 \$'000
2,482	(454,888)
(744)	-
(744)	-

Income tax equivalent expense - SA Government

The income tax liability is based on the State Taxation Equivalent Regime, which applies the accounting profit method. This requires that the corporate tax rate be applied to net profit. The current income tax liability relates to the income tax outstanding.

TransAdelaide Financial Statements 2008-09

Notes to the Financial Statements (continued) 30 June 2009

Note 17 - Cash and cash equivalents

	2009	2008
	\$'000	\$'000
Cash at bank	8,761	4,105
Imprest account/cash on hand	36	37
	8,797	4,142

Interest rate risk

Cash on hand is non-interest bearing. Deposits at call and with Treasurer earn a floating interest rate, based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

Note 18 - Receivables

	2009	2008
	\$'000	\$'000
Current		
Gross accrued income	7,581	8,632
Less: Allowance for doubtful debts	(26)	(4)
Prepayments	-	6
GST receivable	-	134
Total receivables	7,555	8,768
Receivables from SA Government entities		
Accrued income	6,018	2,354
DTEI capital works / service recharge	538	5,206
Prepayments	-	6
Total receivables from SA Government entities	6,556	7,566
Receivables from Non SA Government entities		
Accrued income	1,025	1,072
Less: Allowance for doubtful debts	(26)	(4)
GST receivable	-	134
Total receivables from Non SA Government entities	999	1,202
Total receivables	7,555	8,768

The total receivable figure does not include 'non-current receivables' as TransAdelaide does not have any receivables that meet the definition of non-current. Any 'non-current receivables' would be disclosed in this note.

Allowance for doubtful debts

The allowance for doubtful debts is recognised when there is objective evidence that a receivable is impaired. An allowance for impairment loss has been recognised in 'other expenses' in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

TransAdelaide Financial Statements 2008-09

Notes to the Financial Statements (continued) 30 June 2009

Note 18 - Receivables (continued)

Movements in the allowance for doubtful debts:
Carrying amount at the beginning of the period
 Increase in the allowance
Carrying amount at the end of the period

2009 \$'000	2008 \$'000
4	4
22	-
26	4

Bad and doubtful debts

TransAdelaide has recognised a bad and doubtful debt expense of \$52,000 (2008 - \$0) in the Statement of Comprehensive Income

Note 19 - Inventories

Stores inventories

Total Inventories

2009 \$'000	2008 \$'000
4,396	4,947
4,396	4,947

Note 20 - Property, plant and equipment

Rollingstock - railcars

At independent valuation 30 June 2009
 Less: Accumulated depreciation

Total Rollingstock - railcars

2009 \$'000	2008 \$'000
242,500	204,195
102,231	85,601
140,269	118,594

Other Property, Plant and Equipment

At Fair Value
 Less: Accumulated depreciation

Total other property, plant & equipment

2009 \$'000	2008 \$'000
2,830	2,465
1,727	1,653
1,103	812

Assets Under Construction

Rollingstock - railcars
 Other property, plant & equipment

Total assets under construction

4,566	375
266	761
4,832	1,136

Total property, plant & equipment

146,204	120,542
----------------	----------------

Carrying amounts of property, plant and equipment that would have been recognised if these assets were stated at Cost

Rollingstock - railcars
 Other property, plant & equipment

Total property, plant & equipment at Cost

72,813	75,233
1,299	2,189
74,112	77,422

Notes to the Financial Statements (continued)
30 June 2009

Note 20 - Property, plant and equipment (continued)

All major non-current assets are revalued every five years on an existing use, fair value basis in the financial statements at the revalued amounts.

The valuation of Rollingstock was performed by McGees Property, an independent valuer as at 30 June 2009.

In accordance with the Accounting Policy Framework, TransAdelaide has assessed that assets recorded at cost reflect fair value where such assets have not been independently revalued.

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

Note 21 - Intangible assets

Computer Software

Internally developed computer software

Less Accumulated amortisation

Other computer software

Less: Accumulated amortisation

Total Intangible assets

	2009	2008
	\$'000	\$'000
Internally developed computer software	107	107
Less Accumulated amortisation	(99)	(76)
Other computer software	1,175	1,110
Less: Accumulated amortisation	(1,049)	(1,028)
Total Intangible assets	134	113

Notes to the Financial Statements (continued)

30 June 2009

Note 22 - Reconciliation of asset carrying amounts

	Rolling- stock \$'000	Other PP&E \$'000	Assets Under Construction \$'000	Total Property, Plant & Equipment \$'000	Intangible Assets \$'000	Total Non- current Assets \$'000
Carrying amount at beginning of year	118,594	812	1,136	120,542	113	120,655
Additions	-	-	4,890	4,890	-	4,890
Write Offs	-	-	(11)	(11)	-	(11)
Transfers	548	532	(1,183)	(103)	103	-
Revaluation - Increment/(Decrement)	37,758	-	-	37,758	-	37,758
Depreciation on Revaluation	(11,297)	-	-	(11,297)	-	(11,297)
Depreciation	(5,334)	(241)	-	(5,575)	(82)	(5,657)
Carrying amount at end of year	140,269	1,103	4,832	146,204	134	146,338

New assets resulting from completed Assets Under Construction have been treated as transfers.

TransAdelaide Financial Statements 2008-09

Notes to the Financial Statements (continued) 30 June 2009

Note 23 - Other non-current assets	2009	2008
	\$'000	\$'000
Ownership Interest		
Joint Venture		
Transitplus Pty Ltd	50%	50%
Investment in Related Entities		
Transitplus Pty Ltd	200	200
	200	200
Principal Activities		
Transitplus Pty Ltd - Provision of bus services		
Investment in Transitplus Pty Ltd		
Carrying amount at 1 July	200	200
Share of net profit	1,233	961
Less distributions received or receivable	(1,233)	(961)
Carrying amount at 30 June	200	200

In TransAdelaide's financial statements the investment in joint venture entity is carried at the lower of cost or recoverable amount. TransAdelaide's share of the joint venture entity's net profit/(loss) is recognised in the Statement of Comprehensive Income from the date joint control commenced.

The economic entity's investment in joint venture entity is based upon the equity method of accounting for investment in associates as per AASB 128.

TransAdelaide Financial Statements 2008-09

Notes to the Financial Statements (continued) 30 June 2009

Note 24 - Payables	2009	2008
	\$'000	\$'000
Current:		
Creditors	3,166	4,478
Accrued expenses	2,690	3,228
Income tax equivalent payable	744	-
Accrued employment on-costs	761	685
GST payable	407	-
Total current payables	7,768	8,391
Non-Current:		
Employment on-costs	1,340	1,459
Total non-current payables	1,340	1,459
Payables to SA Government entities		
Creditors	22	261
Accrued expenses	699	599
Income tax equivalent payable	744	-
Employment on-costs	2,101	2,144
Total payables to SA Government entities	3,566	3,004
Payables to Non SA Government entities		
Creditors	3,144	4,217
Accrued expenses	1,991	2,629
GST payable	407	-
Total payables to Non SA Government entities	5,542	6,846
Total payables	9,108	9,850

Note 25 - Financial Instruments / Financial Risk Management

Categories of Financial Instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expense are recognised with respect to each class of financial assets, financial liabilities and equity instruments are disclosed in Note 2 Summary of Significant Accounting Policies.

Credit Risk

Credit risk arises when there is the possibility of TransAdelaide's debtors defaulting on their contractual obligations resulting in financial loss to TransAdelaide. TransAdelaide measures credit risk on a fair value basis and monitors risk on a regular basis. TransAdelaide has minimal concentration of credit risk. TransAdelaide has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

In 2008-09 TransAdelaide has not engaged in any hedge activities.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit rating. Currently TransAdelaide does not hold any collateral as security to its financial assets. Other than receivables, there is no evidence to indicate that the financial assets are impaired. Refer to Note 18 for information on the allowance for impairment in relation to receivables.

Notes to the Financial Statements (continued)
30 June 2009

Note 25 - Financial Instruments / Financial Risk Management (continued)

Category of financial asset and liability

	Statement of Financial Position line item	Note	Carrying amount / Fair Value	
			2009 \$'000	2008 \$'000
Financial Assets				
Cash and cash equivalents	Cash and cash equivalents	17	8,797	4,142
Loans and receivables	Receivables ⁽¹⁾	18	7,555	8,634
Held to maturity investments	Investment in Transitplus	23	200	200
	Total financial assets at cost		16,552	12,976
Financial Liabilities				
Financial liabilities at cost	Payables ⁽¹⁾	24	5,857	7,706
	Other financial liabilities	29	3,277	702
	Total financial liabilities at cost		9,134	8,408

(1) All amounts recorded are carried at cost (not materially different from amortised cost). The fair value of all financial assets and liabilities is represented by their carrying amount. Amounts disclosed exclude amounts relating to statutory receivables and payables.

Notes to the Financial Statements (continued)
30 June 2009

Note 25 - Financial Instruments / Financial Risk Management (continued)

Table 25.1 - Ageing Analysis of Financial Assets

Ageing analysis of financial assets

	Past due by			Total \$'000
	< 30 days \$'000	30 - 60 days \$'000	> 60 days \$'000	
2009				
Not impaired				
Receivables	7,195	50	336	7,581
Impaired				
Receivables	-	-	26	26
2008				
Not impaired				
Receivables	8,314	27	291	8,632
Impaired				
Receivables	-	-	4	4

(1) Receivables and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirement will not apply. Where rights or obligations have their source in legislation such as levy receivables/payables, tax equivalents, commonwealth tax, audit receivables/payables etc they would be excluded from the disclosure. AASB132 defines contract as enforceable by law. All items above are carried at cost.

Maturity Analysis of financial assets and liabilities

All financial assets and liabilities mature within one year.

Liquidity Risk

Liquidity risk arises where TransAdelaide is unable to meet its financial obligations as they fall due. The continued existence of TransAdelaide is dependent on maintaining a service level agreement with the transport division of DTEI and the funding that flows.

TransAdelaide settles undisputed accounts within 30 days of the invoice date or date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

TransAdelaide's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

Market Risk

Market risk for TransAdelaide is primarily through interest rate risk. TransAdelaide has no exposure to foreign currency or other price risks.

Notes to the Financial Statements (continued)
30 June 2009

Note 25 - Financial Instruments / Financial Risk Management (continued)

Sensitivity Disclosure Analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the agency as it has been determined that the possible impact on profit/(loss) and total equity from fluctuations in interest rates is immaterial.

Credit Standby Arrangements

TransAdelaide has a \$757,000 (2008 - \$752,000) credit card facility with the ANZ Bank. The unused portion of this facility as at 30 June 2009 was \$683,000 (2008 - \$693,000)

Note 26 - Borrowings & Debt Forgiven

Movement Schedule

	2009 \$'000	2008 \$'000
Opening Balance - 1 July	-	75,205
Less - repayment	-	(8,071)
Less - debt forgiven	-	(67,134)
Balance 30 June	-	-

As a result of the rail specific assets transferred to the Minister for Transport/Department of Transport, Energy and Infrastructure, the Treasurer approved that borrowings owed to the Department of Treasury and Finance were forgiven. The debt forgiven is shown as a revenue item and included as part of the net asset transfer.

Note 27 - Employee benefits

Current:

	2009 \$'000	2008 \$'000
Annual leave	2,920	2,850
Long service leave	810	990
Block book off	901	899
Retiring and death gratuity	6	6
Total current employee benefits provisions	4,637	4,745
Accrued wages and salaries	1,952	1,610

Total current employee benefits

6,589 **6,355**

Non-current:

Annual leave	2,270	2,075
Retiring and death gratuity	89	93
Long service leave	12,181	11,230

Total non-current employee benefits

14,540 **13,398**

Total employee benefits

21,129 **19,753**

Employee benefits as above	21,129	19,753
Plus: related on-costs included in current payables	2,101	2,144

Aggregate employee benefits plus related on-costs

23,230 **21,897**

TransAdelaide Financial Statements 2008-09

Notes to the Financial Statements (continued) 30 June 2009

Note 28 - Provisions	2009	2008
	\$'000	\$'000
Current:		
Workers compensation claims	1,143	1,066
Third party accident damage	730	671
Railcar maintenance debt	65	276
Total current provisions	1,938	2,013
Non-current:		
Workers compensation claims	6,511	7,099
Third party accident damage	1,613	3,784
Total non-current provisions	8,124	10,883
Total:		
Workers compensation claims	7,654	8,165
Third party accident damage	2,343	4,455
Railcar maintenance debt	65	276
Total provisions	10,062	12,896

Note 28(a) - Reconciliation of Provisions movements

	Workers Comp. Claims \$'000	Third Party Accident Damage \$'000	Railcar Maint. Debt \$'000	Total \$'000
Carrying amount at 1 July 2008	8,165	4,455	276	12,896
Amounts written off in 2008-09	-	(1,558)	(108)	(1,666)
Recognised provisions in 2008-09	681	-	477	1,158
less payments made in 2008-09	(1,192)	(554)	(580)	(2,326)
Movement	(511)	(2,112)	(211)	(2,834)
Carrying amount at 30 June 2009	7,654	2,343	65	10,062

Workers Compensation

This liability reflects unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of outstanding claims by Brett & Watson Pty Ltd at 30 June 2009.

Third Party Accident Damage

This liability reflects TransAdelaide's partial self insurance for this operational risk. The third party accident damage provision is based on an internal assessment of outstanding claims as at 30 June 2009. TransAdelaide has reinsurance for claims exceeding \$2.1 million for claims prior to 1 July 1997, exceeding \$1 million for claims between 1 July 1997 and 30 June 2008 and \$100,000 for claims post 1 July 2008.

Railcar Maintenance Debt

This liability relates to work being performed by Bombardier Transportation Ltd on the 2000 and 3000 class bogies for which, under the Railcar maintenance and service contract, TransAdelaide has agreed to pay a portion.

TransAdelaide Financial Statements 2008-09

Notes to the Financial Statements (continued) 30 June 2009

Note 29 - Other liabilities	2009	2008
	\$'000	\$'000
Current:		
Revenue received in advance from SA Government	522	702
Deferred income from SA Government	2,755	-
Total current other liabilities	3,277	702
Note 30 - Government Grants	2009	2008
	\$'000	\$'000
Non-Current:		
Capital grants from entities within SA Government		
Grants received	-	10,451
Less: Accumulated amortisation	-	(1,406)
Less: Recognised on disposal of assets	-	(9,045)
Total non-current government grants	-	-

The accounting policies adopted and the description of government grants received by TransAdelaide, including the conditions attached to the grants, have been disclosed in note 2.

Movement in government grants	2009	2008
Carrying amount at beginning of year	-	8,735
Additional capital grants received	-	726
Amortisation	-	(416)
Written back on disposal of asset	-	(9,045)
Carrying amount at end of year	-	-

In accordance with AASB 120, government grants received for capital expenditure are amortised over the life of the resulting asset. During the current financial year TransAdelaide received no grants for work performed.

Capital grants are deferred and amortised over the life of the non-current assets. For non-current assets transferred to the Minister for Transport/Department of Transport, Energy and Infrastructure. TransAdelaide no longer controls those assets the capital funding previously deferred (\$9.045 million) was written back to revenue and shown as part of the net asset transfer in 2007/08.

Note 31 - Reserves	2009	2008
	\$'000	\$'000
Asset revaluation reserve	77,631	51,170
Movements during the year		
Opening balance	51,170	469,278
Transferred to retained profits amounts realised on disposal of:		
Land and buildings	-	(192,335)
Infrastructure	-	(158,638)
Rollingstock	-	(67,135)
Gain on revaluation of rollingstock	26,461	-
Reserves as at end of year	77,631	51,170

Notes to the Financial Statements (continued)
30 June 2009

Note 31 - Reserves (continued)

Nature and purpose of reserves

The asset revaluation reserve includes the net revaluation increments (decrements) arising from the revaluation of non-current assets in accordance with AASB 116. Asset decrements are expensed where no previous revaluation reserve increment exists for that asset.

Upon disposal of revalued assets, any related revaluation increment standing to the credit of the asset revaluation reserve is transferred to retained profits.

Note 32 - Commitments

Capital Commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities in the financial report, are payable as follows:

	2009 \$'000	2008 \$'000
Within one year	11,655	7,015
Later than one year but not longer than five years	17,103	28,758
Total capital commitments	28,758	35,773

TransAdelaide's capital commitments are for the refurbishment of the railcars subject to cross border leases that were retained as TransAdelaide assets and minor Information Systems improvements.

Remuneration commitments

Commitments for the payment of salaries and other remuneration under fixed-term employment contracts in existence at reporting date but not recognised as liabilities are payable as follows:

	2009 \$'000	2008 \$'000
Within one year	4,509	1,792
Later than one year but not later than five years	9,800	3,099
Total remuneration commitments	14,309	4,891

Amounts disclosed include commitments arising from executive and other service contracts. TransAdelaide does not offer remuneration contracts greater than five years.

Operating lease commitments

Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:

	2009 \$'000	2008 \$'000
Not later than one year	802	869
Later than one year but not later than five years	488	565
Total operating lease commitments	1,290	1,434

TransAdelaide Financial Statements 2008-09

Notes to the Financial Statements (continued) 30 June 2009

Note 32 - Commitments (continued)

TransAdelaide leases property under operating leases expiring from one month to four years. The leases generally provide TransAdelaide with a right of renewal at which time all terms are negotiated. Contingent rental payments are based upon either movements in the Consumer Price Index or operating criteria.

Note 33 - Contingent assets and contingent liabilities

TransAdelaide has a contingent liability in relation to the warranty of AUSTRICS products sold and provision of annual support of the same. The life of various elements of the indemnities vary between one and six years from when AUSTRICS was sold in 2004-05. As at balance date, this could not be reliably measured.

TransAdelaide has fifty 3000/3100 class railcars subject to cross border leases agreements with the Head Lease expiring in April 2023. Encumbrances exist within this agreement which gives rise to financial consequences in the event of loss or destruction of these leased railcar assets. The South Australian Financing Authority monitors the majority of foregoing obligations. To balance date, no event has occurred which would give rise to the encumbrances/consequences.

Note 34 - Cashflow Reconciliation

(a) Reconciliation of Cash

Cash and cash equivalents disclosed in the Statement of Financial Position

	2009	2008
	\$'000	\$'000
	8,797	4,142

(b) Reconciliation of net profit/(loss) to net cash provided by operating activities

Net Profit/(Loss)
Add (less) non-cash items
 Depreciation & Amortisation
 (Gain) on sale or disposal of non-current assets
 Write off of inventory
 Amortisation of grant funding
 Write-off of work in progress
 Accrued non-current assets
 Provision for income tax
 Bad and doubtful debts

Net Cash provided by operating activities before change in assets and liabilities

Movements in:

 Decrease/(increase) in receivables
 Decrease/(increase) in inventories
 (Decrease)/increase in payables
 Increase/(decrease) in employee benefits
 (Decrease)/increase in provisions
 Increase in other liabilities

Net cash provided by operating activities

	2009	2008
	\$'000	\$'000
	9,578	1,631

The effective interest rate on cash deposits held throughout the year was 5.19% (2008: 6.57%).

Notes to the Financial Statements (continued)

30 June 2009

Note 35 - After balance date events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of TransAdelaide, to affect significantly the operations of TransAdelaide, the results of those operations, or the state of affairs of TransAdelaide in future financial years.

Minister for Transport

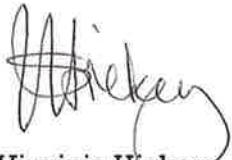
Certification of the Financial Statements

We certify that the attached general purpose financial statements for TransAdelaide:

1. comply with relevant Treasurer's instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
2. are in accordance with the accounts and records of TransAdelaide; and
3. present a true and fair view of the financial position of TransAdelaide as at 30 June 2009 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by TransAdelaide for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period and there are reasonable grounds to believe TransAdelaide will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the board members



Virginia Hickey
Chair



Peter Doggett
A/ General Manager



Shaun Matters
Executive Manager Corporate Services

Dated: 17 September 2009

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Auditor-General's Department

9th Floor
State Administration Centre
200 Victoria Square
Adelaide SA 5000
DX 56208
Victoria Square
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

To the Directors of TransAdelaide

In accordance with the provisions of section 33 of the *Public Finance and Audit Act 1987* and sub-section 32(4) of the *Public Corporations Act 1993*, I have audited the accompanying financial statements of TransAdelaide for the financial year ended 30 June 2009. The financial statements comprise:

- A Statement of Comprehensive Income
- A Statement of Financial Position
- A Statement of Changes in Equity
- A Statement of Cash Flows
- Notes to the Financial Statements and
- A Certification of the Financial Statements by the Chair, Acting General Manager and Executive Manager Corporate Services.

Directors' Responsibility for the Financial Statements

The directors of TransAdelaide are responsible for the preparation and the fair presentation of the financial statements in accordance with Australian Accounting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The Auditing Standards require that the auditor complies with relevant ethical requirements relating to audit engagements and plans and performs the audit to obtain reasonable assurance 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 entity'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 directors, as well as the overall presentation of the financial statements.

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

Auditor's Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of TransAdelaide as at 30 June 2009, and its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, and Australian Accounting Standards.



S O'Neill
AUDITOR-GENERAL
23 September 2009





www.transadelaide.com.au

ISSN 1441-421X