



**Public Transport
Authority**

Annual Report 2019-20





To the Hon. Rita Saffioti MLA Minister for Transport

In accordance with section 63 of the *Financial Management Act 2006 (WA)*, I submit for your information and presentation to Parliament, the annual report of the Public Transport Authority of Western Australia for the year ended 30 June 2020. It has been prepared in accordance with the provisions of the Financial Management Act and any other relevant written law.

Peter Woronzow
Acting Chief Executive Officer

About this report

This annual report covers the performance of the Public Transport Authority (PTA) and our operating areas. We fulfil our reporting obligation by identifying the relevant strategic outcomes and our contribution to them in 2019-20 through:

- Operational reports that summarise the performance of our services and business activities.
- Governance and compliance reports.
- Audited key performance indicators.
- Audited financial statements.

Performance management framework

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

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

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

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

Refer to the **key performance indicators**.

Acknowledgement of Country

The PTA acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and to Elders past, present and emerging and commit to building a brighter future together.

This artwork was created by Aboriginal graphic designer, Justine Kinney, as part of the PTA's 2018-20 Reconciliation Action Plan.

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It is my pleasure to present the Public Transport Authority's Annual Report 2019-20.

The 2019-20 financial year has been one quite unlike any other. The COVID-19 pandemic presented the world with a unique and pressing challenge in cooperation, adaptability and resilience. The situation evolved rapidly; in February, 168 leaders from across the Transport Portfolio came together at the 2020 Portfolio Leadership Forum. As one extended team, we identified opportunities to improve transport outcomes for the State. This forum ensured the Portfolio was well-positioned to support the State with its economic recovery. In early March, the Transport Portfolio supported Perth Festival and other government agencies in staging the successful Highway to Hell AC/DC tribute concert, attended by more than 150,000 people. Only weeks later, Western Australia closed its borders to international and interstate visitors, people were asked to avoid leaving their homes, and entire industries were forced to close.

Yet, in this time of adversity, Western Australians banded together and adhered to strict hygiene and social distancing regulations. This enabled the State to navigate through the pandemic and relax its COVID-19 restrictions sooner than most other places in Australia, and indeed, the world. I have felt a sense of pride and gratitude to be a Western Australian during this time.

I am also proud of the Transport Portfolio's dedicated employees, who responded to the COVID-19 situation quickly and effectively by implementing additional health and safety protocols to protect both frontline workers and customers. Alternative methods of delivering important services were rolled out, or in rare instances, temporarily closed to ensure the safety of our customers and employees.

With restrictions now easing, WA is focused on economic recovery. The Transport Portfolio partners – the Department of Transport (DoT), the Public Transport Authority (PTA), Main Roads Western Australia (Main Roads), METRONET, the Portfolio Strategic Projects Office and the Westport Taskforce – will play a leading role in revitalising the State's economy through the delivery of infrastructure projects.

To achieve this, the Office of Major Transport Infrastructure Delivery (OMTID) was established as a new Portfolio office in May 2020. OMTID is responsible for delivering infrastructure projects valued at more than \$100 million, and comprises teams from both the PTA and Main Roads. Many of the PTA's METRONET projects are being transitioned to OMTID for delivery, including the Thornlie-Cockburn Link, the Yanchep Rail Extension, the Morley-Ellenbrook Line, the Bayswater Station Upgrade Project and the Byford Rail Extension. OMTID's united approach will capitalise on the synergies created by the multiple points of intersection of many of the projects, with the aim of facilitating and expediting their delivery.

Speaking of METRONET, 2019-20 marked some major milestones in its program of projects. Tunnelling for the Forrestfield-Airport Link was completed with the breakthroughs of tunnel boring machines (TBMs), Grace and Sandy, near Bayswater Station. Planning for the Morley-Ellenbrook Line was completed, and the project was added to Infrastructure Australia's Infrastructure Priority List. Several METRONET procurement processes are being fast-tracked to assist the post-pandemic economic recovery.

Transport has been, and continues to be, a major focus of the State Government, with more than \$8 billion of funding allocated to transport projects over the next four years. Furthermore, 24 road and maritime projects worth \$140 million are being expedited to support the COVID-19 economic recovery through a new State-wide Construction Panel Contract. These projects are predicted to support more than 1,000 local jobs. Additionally, Main Roads is fast-tracking the tendering process for 11 major road projects worth \$2.37 billion, estimated to support a further 13,000 jobs. Long-awaited projects such as the Bunbury Outer Ring Road, Fremantle Traffic Bridge, Tonkin Highway Gap project and Mitchell Freeway extension will vastly improve connectivity and travel times.

The Westport Taskforce is also looking to support long-term economic development by investigating the port and supply chain infrastructure required to meet freight demand for the next 50 years and beyond. Westport submitted its Stage 2 Report to Government in early 2020 for consideration, which contained the Taskforce's recommended future container port and supply chain options for Perth.

The new independent body, Infrastructure Western Australia (IWA), launched in July 2019, is also advising the Government on strategic, long-term infrastructure planning. Future transport initiatives to support flourishing communities and industries are a major feature in IWA's inaugural discussion paper released in June 2020.

There has truly never been a better opportunity for the Transport Portfolio to influence the future of our State and play a major role in our economic and social prosperity.

On behalf of the Government and the Transport Portfolio, I would like to acknowledge Richard Sellers for his leadership as the Director General – Transport until his secondment to the role of Director General for the Department of Jobs, Tourism, Science and Innovation for 12 months in March this year.

I am proud of the achievements of the Transport Portfolio in 2019-20. More now than ever, connected and efficient transport networks and supply chains are critically important. I am honoured to be leading the Transport Portfolio at this time, and I thank all employees for their hard work and commitment in delivering the best transport outcomes for our customers and the State.

For more examples of collaboration in action, you may be interested in reading our Transport Portfolio companion publication, *Connecting People and Places 2019-20*.

Given the way we have responded to the challenges of such an unusual year, I have confidence looking forward to 2020-21. I believe that it will be a positive and exciting year for the Transport Portfolio and Western Australia more broadly.

Sincerely,



Peter Woronzow
Acting Chief Executive Officer



Though there were lots of positives about 2019-20, in particular significant progress on the Forrestfield-Airport Link and other METRONET projects, any review of the year is dominated by one thing: COVID-19 hit us really hard.

Not only were there concerns about social distancing on public transport, the number of people who needed our services was significantly reduced by the closure of schools, shops, many CBD offices, nightlife, special events, hospitality and entertainment, and the huge take-up of work-from-home arrangements.

In the space of a couple of months, it cost us about 30 million system-wide (bus, train and ferry) boardings. We finished the year at 116.5m, back at levels not seen since the Mandurah Line opened (in 2007-08, with only six months of Mandurah services, patronage was 108.8m; the following year it was 128.8m).

However, there are some important factors to consider.

Previously, we had been heading for another gain in patronage numbers. There was a small increase (1.15 per cent) in 2018-19 and patronage was on track for an even bigger increase this year. At the end of February it was headed for a full-year total of about 144.5m, up two-plus per cent to a four-year high.

And then COVID hit.

There was no noticeable impact until the end of February. A comparison of daily SmartRider tags with the corresponding day of 2019 showed small increases each day until February 27. Even then, the daily drop ranged between one and three per cent until mid-March. On Monday March 16, after the weekend on which Prime Minister Scott Morrison made the first of his significant closures/restrictions announcements, patronage fell 14 per cent.

Several things accelerated the move away from public transport – the quick take-up, initially in the private sector, of work-from-home arrangements; the pre-holiday closure of schools; the need for a primary carer to stay at home with kids who had nowhere else to go; and the consequent dramatic thinning-out of traffic, which made driving a car, even at peak, a more attractive option.

The daily patronage figure dropped sharply every day from early March, bottoming out at 12 per cent (of the pre-COVID level) through most of the second week of April. Reflecting this, Transperth services were significantly reduced from April 6. By late April, following the government's announcement that schools would resume for the second term and bus and train timetables would return to normal, Transperth patronage was back up to 35-45 per cent of pre-COVID.

Transwa was equally impacted by public concerns about COVID and the physical distancing requirements. Reflecting this, and the increased level of risk represented by its longer journey times, Transwa's road coach and train capacities were capped at 50 per cent for about a month.

We now seem to be past the worst of it – total Transperth system boardings in April were less than two million; this more than doubled in May (to 4.44m), and was back up at 6.53m in June.

As at June 30, the number of people using Transperth's services was almost back to 70 per cent of pre-COVID levels, with further improvement expected as we continue our recovery from the impacts of COVID-19. Further demand is expected as the new school term gets under way and universities transition back to face-to-face education. The resumption of AFL games in Perth will also boost our numbers.

Though nobody had ever seen anything like COVID, it should be noted that, conscious of the fact we provide an essential service to the community in which we live, we have extensive and well-practised emergency management procedures and processes, including pandemic strategies developed following the emergence of H1N1 and SARS in years gone by. This meant that, at both management and operational (including contractor) level, we were able to respond quickly and appropriately. This extended to the continued provision of buses to shuttle cruise ship and airline passengers to quarantine hotels or hospitals.

Our recovery from the massive blow to patronage caused by the coronavirus pandemic has been the best of any public transport provider in Australia, probably as a result of WA's success in stopping community transmissions – thanks to strong government leadership and WA's relative isolation.

We have retained the significantly-increased level of cleaning of all our infrastructure (moving and otherwise) and will probably continue to do so despite the cost implications.

Cash payment has virtually disappeared from our system – especially on buses, where it previously had to be manually handled by drivers. However, this is not as big a change for WA, where more than 85 per cent of regular commuters already use SmartRider – the best (and, for many years, only fully functioning) electronic ticketing system in Australia.

As things stand at the moment, public transport must remain a key part of a sustainable future, and the government has recognised this with a significant investment, especially through the rail-focussed METRONET program.



Mark Burgess
Managing Director



Corporate snapshot

The PTA is responsible for the operation of all bus, train and ferry public transport services in the greater metropolitan area under the Transperth brand. We operate public transport services in regional centres under the TransRegional brand; road coach and rail passenger services to regional areas under the Transwa brand; and administer and manage School Bus Services.

In addition to operating these transport services, we design, build and maintain public transport infrastructure and protect the long-term viability of Western Australia's rail corridor and railway infrastructure.

We deliver public transport services seven days a week and in some cases, deliver supporting services up to 24 hours a day.

1.1 Organisational profile

Corporate plan

- Vision - To be recognised as a leader in providing world-class public transport services and solutions.
- Purpose - To provide safe, customer-focussed, integrated and efficient transport services.
- Values - Our values guide our efforts to create the organisation and workforce we need to meet current and future challenges.
 - **Safety.** We are committed to safety and protecting your future.
 - **Respect.** We value and respect our customers, suppliers and each other.
 - **Recognition.** We recognise each other for achievement, initiative and innovation.
 - **Integrity.** We are honest and ethical.
 - **Sustainability.** We consider the long-term impact of everything we do – economic, social and environmental.

Key Result Areas

We have five KRAs (Key Result Areas) to ensure we are focussed on realising our vision:

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

Customer Service Charter

The PTA is a customer service-oriented organisation, responsible for the delivery of efficient and sustainable passenger transport services to the public.

- We are committed to providing a quality passenger transport service to the public.
- Our bus, train and ferry staff and contractors are focussed on delivering safe and reliable services.
- Our staff and contractors will treat customers in a respectful and professional manner.
- Our buses, trains, ferries and facilities will be clean and well presented.
- Current information about all PTA services will be available from customer service staff, brochures, timetables, our call centres and our website.
- We will plan and review passenger transport services in consultation with the community to get the best results.
- We will plan and provide transport systems that respect the environment and improve sustainability.

To help us improve our services we maintain a telephone InfoLine (13 62 13) for feedback. Our websites include www.pta.wa.gov.au, www.transperth.wa.gov.au and www.transwa.wa.gov.au

1.2 Organisational structure

Service provision

We operate four major service systems:

Transperth

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

Under an internal service-level agreement, Transperth Train Operations (TTO) is responsible for the operation, security, railcar maintenance, and management of the urban rail passenger system.

Transwa

The Transwa division operates four rail services (Australind, Prospector, MerredinLink and AvonLink) and a fleet of 23 coaches to regional WA, servicing more than 240 locations.

Transwa also manages six inter-town services – two in the Pilbara and one each in the Kimberley, Gascoyne, Mid West and Goldfields regions.

TransRegional

The **Regional Town Bus Services** (RTBS) branch manages Trans-branded school and town public bus services in 14 major regional towns in rural WA.

School Bus Services

The **School Bus Services** (SBS) branch plans school services in WA and contract-manages their delivery by contracted school bus operators. SBS manages more than 950 school bus services around WA.

Infrastructure delivery

We are also responsible for designing, building and maintaining transport infrastructure in WA.

Our **Network and Infrastructure** (N&I) division manages, maintains and upgrades the metropolitan railway infrastructure.

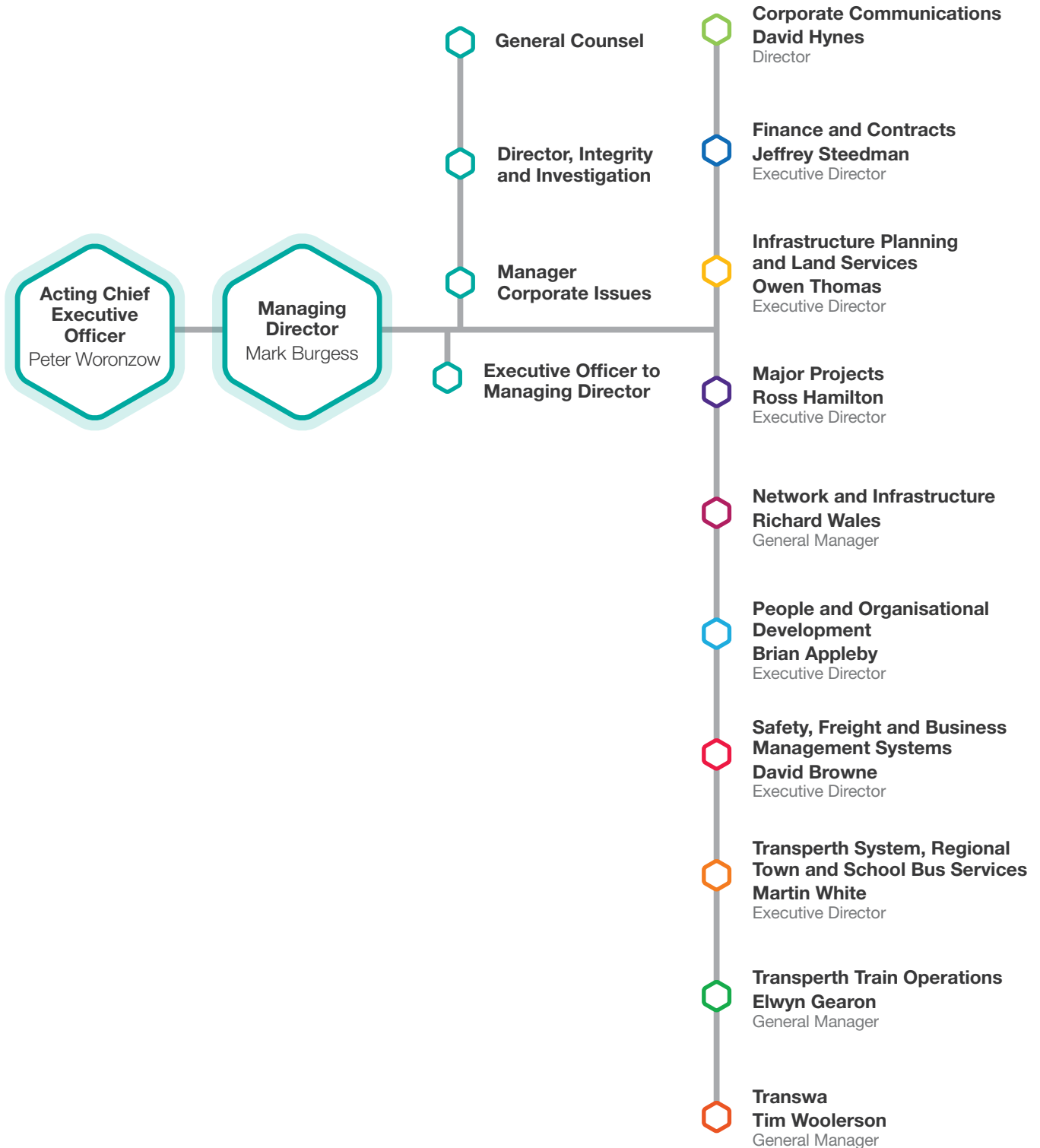
Our **Safety, Freight and Business Management Systems** (SFBMS) division, previously Safety and Strategy, is responsible for the organisation's rail safety accreditation, freight network obligations, internal audit function and ensures that the PTA complies with its legislative requirements. It also protects the long-term viability of the State's freight rail corridor and infrastructure, with input also from N&I and our **Infrastructure Planning and Land Services** (IPLS) division.

IPLS provides railway engineering support, and land and environmental management. Most major new infrastructure is planned by IPLS, with the actual construction carried out through our **Major Projects (MP)** division.

Corporate services

Our divisions – **Finance and Contracts, People and Organisational Development (POD)**, SFBMS, and the Corporate Communications, Corporate Issues, General Counsel and Investigations branches – provide a range of professional services and administrative support to facilitate the work of the PTA.

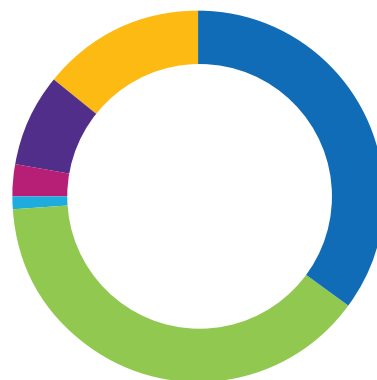
Organisational chart



1.3 Financials at a glance

During the financial year 2019-20, we delivered public transport services to the people of Western Australia at a cost of \$1601 million. The following graph below show how these funds were spent across each service.

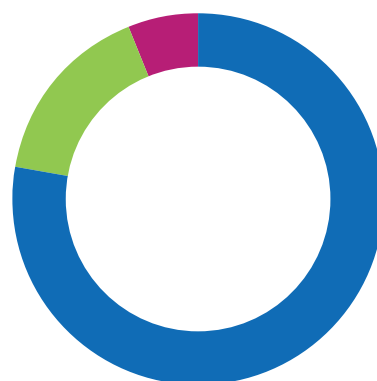
Expenditure by service	\$ million	%
Transperth metropolitan bus and ferry operations	560.507	35
Transperth train operations	618.424	39
Regional bus operations	17.979	1
Country passenger rail and road coach services	52.018	3
Regional school bus services	130.824	8
Rail corridor and residual freight issues	221.507	14
	1601.259	



Expenditure by type	\$ million	%
Employee benefits expense	205.728	13
Supplies, services and energy	315.647	20
Depreciation and amortisation	454.334	28
Finance costs	83.573	5
Bus, ferry and regional bus operators	417.786	26
School bus operators	124.191	8
	1601.259	



Revenue and funding sources	\$ million	%
State	902.740	78
Use charges and fees	192.895	16
Other income	64.422	6
	1160.057	



Case study: COVID-19



Like so many facets of life, public transport was not immune to the devastating effects of the COVID-19 pandemic.

Patronage across the PTA network was heavily impacted by the widespread closure of shops, schools, offices, and hospitality and entertainment venues, and the large uptake of working-from-home arrangements.

At the height of WA restrictions, services were temporarily reduced to reflect the demand for public transport.

Transperth bus and train services were moved to Saturday timetables and CAT services operated on a reduced schedule. Late-night trains were cancelled and ferries also moved to a winter timetable, while Transwa services continued transporting passengers whose travel was deemed essential, though bookings were limited to half capacity.

Measures were put in place to ensure all these services remained available, as well as safe and hygienic, to those in the community who needed them the most.

Buses, trains and ferries were subject to a much more vigorous cleaning regime, as were touch points at stations. The PTA closely monitored patronage and services to respond to any issues or additional services required.

Hundreds of frontline staff, such as transit officers, customer-service assistants and passenger ticketing assistants – as well as contractors – adapted to new ways of helping passengers and carrying out duties safely.

The PTA also played a pivotal role in WA's COVID-19 response, organising ongoing transport for passengers arriving by air and sea to various accommodations for isolation, or in some cases, local hospitals.

As coronavirus numbers in WA stabilised, public transport services returned to normal in line with the State Government's roadmap. The PTA continued with its enhanced cleaning regime to ensure these essential services were safe, and fully available, to accommodate the students returning to school, the workers returning to the office and the general reopening of the State.



Operational report **2**

A summary of our performance in providing safe, customer-focussed, integrated and efficient transport services in 2019-20.

- 2.1 Our services** - fleet, patronage, reliability, capacity and key operational activities.
- 2.2 Fares and other revenue** - overview of revenue and expenditure.
- 2.3 PTA in the community** - our commitment to providing satisfactory, safe, well-communicated and sustainable operations.
- 2.4 Infrastructure delivery** - planning, projects, maintenance, upgrades and asset management.
- 2.5 Our people** - overview of our workforce and our strategy for developing, attracting and retaining employees.

A detailed overview of our targets and performance is available in the **key performance indicators**.

2.1 Our services

2.1.1 Metro (Transperth)

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

The Transperth system consists of a bus network, an electrified urban train system and a ferry service. It is managed by our Transperth division and covers key functions such as system planning, bus service delivery, bus service security, passenger information services, ticketing, and bus fleet procurement.

The InfoCentre, InfoLine and customer feedback passenger information services are provided under contract by Serco.

Fleet

Trains

TTO operates more than 1100 services on an average weekday, and 7012 services weekly (Armadale/Thornlie lines 1827; Fremantle 1094; Joondalup 1512; Midland 1062; and Mandurah 1517). At June 30, the fleet consisted of 330 railcars (48 two-car A-Series and 78 three-car B-Series railcar sets) that can be coupled in sets of four-car or six-car trains.

The system covers 180.8km of track with 72 stations on five lines: Joondalup (40.9km); Fremantle (19km); Midland (16km); Armadale/Thornlie (30.5km and a 3km spur line to Thornlie); and Mandurah (71.4km).

Buses

At year's end, Transperth was operating 1483 buses, consisting of 1010 diesels (including 954 delivered under a Volvo contract) and 473 CNG (compressed natural gas) buses. The number of diesel buses increased by 1.6 per cent; CNG bus numbers reduced by 3.4 per cent. The existing Volvo contract will deliver up to 900 new diesel buses over a ten-year period.

Within the fleet, 957 buses (64 per cent of the total) conform to Euro5 and Euro6 emission standards, with 470 conforming to Euro4 (31.7 per cent). The other 56 buses conform to Euro2.

Transperth buses covered 281 standard timetabled bus routes, 290 school routes and ten CAT (central area transit) routes. On a typical weekday this involved 15,716 standard trips, 287 school service trips and 1028 CAT trips.

During Optus Stadium events, up to ten additional special-event routes are activated, delivering up to 658 trips.

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

Path Transit – Kalamunda and Morley.

Swan Transit – Canning, Claremont, Joondalup (including Joondalup CAT), Marmion, Midland (including Midland Shuttle), and Southern River.

Transdev – Fremantle (including Fremantle CAT), Rockingham-Mandurah, and the Perth CAT contract.

Ferries

Three ferries, the MV Tricia, MV Phillip Pandal and MV Shelley Taylor-Smith operate the Transperth ferry service over 1.47km between the city (Elizabeth Quay) and South Perth (Mends Street). The service is provided under contract by Captain Cook Cruises.

The ferry offers a high-frequency summer timetable and lower-frequency winter timetable in reflection of the lower tourism and general usage during winter. The summer timetable included 122 trips a day Monday to Thursday, 134 trips on Friday, 118 trips on Saturday and 104 trips on Sunday/public holidays. The winter timetable included 60 trips a day Monday to Friday and 56 trips on weekends and public holidays.

Patronage

Patronage by mode is reported in four categories:

Fare-paying boardings – cash and paid SmartRider initial boardings and special-event boardings.

Cash and SmartRider initial boardings – fare-paying boardings plus free travel on SmartRider*.

Total initial boardings – cash and SmartRider initial boardings plus free travel on FTZ (free transit zone) services, on CAT services in Perth, Fremantle and Joondalup and on the Midland Shuttle service.

Total boardings – total initial boardings plus transfer boardings.

*Free travel on SmartRider refers to free travel by WA seniors, aged and disability pensioners, and carers on weekdays before 6am, from 9am to 3.30pm, and after 7pm; and all day on weekends and public holidays. It also includes all-day free travel by veterans.

Transperth patronage declined across all categories in 2019-20 as follows:

Categories	2018-19	2019-20	Change
Total boardings	141.454m	116.552m	-17.6%
Total initial boardings	99.392m	81.543m	-18.0%
Cash and SmartRider initial boardings	84.535m	69.367m	-17.9%
Fare-paying boardings	78.477m	64.291m	-18.1%

The COVID-19 pandemic dramatically impacted Transperth boardings with activity falling to about 12 per cent of normal levels during the height of the WA lockdowns in April 2020, before gradually improving to 66 per cent by June 30. Per-capita public transport usage within the Perth metropolitan area (including the City of Mandurah) fell from 48 initial boardings to 38.8.

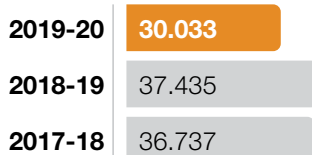
At the end of February 2020 (IE before the impact of COVID), all patronage categories were at better-than 2018-19 levels – total boardings were up 2.2 per cent; initial boardings up 1.9 per cent; cash and SmartRider initial boardings up 2.2 per cent; and fare-paying boardings up 2.3 per cent.

Trains

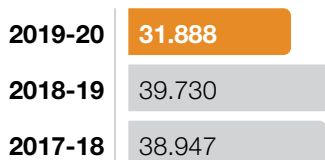
Total boardings on trains fell 19.2 per cent (up 1.6 per cent in 2018-19). Cash and SmartRider initial boardings fell 19.7 per cent (previously up 2.0 per cent), and fare-paying boardings fell 19.8 per cent (previously up 1.9 per cent).

Transperth train patronage (millions)

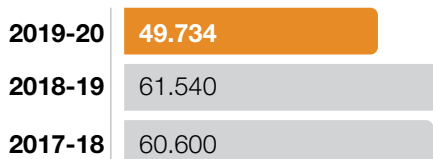
Fare-paying boardings



Cash and SmartRider initial boardings



Total boardings



On a per-service kilometre basis, total train boardings fell to 2.31 (down 17.9 per cent).

Total boardings by line were:

Line	2018-19	2019-20	Change
Armadale Line	7.983m	6.653m	-16.7%
Fremantle Line	7.477m	6.173m	-17.4%
Joondalup Line	16.532m	13.375m	-19.1%
Mandurah Line	20.901m	16.882m	-19.2%
Midland Line	5.994m	5.026m	-16.2%
Total	58.887m	48.109m	-18.3%

Note: Excludes boardings on special event services, free travel on special occasions and boardings on rail replacement services provided by buses, which are not reported by line.

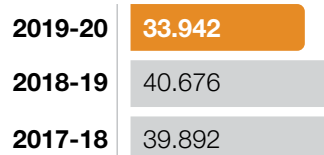
At the end of February 2020, all train lines were performing better than the 2018-19 levels with patronage increases as follows: Armadale Line 1.8 per cent; Fremantle Line 1.5 per cent; Joondalup Line 1.1 per cent; Mandurah Line 2.2 per cent; and Midland Line 3.1 per cent. Total train boardings were 1.8 per cent higher.

Buses

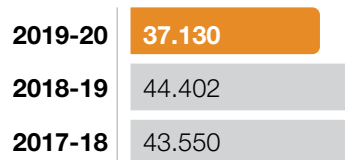
Total boardings on Transperth buses fell 16.4 per cent (up 0.9 per cent in 2018-19). Cash and SmartRider initial boardings fell 16.4 per cent (previously up 2.0 per cent), and fare-paying boardings fell 16.6 per cent (previously up 2.0 per cent).

Transperth bus patronage (millions)

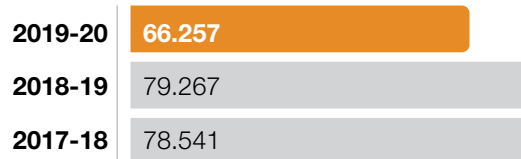
Fare-paying boardings



Cash and SmartRider initial boardings



Total Boardings



Bus total boardings per service kilometre fell 14.2 per cent to 0.97.

Total boardings by contract area were:

Contract area	2018-19	2019-20	Change
Kalamunda	7.174m	5.974m	-16.7%
Morley	10.814m	8.886m	-17.8%
Canning	7.809m	6.456m	-17.3%
Claremont	4.121m	3.435m	-16.7%
Marmion	7.128m	6.149m	-13.7%
Midland	2.547m	2.215m	-13.0%
Southern River	3.632m	3.112m	-14.3%
Fremantle	8.607m	7.260m	-15.6%
Joondalup	6.577m	5.722m	-13.0%
Rockingham	5.670m	4.986m	-12.1%
Total	64.081m	54.195m	-15.4%

Note: Excludes boardings on special event services, free travel on special occasions and boardings on FTZ and CAT services.

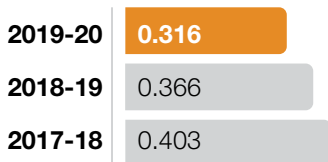
At the end of February, all contract areas were performing above 2018-19 levels, as follows: Kalamunda up 2.1 per cent; Morley 0.3 per cent; Canning 4.2 per cent; Claremont 6.0 per cent; Marmion 6.0 per cent; Midland 2.9 per cent; Southern River 4.1 per cent; Fremantle 3.5 per cent; Joondalup 6.2 per cent; and Rockingham 5.0 per cent. Total bus boardings (excluding FTZ and CAT boardings) were up 3.7 per cent.

Ferries

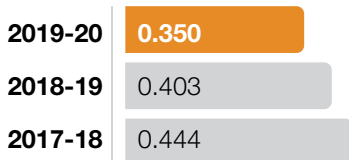
The ferry service represents a small proportion of Transperth system patronage (0.5 per cent). Fluctuations in the tourism market have a significant impact on ferry boardings with tourists accounting for about half.

Transperth ferry patronage (millions)

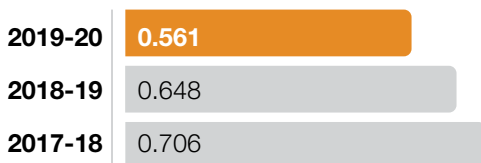
Fare-paying boardings



Cash and SmartRider initial boardings



Total boardings



Ferry total boardings per service kilometre decreased 4.6 per cent to 11.25.

At the end of February, ferry total boardings were 7.0 per cent above the corresponding 2018-19 figure.

Reliability

Transperth reliability targets

- **Trains** – 95 per cent of services to arrive within four minutes of schedule.
- **Buses** – 85 per cent of services to arrive at the timing point within four minutes of schedule and never leave a terminus, or travel through a mid-way timing point early.
- **Ferries** – 96 per cent of services to arrive within three minutes of schedule.

Transperth uses technology-based monitoring methods which allow precise data-gathering to measure on-time running (OTR). On bus and ferry services, OTR is measured using the GPS information generated by the SmartRider system; the train control system is used to measure train OTR. Bus and ferry OTR is monitored through a random sample of one per cent of trips in each bus contract area and for the ferry. Train OTR measures all trips against the timetable. This information is closely monitored to ensure appropriate driver performance and helps target under-performing services for rescheduling.

All modes were close to their targets in 2019-20, with buses at 83.3 per cent, trains at 95.9 per cent and ferries at 95.3 per cent.

Capacity

The carrying capacity of the Transperth bus, train and ferry network is measured by a metric called passenger place kilometres. This is based on service kilometres and the average carrying capacity of the fleet, and has been increasing steadily in recent years as new buses and trains come on stream and the network expands.

In the year under review, total capacity fell 1.4 per cent – train capacity fell 1.0 per cent, bus fell 2.2 per cent, and ferry fell 9.2 per cent – reflecting the brief reduction in services because of COVID.

Key activities

Transperth System

- Implemented significant changes to bus and train services across the Transperth network from July 21, 2019 to improve service delivery and prepare for the start of operations on the Forresterfield-Airport Link.
- Upgraded the Transperth App to include new SmartRider, push notifications and service interruption functionality.

Buses

- Awarded contracts to operate Transperth bus services in the contract areas of Claremont, Marmion and Joondalup for ten years, representing about 27 per cent of the Transperth bus network.
- Delivery of buses started in October 2019 under a new supply contract with Volvo Bus Australia for the manufacture and supply of up to 900 buses to the PTA over a ten-year period.
- Continued to implement timetable improvements across the bus network to improve service reliability.
- Introduced new Route 96 between Leederville Station and UWA via QEII Medical Centre on July 21, 2019.
- Extended Route 536 to Hammond Park South.
- Reviewed the Wanneroo Road and Mirrabooka Bus Station feeder network, improving connectivity to the Joondalup Line.
- Opened Henley Brook Bus Station, improving passenger access to Henley Brook and the surrounding area.
- Progressed the trial of a Traffic Signal Priority system to provide late-running buses with green light priority through signalised intersections.
- Opened new bus depots at Mount Claremont and Pinjarra.
- Acquired the privately-owned Wangara Bus Depot.
- Completed construction of Causeway West End bus priority lane.
- Supported the Canning City Council in the delivery of the Cecil Avenue West bus priority lanes.
- Published the PTA bus journey time data review "Public Transport – Major Corridor

Review 2018" as an aid to Local Government to identify public transport corridor congestion issues.

Trains

- Awarded contract for 246 new METRONET railcars and began construction of the Bellevue Railcar Assembly Facility.
- Completed anti-rollback modifications on A-Series railcars.
- Introduced a new timetable on the Midland and Fremantle lines with trains stopping at all stations from July 21, 2019.
- Signed contract for new Workforce Management system.
- Rolled out Pay by Plate parking machines to most stations, replacing the Pay and Display machines.

Ferry

- Extended the Elizabeth Quay Transperth jetty facility to accommodate the berthing of a third ferry.
- Commissioned the new high-speed Transperth ferry *Tricia*, designed to carry 148 passengers.
- Refurbished the MV Phillip Pandal (new motors, windows, seats, paint and electrical systems).

Looking ahead

Transperth System

- Progress work on the SmartRider upgrade project to deliver a second generation ticketing system.

Buses

- Expand the current trial of Traffic Signal Priority system to include intersections across the wider metropolitan area.
- Construct a new bus depot at Alkimos and redevelop the Rockingham Depot.
- Conduct community consultation for the Forresterfield-Airport Link bus network and finalise the planning.
- Upgrade the Joondalup Bus Depot to accommodate the trial of electric buses.
- Complete bus priority improvements on Riverside Drive.

Trains

- Completion of Bellevue Railcar Assembly Facility.
- Installation of B-Series Automatic Dropping Device (ADD) pantographs.
- Assist POD with Train Control training update to Certificate IV in Network Control and contribute to the Safe Working Improvement Program (SWIP).
- Manage Claremont closures in conjunction with N&I to minimise impact of single-line operations to facilitate station upgrade work.

Ferry

- Refurbish the MV Shelly Taylor-Smith (motors, windows, seats, paint and electrical systems).

2.1.2 Regional (Transwa)

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

The Transwa network extends to Kalbarri and Meekatharra in the north, east to Kalgoorlie, and south-east to Esperance. The services link 240 regional locations to the Perth metropolitan area and locations in between.

In 2019-20, the inter-town services previously managed by TransRegional were transferred to Transwa. Transwa now manages six inter-town contracts – two in the Pilbara and one each in the Kimberley, Gascoyne, Mid West and Goldfields regions.

Fleet

Trains

Transwa employs 20 railcar drivers based at East Perth and Bunbury to operate 14 railcars in four distinct services:

- **The Prospector** – a daily service (and twice on Mondays and Fridays) each way between Perth (East Perth terminal) and Kalgoorlie for a total of 18 services a week.
- **The Australind** – two daily return services between Bunbury and Perth for a total of 28 services a week.
- **The AvonLink** – an early-morning weekday service (except public holidays) from Northam to Midland, returning early each evening, for a total of ten services a week.
- **The MerredinLink** – an all-stop return service between Perth (East Perth terminal) and Merredin on a Monday, Wednesday and Friday (except public holidays) for a total of six services a week.

The Australind's onboard services are provided by Bunbury-based Transwa staff, while a contractor provides services on the Prospector, AvonLink and MerredinLink trains. This contracted function will be reinstated in-house and delivered by Transwa from February 2021.

Road coaches

Transwa operates 130 road coach services each week, employing 36 operators.

The fleet consists of 23 Volvo/Irizar five-star, luxury road coaches which are in their third year of service. The vehicles are fully accessible and meet the Euro5 emission standard. Their features include:

- Onboard toilet
- Onboard entertainment system with individual sound controls
- USB charging points at each seat
- CCTV camera and recording security system

Patronage

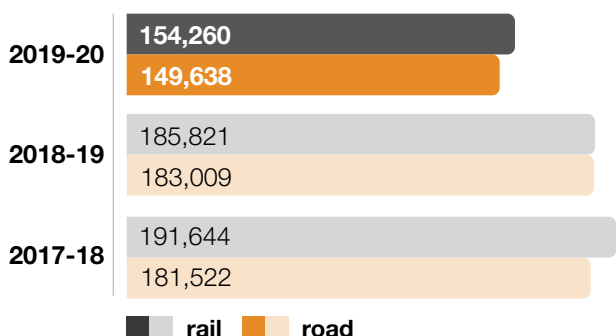
Train and coach

Train and road coach patronage was down from the previous financial year, 16.99 per cent and 18.26 per cent respectively. The majority of this

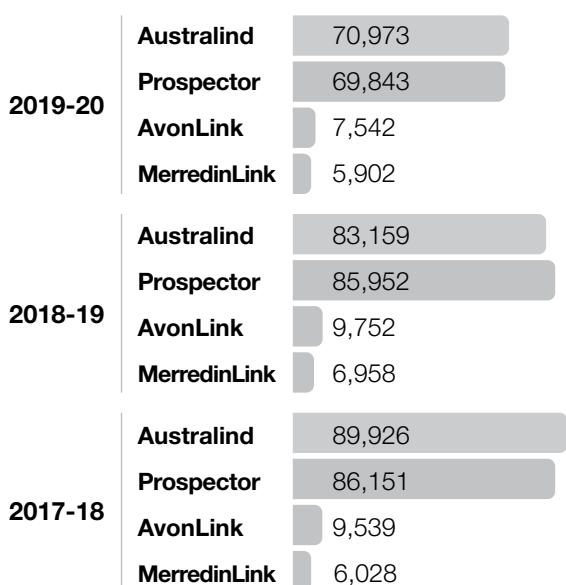
decline can be attributed to the COVID pandemic, as YTD patronage to end-February was down only 0.78 per cent for trains and 0.45 per cent for road coaches.

Services were reduced in April following the enforcement of regional border controls to combat the spread of COVID-19.

Transwa Train and Road Coach Patronage



Transwa Train Patronage by Service



Inter-town services

Patronage fell 12 per cent from 2018-19, mainly because of a reduction of services due to COVID-19.

Transwa inter-town services patronage



Reliability

Transwa reliability targets

OTR is the key performance indicator for service reliability. The 2019-20 targets were:

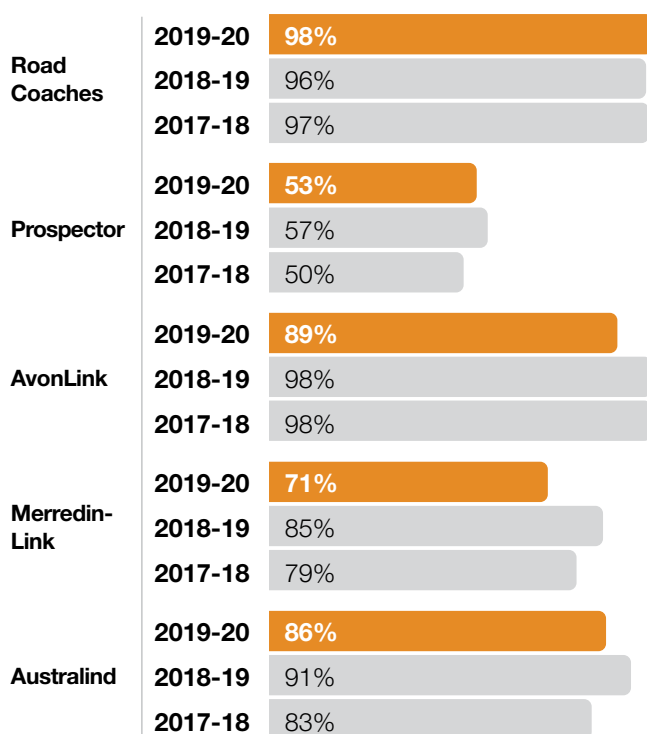
- Prospector - 80 per cent of services to arrive within 15 minutes of schedule
- Australind - 90 per cent (10min)
- AvonLink - 90 per cent (10min)
- MerredinLink - 90 per cent (10min)
- Road Coaches - 95 per cent (10min)

In 2019-20 the road coach services achieved 98 per cent, and the AvonLink 89 per cent.

The Australind's performance declined slightly from 2018-19, with the positive impact of a significant maintenance overhaul undertaken in early-2019 offset to some extent by congestion with freight traffic on the line, and some continued mechanical issues.

The Prospector and the MerredinLink OTR was 53 and 71 per cent respectively. Delays were mainly attributed to crossings with other trains, signalling issues, and track works on the Eastern Goldfields Railway, which is managed by a third party.

Transwa OTR Performance

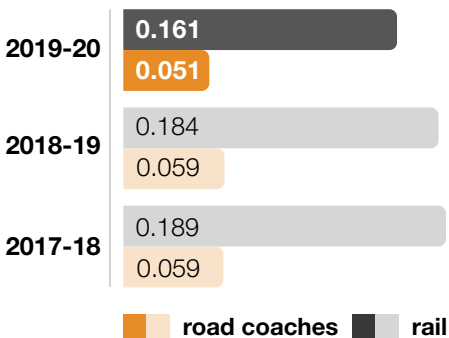


Capacity

The number of passengers per service kilometre is a comparative measure of our available passenger capacity (a higher number represents better use of our capacity).

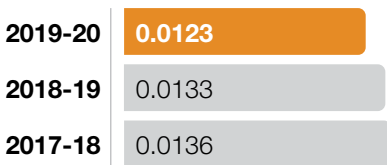
The COVID-related reduction in services negatively impacted Transwa patronage, resulting in a decrease in the rail and road coach passengers per service kilometre, 0.161 and 0.051 respectively.

Transwa passengers per service kilometre



During the year, inter-town services across the board showed an 8.02 per cent decrease in passengers carried per service kilometre, though two (Perth to Port Hedland, and the Pilbara Bus Service) showed increases in the year-to-year comparison.

Transwa Inter-town passengers per service kilometre



Key activities

- Improved the way in which Transwa communicates real-time service information to passengers, with the successful rollout of information displays at the East Perth Terminal and regional centres in Bunbury and Kalgoorlie.
- Successfully implemented the procedural and system changes required to maintain the Pensioner Free Travel Scheme following discontinuation of paper vouchers previously issued by the Department of Human Services and the Department of Veteran Affairs.
- Completed major repairs to Australind railcars.

- Investigated the access requirements of the Eastern Goldfields Railway and South West Main to ensure greater safety and wayfinding for passengers.

Looking ahead

- Progress the construction of a second high-level platform at Merredin Station, further improving disability access on the Eastern Goldfields Railway.
- Continue to enhance the onboard experience for passengers on the Prospector and road coach fleet with the introduction of Wi-Fi.
- Transition the on-train staff on the Prospector and AvonLink/MerredinLink from the current contracted arrangement to in-house.

2.1.3 Regional (TransRegional)

The Regional Town Bus Services (RTBS) branch manages Trans-branded school and town public bus services in 14 major regional towns in rural WA – Albany, Broome, Bunbury, Busselton, Carnarvon, Collie, Esperance, Geraldton, Kalgoorlie, Karratha, Kununurra, Manjimup, Narrogin and Port Hedland.

In 2019-20, RTBS inter-town services were consolidated with Transwa, enabling RTBS to focus primarily on intra-town services.

Fleet

RTBS has a fleet of 156 low-floor accessible buses, all of which are PTA-owned.

Patronage

Total TransRegional boardings slipped 7.0 per cent to 2.07m and total fare-paying boardings fell 8.7 per cent to 1.776m.

Regional Town Bus Services	2018-19	2019-20	Change
Total boardings (millions)	2.226	2.070	-7.0%
Fare-paying boardings (millions)	1.945	1.776	-8.7%

The fall can be attributed to the impact of COVID on local communities.

Reliability

Because some regional towns do not have the SmartRider ticketing system, it is difficult to measure OTR across all TransRegional services.

TransRegional OTR*

On-time running (%)	2019-20	80.46%
	2018-19	80.73%
	2017-18	71.67%

*SmartRider towns only

Capacity

TransRegional operated 3.1 million kilometres in 2019-20.

Key activities

- Successfully implemented significant service changes to the Albany Network. This included an extensive community consultation process, comprehensive network enhancements and major route changes.
- Implemented service changes in Karratha, Busselton, Geraldton, Bunbury, Kununurra and Broome.
- Awarded the bus operation contract for TransGeraldton services on January 1.
- Upgraded the Geraldton, Bunbury and Karratha bus fleets.
- Completed significant upgrades to the Geraldton Depot, including a new bus-wash facility and office refurbishment.
- Continued to upgrade the regional fleet through the bus refurbishment program.

Looking ahead

- Re-tendering the bus operation contract for TransGoldfields services starting in October 2021.
- Implementing further service changes for the school network in Albany and reviewing the Geraldton network.
- Planned community consultation in Albany, Busselton and Geraldton.
- Rollout of the new WAY 6 ticket machines for TransRegional services in towns equipped with the Smartrider ticketing system.
- Completing the bus refurbishment program for the regional fleet.

- Continuing the bus stop upgrade program in various regional towns.
- Introduction of the TransBridgetown bus service.

2.1.4 School Bus Services

The School Bus Services (SBS) branch manages the policy and entitlement framework, delivers system support and administered the contract arrangements for 914 contract school bus services around WA.

These buses provide access to school for students in rural areas (picking them up from the farm gate where appropriate), as well as access to schools in the metropolitan area for students attending special education facilities.

In addition to the orange contract school buses, there are four cluster contracts made up of 51 contract school buses that are funded by the Department of Education (DoE) and administered by SBS. These services do not form part of our Student Transport Assistance Policy Framework.

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

Fleet

The SBS network in 2019-20 consisted of 810 contract school buses transporting students to mainstream schools and 155 services to special education facilities. All contracted school buses are operated by private contractors under the following contract arrangements:

Evergreen Contract Model

ECM contracts (five-year term) – 680 contracts providing 680 services.

Composite Rate Model

CRM contracts (remaining balance of 20-30 contract term) – one contract providing one service.

Fixed-term contracts

(One-year to 15-year tendered term) – 164 contracts providing 164 services.

Regional school bus cluster contracts

(15-year term) – Five contracts providing 38 services.

Tendered Cluster Contract Model school bus contracts

(12-17-year term) – One contract providing 20 services.

Tendered Contract Model school bus contracts

(10-year contract term) – 11 contracts providing 11 services.

DoE funded cluster contracts

Four contracts providing 51 services.

In 2019-20 SBS initiated the following new fixed-term and re-tendered contract services across WA:

Region	2019-20 new contract services
Goldfields-Esperance	Hopetoun
Great Southern	Denmark Ocean Beach #2
Kimberley	Tom Price Wakathuni WangkatJungka Bohemia Downs
Metropolitan	Armadale SHS ESC and Gwynne Park ESC Aveley Secondary ESF Ellenbrook WC Cannington ESC Central Kalamunda Hills ESC Kenwick North Kingsley SEMLDC Kelmscott Leeming SHS ESC Canning Vale Parkerville Gidgegannup PS
Mid West	Calingiri North East Geraldton White Peak Moora Yathroo
Peel	Albany Education Support Byford Secondary ESF Oakford Malibu Ravenswood Malibu South
Pilbara	Karratha Education Support
South West	Bunbury Education Support North Margaret River North Margaret River South 2 Margaret River West 2 Pinjarra Murray Hills Roelands Harvey
Wheatbelt	Immaculate Heart College Bullsbrook Northam York #2

The number of new services was offset by the cessation of the following existing contract services:

Region	2019-20 ceased contract services
Goldfields-Esperance	Hopetoun Jerdacuttup South West Salmon Gums East & South
Great Southern	Ongerup South - Subsidised Spencer Park Albany ESC
Kimberley	Binnu Barrel Wells WangkatJungka Bohemia Downs
Metropolitan	Castlereagh Canningvale Durham Road Brabham Kalamunda ESC Helena Valley Kenwick North West Coast LDC Padbury #2
Mid West	Moora Yathroo
Peel	Malibu Ravenswood Malibu South Pinjarra Murray Hills
Pilbara	Karratha ESC Tom Price Wakathuni
South West	Bunbury Binningup 20 College Row North Northcliffe North
Wheatbelt	Calingiri North East Immaculate Heart College North Kalannie North East Kellerberrin North West Moora Rowes Road Watheroo South East Wyalkatchem South

Patronage

On average, services were accessed by 25,879 students around WA on each school day (0.8 per cent more than in 2018-19).

The modest increase in the number of eligible students receiving school bus transport assistance can be analysed by segregating the data of the 965 contract school bus services into two distinct business groups:

Core business – the 914 orange school bus services around WA as well as the special education services in the metro area.

In the core business group, an average total of 24,982 students accessed school bus transport assistance on each school day (0.6 per cent increase when compared to 2018-19).

DoE-funded – the 51 services funded by the Department of Education but contract-managed by SBS outside of the STAPF, for students who qualify for assistance through the Intensive English Centres and/or other language-support programs. The patronage numbers are influenced by metrics such as the immigration intake quotas and federal funding provisions.

In the DoE business group, an average of 897 students accessed these services on each school day (7.3 per cent more than in 2018-19).

The following table breaks down the 2019-20 student patronage by region and business group:

Region	Core business service patronage	DoE-funded service patronage	Total
Gascoyne	110	-	110
Goldfields-Esperance	1,070	152	1,222
Great Southern	3,176	-	3,176
Kimberley	808	-	808
Metropolitan	4,028	660	4,688
Mid West	1,660	-	1,660
Peel	2,068	-	2,068
Pilbara	440	-	440
South West	7,106	85	7,191
Wheatbelt	4,516	-	4,516
Total	24,982	897	25,879

Reliability

SBS reliability target

Our reliability target requires the bus to arrive at least ten minutes before school starts and leave no sooner than ten minutes after school finishes.

The reliability measure covers regional mainstream services and education-support school buses in the metropolitan area and is based on data provided by members of the public who report occurrences of late arrivals.

The measure aims to ensure that the delivery of SBS meets community on-time standards by operating to the service timetable frequency and to implement performance improvements where possible, for services that fail to meet the requirements.

Bus Availability at Arrival/Departure Time

2019-20	99.87%
2018-19	99.89%
2017-18	99.65%

To help the public with the reporting process, SBS has developed an extension to its website enabling bus late arrivals and departures complaints to be recorded. The number of complaints recorded through the online register is used to determine the level of satisfaction for the service reliability.

For the year, the level of satisfaction with school bus availability at arrival and departure times was better than target.

Capacity

Around WA, our services covered an average of 171,715km each school day, totalling 33.8 million contract service kilometres for the year.

School bus average daily service kilometres (thousands)

2019-20	171.7
2018-19	172.0
2017-18	171.0

The annual service kilometre data per region is detailed below:

Region	2018-19 Total service km	2019-20 Total service km	Change
Gascoyne	68,262	70,209	2.9%
Goldfields-Esperance	1,981,948	1,915,579	-3.3%
Great Southern	3,748,341	3,851,110	2.7%
Kimberley	882,427	918,598	4.1%
Metropolitan	5,646,700	5,830,433	3.3%
Mid West	2,650,892	2,757,821	4.0%
Peel	2,125,750	2,127,784	0.1%
Pilbara	667,280	689,677	3.4%
South West	6,221,168	6,562,946	5.5%
Wheatbelt	9,028,920	9,103,635	0.8%
Total	33,021,688	33,827,792	2.4%

The annual contract school bus service kilometres increased by 2.4 per cent, noting that there were five more service days in the year. On an annual basis, Goldfields-Esperance was the only region recording a contraction (3.3 per cent).

The daily average service kilometre data per region is detailed below:

Region	2018-19 Average daily service km	2019-20 Average daily service km	Change
Gascoyne	356	356	0.0%
Goldfields-Esperance	10,323	9,724	-5.8%
Great Southern	19,523	19,549	0.1%
Kimberley	4,596	4,663	1.5%
Metropolitan	29,410	29,596	0.6%
Mid West	13,807	13,999	1.4%
Peel	11,072	10,801	-2.4%
Pilbara	3,475	3,501	0.7%
South West	32,402	33,314	2.8%
Wheatbelt	47,026	46,211	-1.7%
Total	171,988	171,715	-0.2%

Key activities

- About 530 schools serviced across the State each day.
- On average, 25,879 regional and special education students carried each school day (10.2 million trips for the year).

Looking ahead

- SBS has started a program for the batch-tendering of its fixed and short-term contracts, involving more than 150 contract services (an estimated 3700 students). Across the regions, 69 per cent of the fixed and short-term contracts are outside the metropolitan area.
- The PTA is currently working with the Federal Government to consider a national approach to transition all education support transport services, for children with special needs, to the National Disability Insurance Scheme (NDIS) by June 30, 2023.
- Review of the Evergreen Contract in 2022-23 in conjunction with the school bus industry via their elected Contract Representatives.

2.2 Fares and other revenue

2.2.1 Metro

Transperth

Transperth applies a common fare structure across its integrated bus, train and ferry service network.

Fares are based on a zonal system with nine concentric bands emanating from central Perth. Zone one is 8km; zones two and three, 9km; and zones four to nine, 10km or more.

Fares are determined by the number of zones a passenger travels in. A short distance fare is available for trips of up to 3.2km (two sections).

School students pay a flat-fare for all travel during the gazetted school year except on weekends. In addition, there are multi-trip tickets for individuals (DayRider) and groups (FamilyRider).

Passengers are able to transfer between services and modes without an extra charge within two hours on journeys of up to four zones and within three hours on journeys of five to nine zones. This free transfer facility is not available on the two-section fare.

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

Transperth cash fares schedule

The following fares schedule was implemented from July 1, 2019:

Category	Standard	Concession
2 Sections	\$2.20	\$1.00
1 Zone	\$3.20	\$1.40
2 Zones	\$4.90	\$2.10
3 Zones	\$5.80	\$2.50
4 Zones	\$6.90	\$3.00
5 Zones	\$8.50	\$3.70
6 Zones	\$9.60	\$4.10
7 Zones	\$11.30	\$4.90
8 Zones	\$12.20	\$5.20
9 Zones	\$13.10	\$5.60
DayRider	\$13.10	\$5.60
FamilyRider	\$13.10	–

Note: The flat fare for school students (\$0.70) is only available through SmartRider. It is valid for all travel on Transperth services from Monday to Friday from the first to the last gazetted school day of the year, during mid-year school term holidays and on public holidays that fall on a weekday during the school year.

SmartRider

Discounts on cash fares are provided through the SmartRider system and are based on the reload method used. A discount of 20 per cent is available to users choosing Autoload through direct debit or credit card, and a discount of ten per cent is available to those who choose other reload methods (BPAY, add-value machines, on board bus and ferry, and at retail sales outlets and Transperth InfoCentres).

The SmartRider system provides a complete and accurate record of all boardings because users are required to tag-on/tag-off at processors on buses and ferries and at train stations on each leg of their journey.

SmartRider was used for 76.3 per cent of fare-paying boardings in 2019-20 (previously 74.7 per cent) and accounted for 81.8 per cent of SmartRider and cash ticket travel (excluding joint ticketing), up from 81.2 per cent in 2018-19.

Total usage of SmartRider for parking payment was 90.5 per cent in 2019-20 – including SmartParker, Pay and Display and Pay by Plate machines.

Patronage profile

Total boardings category distribution remained largely unchanged in 2019-20 with a 0.8 per cent decrease in special event boardings (to 1.6 per cent) offset by 0.5 per cent increase in fare-paying boardings (to 53.6 per cent) and 0.3 per cent increase in transfers (to 30 per cent). The free travel remained unchanged (14.8 per cent).

Excluding special event boardings, standard fare passengers accounted for 50.2 per cent of cash and paid SmartRider boardings (previously 50.6 per cent), concession passengers 31.5 per cent (32.1 per cent) and school students 15.6 per cent (14.5 per cent). Boardings on FamilyRider tickets contributed 2.4 per cent (2.6 per cent).

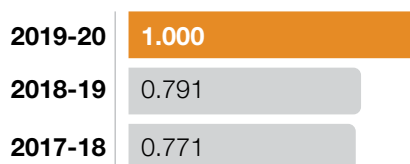
SmartRider users accounted for 82 per cent of total transfers during the year (unchanged from 2018-19).

Cost per passenger kilometre

The total cost per passenger kilometre (including annual capital charges) of providing Transperth's bus, train and ferry services increased by 26.3 per cent due to cost increases outpacing growth in passenger kilometres which were significantly impacted by the COVID pandemic.

Passenger kilometres, representing the combination of average trip length and passenger boardings, decreased to 1153m kilometres, from 1418m in 2018-19.

Transperth total cost per passenger kilometre



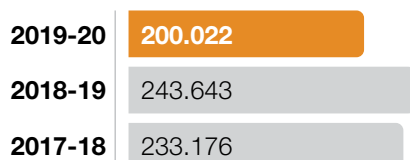
At the end of February, the total cost per passenger kilometre was only 0.67 per cent above the 2018-19 figure.

Revenue and expenditure

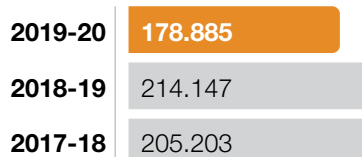
Total system revenue, which includes income from fares, parking, advertising, rent, infringements and miscellaneous items, fell 17.9 per cent.

Transperth system revenue (\$ millions)

Total revenue



Fare revenue



Fare revenue fell across all modes, with bus down 14.0 per cent, train down 18.2 per cent and ferry down 11.1 per cent. The reductions can be attributed to the COVID pandemic, as revenue was tracking positively until February 2020.

Total expenditure on the Transperth system (including annual capital charges) increased 2.6 per cent, while operating expenditure (excluding annual capital charges) rose 3.0 per cent.

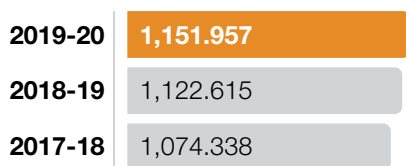
Total expenditure on train services increased 4.2 per cent with annual capital charges increasing 1.5 per cent. Train total operating expenditure (direct operating costs and transfer expenses) rose 5.9 per cent with direct operating costs alone increasing 6.1 per cent.

Total expenditure on bus services recorded a 0.8 per cent increase with annual capital charges increasing 1.5 per cent and operating expenditure increasing by 0.7 per cent.

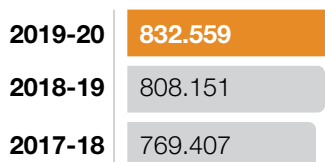
Total expenditure on ferry services recorded a 24.2 per cent increase with annual capital charges increasing 95.6 per cent and operating expenditure increasing by 19.0 per cent. The significant increase in expenditure is due to the commissioning of a third ferry (MV Tricia), the refurbishment of the MV Phillip Pental, and the extension of the Elizabeth Quay jetty facilities to accommodate a third ferry.

Transperth system expenditure (\$ millions)

Total expenditure



Operating expenditure



2.2.2 Regional

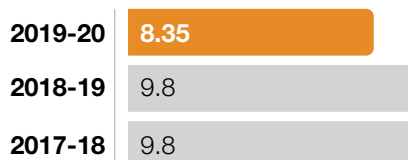
Transwa

Cost per passenger kilometre

The average cost per kilometre for road coaches was \$0.37; trains was \$0.67. An 18 per cent decline in patronage, the result of the COVID-related regional travel restrictions and a reduction in Transwa services, affected the result. The decrease in patronage is significantly higher than the decrease in total operating cost, despite cost savings identified (predominately in contract labour and fuel).

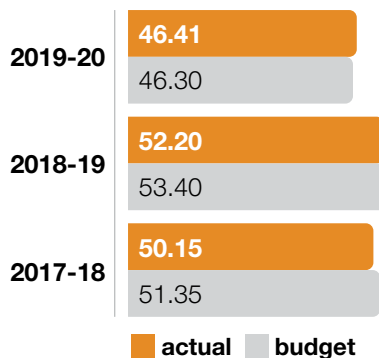
Revenue and expenditure

Transwa system revenue (\$ million)



A total of \$8.35m revenue from cash fares was received; the result is lower than from the previous financial year due to the significant drop in patronage.

Transwa system expenditure (\$ million)



Expenditure for 2019-20 was \$46.41m, down on the previous financial year due to a reduction in costs as a result of COVID regional travel restrictions and a reduction in Transwa services between April and May 2020.

TransRegional

Cost of service

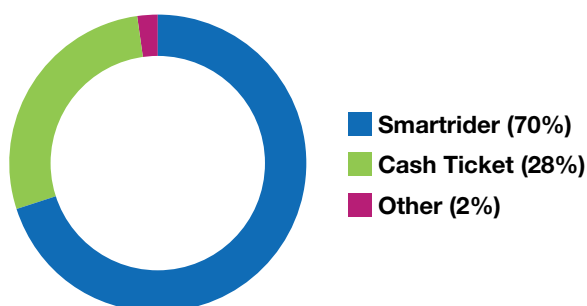
The cost of operating regional town bus services in 2019-20 was \$21.5m, down 0.5 per cent from \$21.6m in 2018-19.

Ticketing

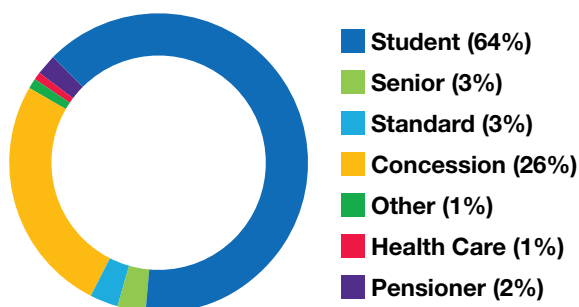
The SmartRider ticketing system operates in Albany, Bunbury, Busselton, Esperance, Geraldton, Kalgoorlie, Karratha and Port Hedland. Where SmartRider is not available, the RTBS operators use a manual ticketing and multirider system. These manual tickets are bought from the driver and are transferrable to other RTBS Services.

The figures below show the ticket type bought by RTBS patrons, and the passenger profile.

Regional Ticket Type



Regional Passenger Profile



2.3 PTA in the community

We continue to ensure services are satisfactory, safe, secure, accessible, effectively communicated and sustainable.

2.3.1 Customer satisfaction

We measure the success of Transperth and Transwa services through an annual Passenger Satisfaction Monitor (PSM) undertaken by an independent market research organisation. The survey conducts detailed face-to-face interviews with adult public transport users to assess passenger satisfaction with aspects of our services, including safety and security.

This year, because of issues surrounding COVID-19 and the challenge of face-to-face interviews, the sample size and the period over which the survey was conducted were both reduced, and COVID may have affected the perceptions of some patrons when responding to the survey questions. Also, because of COVID restrictions and the related reduction in services between April and June, Transwa did not participate at all this year.

PSM results for the Transperth system are summarised below and are further outlined in the **audited key performance indicators**. They can also be accessed at www.transperth.wa.gov.au

Transperth (all Transperth services)

Level of overall customer satisfaction across all Transperth services



Level of overall customer satisfaction with Transperth trains



The proportion of passengers who were dissatisfied overall was one per cent – maintaining an all-time low.

Buses

Overall bus satisfaction maintained last year's all-time high.

Level of overall customer satisfaction with Transperth buses



The proportion of users who were dissatisfied was three per cent – setting a new record and improving on the previous all-time low of four per cent recorded last year.

Ferries

In 2020, 100 per cent of passengers expressed overall satisfaction with our ferry services – a two-point increase on last year, and back at 100 per cent for the first time since 2015.

Level of overall customer satisfaction with Transperth ferries



SmartRider

SmartRider has consistently attracted a high degree of user satisfaction across all modes. The 2020 result continued this trend with satisfaction maintained at 98 per cent for bus passengers and 97 per cent for train and ferry passengers.

2.3.2 Passenger safety and security

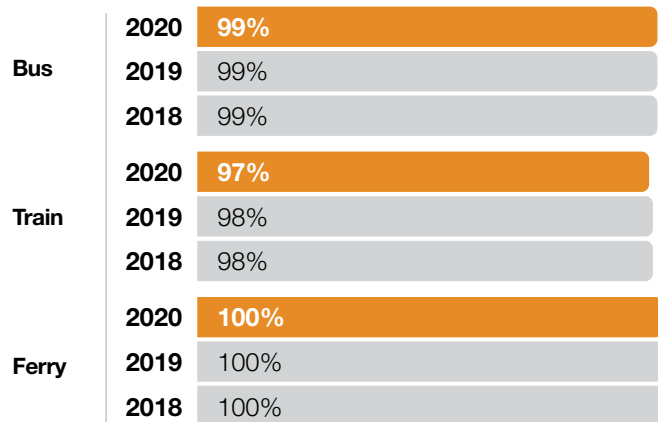
Transperth

Customer perception of safety

The Transperth PSM assesses customer perceptions of safety during the day and at night, both while waiting for and on board (bus/train/ferry) services.

Across the modes, virtually all passengers felt safe on board during the day, with results remaining consistent for the past six years.

Proportion of respondents who generally feel safe aboard Transperth services during the day



The following table shows the response for other aspects of safety perceptions.

	2018	2019	2020	Change
Transperth trains				
On board (night)	82%	82%	74%	-9.8%
At the station/interchange (day)	99%	98%	98%	0%
At the station/interchange (night)	76%	75%	69%	-8%
Transperth buses				
On board (night)	87%	84%	82%	-2.4%
At the station/interchange (day)	98%	98%	98%	0%
At the station/interchange (night)	82%	77%	76%	-1.3%
Transperth ferries				
On board (night)	98%	100%	97%	-3%
At the station/interchange (day)	100%	100%	99%	-1%
At the station/interchange (night)	98%	100%	97%	-3%

Transperth remains committed to improving passenger security and will use the detailed PSM survey information to refocus security efforts in the coming year.

Commitment to safety and security

To ensure that all passengers feel safe at all times on our services, digitised CCTV footage from all train and bus stations (including car parks and bike shelters) is monitored at our CMR (central monitoring room), a state-of-the-art facility which is manned 24 hours a day, seven days a week. Footage from railcars and buses is recorded and available for use if needed. All buses are fitted with CCTV cameras, with all new buses featuring ten full-colour cameras.

A fleet of 32 patrol cars (ten operated by transit officers covering the rail system, and 22 operated by 118 contracted security officers covering the bus and ferry systems) provides a fast and effective response to any incidents of antisocial behaviour.

To enhance security surveillance, 222 new CCTV cameras were installed across the rail system at stations, depots and sidings during the year. In addition, more than 99.4 per cent of trains have security personnel on board after 7pm.

During the year, the rollout of new dash-mounted duress alarms was completed on all buses, integrating with both the new bus digital radio system and the SmartRider ticketing system to provide GPS tracking. Buses with an active duress alarm can now be tracked in real time by the depot and CMR, improving the on-road safety of our bus drivers and customers.

Transwa

Commitment to safety and security

Infrastructure improvements were made at Kalgoorlie Station, including the installation of footpaths to reduce trip hazards when staff are transitioning on uneven surfaces and ballast.

A project to improve the visibility of the Transwa road coach headlights was initiated. Headlight protectors are being replaced on a regular basis to ensure optimal headlight brightness.

A Chemwatch database was introduced and populated with all chemicals used by Transwa. The system allows local and remote viewing of chemical types plus Safety Data Sheets.

2.3.3 Accessible services

Proximity to metropolitan services

More than 85 per cent of Perth homes have ready access to public transport. This metric has remained steady for the past nine years and is a benchmark for future service planning.

For the complete data refer to page 72.

Diversity, access and inclusion

The PTA provides services to WA's diverse community in a fair and non-discriminatory manner. Our Disability Access and Inclusion Plan (DAIP) 2017-2022, developed in consultation with key stakeholders, covers all metropolitan and regional services and demonstrates our commitment to providing a high level of independence for all customers.

During 2019-20 we continued to implement strategies to improve access to public transport for all customers including people with a disability and those from culturally and linguistically diverse (CaLD) backgrounds.

During the past 12 months, we:

- Sent 181,000 accessibility bulletin emails to recipients registered with Transperth Accessible Services and related services to advise of system changes, upgrades and other accessibility issues.
- Received 336 calls to Translating and Interpreting Service (TIS) at InfoCentres and InfoLine accessing 29 languages.

Substantive equality and community education

Transperth's community education team aims to increase safety awareness and access to the network for people with high public transport needs. In collaboration with Transperth train, ferry and bus operators, the program delivers high public transport conversion rates. This is achieved through significant face-to-face engagements with diverse groups, excursion planning, workshops and training delivery on-site and at stations, as well as provision of resources.

During the past 12 months, the program has:

- Worked with more than 40,000 participants from high-needs groups to help them access the public transport network.
- In collaboration with Transperth trains, bus and ferry contractors, provided excursion assistance to more than 13,000 students and teachers using Transperth services.*
- Delivered tailored workshops, network tours and attended key events in the cities of Belmont, Gosnells, Rockingham, Subiaco and Town of Cambridge to support age-friendly and inclusion strategies.
- Increased participants' network knowledge and skills in Probus groups and community organisations across metropolitan Perth.
- Continued a partnership with the Australian Red Cross delivering a series of transport training packages and workshops to assist new arrivals in the Humanitarian Settlement Program (HSP).
- Reached 5000 CaLD participants through schools, tertiary institutions and TAFE Adult Migrant English Programs (AMEP).
- Facilitated staff workshops for NDIS service providers to increase awareness of resources and training available for people with disabilities, their support workers, carers and families.
- Provided bus accessibility sessions to help people in wheelchairs increase their confidence and safety when boarding, travelling and disembarking.

*Because of COVID restrictions, all programs and group ticketing were cancelled between March and June 2020.

Working groups

During 2019-20, the PTA actively participated in the following working groups:

- The new METRONET Access and Inclusion Reference Group (AIRG) to provide advice on universal design features and impacts during construction of new infrastructure.
- The Australasian Railway Association Accessibility Working Group, National Accessible Transport Taskforce, and associated working groups in the modernisation of the Disability Standards for Accessible Public Transport 2002.
- The Transport Portfolio Access and Inclusion Group including recognising the International Day of People with Disability, by publishing articles on the importance of 'Collaboration' and 'Co-Design' in the design and commissioning of public transport infrastructure and conveyances.

Transport and infrastructure accessibility improvements

In 2019-20, Transperth:

- Upgraded more than 800 bus stops to meet the requirements of Federal Disability Standards for Accessible Public Transport under our Bus Stop Accessibility Works Program.
- Finalised a project to upgrade bus stops to include QR codes to provide real-time bus tracking and service interruption information.
- Attended the Abilities Expo to promote public transport accessible services and support available to WA students living with a disability.
- Maintained the number of new, low-floor accessible buses to maintain 100 per cent coverage of the total fleet (1483 buses at June 30).
- Continued the replacement of Transperth regional buses to ensure the fleet is 100 per cent accessible.

In 2019-20, Transwa:

- Improved disability access on the South West Main by delivering two high-level platforms at North Dandalup and Cookernup.

2.3.4 Communication with our customers

It is important that information about our services and projects is communicated in a timely manner. Communication strategies are applied to improve patronage and increase customer satisfaction and awareness of the benefits of public transport.

Metro Activities

- Launched an updated version of the Transperth app with additional functionality, providing the ability for push notifications to devices as well as allowing passengers to set up Autoload and report damage network-wide.
- Continued to develop Transperth's social media channels, resulting in significant increases in engagement and following.
- Continued to provide comprehensive information to passengers on service disruptions across all modes of public transport. Significant disruptions included a number of protests affecting CBD bus services, the relocation of Karrinyup Bus Station and, in the latter stages of the year, major changes network-wide in response to the COVID pandemic.
- Implemented a number of communication campaigns to promote public transport services for events, including all Optus Stadium events and Highway to Hell, a stand-alone event attracting over 150,000 people to Canning Highway.

Regional activities

- Transwa Brand Health Research Project – Transwa conducted a survey for overall brand awareness and health with both Transwa users and the general public prior to developing a social media strategy and launching social media profiles on Facebook and Instagram in early 2020.
- The Transwa travel guide for boarder's brochure was introduced to educate schools, parents and students on boarders' long weekend travel options with Transwa services.
- OTR of Transwa services displayed through digital screens at the East Perth and Bunbury terminals and Kalgoorlie Booking Centre.

- Promoted annual events including Easter services, Groovin' the Moo, Moondyne Festival, Perth Royal Show, Kalgoorlie Race Round, Blues at Bridgetown and School Leavers through major advertising campaigns.

2.3.5 Environment and sustainability

The PTA continues to identify opportunities to maximise sustainability in delivering public transport services.

In 2019-20, we:

- Developed an online training module for the PTA Environmental Management Systems (EMS) Manual for staff and contractors.
- Progressed the implementation of the METRONET Sustainability Strategy as part of the PTA's involvement in planning and delivering key priority METRONET projects.
- Continued the PTA Water Efficiency Management Plan at the Public Transport Centre (PTC) and Claisebrook Depot.
- Sustained real-time monitoring of the 73 water data loggers installed at train stations for early detection of water leaks.
- Continued incorporation of water efficiency into infrastructure design such as recycled water and reverse osmosis at railcar washing facilities.
- Installed solar panels at Mirrabooka Bus Station and Transwa's Albany Road Coach Station, contributing to ongoing energy-use reduction.
- Introduced a centralised waste management system at the PTC to include co-mingle recycling and the segregation of organics and batteries from the waste stream.
- Developed Water Sensitive Urban Design Guidelines for Public Transportation Infrastructure in Western Australia.
- Conducted a Climate Change Network Vulnerability and Risk Assessment to develop a Climate Change Resilience Framework for TTO's rail network.

2.4 Infrastructure delivery

As well as providing world-class public transport services, we strategically plan and manage our land and physical assets and deliver the infrastructure required to meet current and future transport demands.

We also invest heavily in maintenance and upgrades to improve our system's safety, efficiency and resilience.

2.4.1 Planning for the future

Rail engineering and infrastructure planning

IPLS' rail engineering and planning expertise provides design solutions with sufficient detail to determine feasibility, inform planning and investment decisions and underpin costing and scoping of the state's public transport strategies.

Part of the IPLS team is still embedded within the METRONET Office to develop the business cases and PDPs (project definition plans) for the Government's program of METRONET projects, while others have been relocated back to the PTC following projects being handed over for delivery.

IPLS also provides long-term strategic planning and operational analysis for the broader public transport network, and advice across the Transport Portfolio, State Government more broadly and to external third parties about improving public transport services and utilisation.

Rail planning activities

- Morley-Ellenbrook Line project listed on the Infrastructure Australia Infrastructure Priority List.
- Produced required PDP for the priority METRONET project Morley-Ellenbrook Line.
- Completed business cases for extension of the Armadale Line, including a new station at Byford, and for a new station in Midland.
- Completed a program-level business case strategy for the Platform and Signalling Upgrade Project, as part of future planning to operate six-car trains on the Armadale, Midland and Fremantle lines, and increase signalling capacity up to 15 trains per hour (one train every four minutes).
- Completed analysis of station internal capacity and performance, considering forecast future passenger volumes for stations on the Mandurah Line.
- Developed a long-term level crossing removal masterplan for vehicle crossings on the Midland and Fremantle lines.
- Completed Station Access Strategies for individual stations and progressed Line Level Strategies as part of the Station Access Improvement Program.
- Planning for and early stakeholder engagement as part of a business case to assess possible relocation of the Indian Pacific terminus from East Perth to Fremantle.
- Progressed planning for capacity upgrades to public transport (bus) interchanges at Stirling Station and Canning Bridge Station.

Rail engineering activities

- Provided conceptual rail infrastructure designs and requirements definition for the METRONET program of projects.
- Developed detailed designs of crossovers and turnouts at key locations to support current and future PTA operational and maintenance requirements on the passenger rail network.
- Supplied engineering expertise and technical support for upgrades on both the freight and passenger rail networks.
- Maintained an engineering assurance framework for IPLS-related designs.

Land and property management

The Land and Property Services branch manages the PTA's extensive land assets, including maintenance (within non-operational railway land), acquisition, disposal, leasing, architectural heritage and approval of third-party access on passenger and freight rail corridors.

Achievements in 2019-20 include:

- Progressed land acquisition for METRONET projects in collaboration with the Western Australian Planning Commission where required, including the Morley-Ellenbrook Line, Yanchep Rail Extension, Thornlie-Cockburn Link, Forrestfield-Airport Link, Lakelands and the new Midland Station.
- Obtained valuations and continued to provide specialist land advice and project support to PTA and METRONET projects.
- Following a competitive tendering process, entered into a new three-year Property Management Contract with Burgess Rawson for the management of third-party revenue leases.
- Generated revenue of more than \$13 million from leasing of land, including implementation of COVID-19 rent relief for small business and not-for-profit organisations.
- Carried out inspections of disused rail lines and developed maintenance program for 2020-21.
- Finalised freeholding of the Albany Aurizon Depot, associated with the sale of the freight rail business and continued to progress freeholding for the remaining five depots.
- Assisted with the transfer of the Toodyay footbridge to the Shire of Toodyay.
- Processed approximately 200 third party applications for works in the rail corridor.
- Developed GIS (geographical information system) requirements for IPLS.
- Developed Local Scheme Amendment for Geraldton remnant line to enable disposal of land.
- Finalised KPMG Audit – Management of Third Party Works (application process).
- Secured lease of 34 Stirling Street, Perth for the PTA/METRONET OMTID Project office.

Environmental management

Strategic environmental planning and management activities in 2019-20 included:

- Significantly increased the size of the branch to resource METRONET projects.
- Obtained State and Commonwealth environmental approvals for the Yanchep Rail Extension (Part 2) – Eglinton Station to Yanchep Station and the Thornlie-Cockburn Link.
- Started the environmental and Aboriginal heritage approvals processes for the Morley-Ellenbrook Line. Accelerated the approvals timeframe by 12 months.
- Produced the first annual report for the METRONET Gnarla Bidji Aboriginal Engagement Strategy.
- Started implementation of the METRONET Sustainability Strategy.
- Investigated and/or remediated 25 contaminated sites across WA.
- Removed asbestos from three sites as part of the PTA's strategy to inspect regional and metropolitan assets to reduce ongoing obligations.
- Prepared monthly out-of-hours noise management plans for track, structures and overhead line maintenance work for submission to local councils.

Looking ahead

Environmental management

- Obtain required environmental approvals/permits for remaining METRONET projects (subject to final Government investment decisions), including the Morley-Ellenbrook Line, Byford Rail Extension, Level Crossing Removals and Karnup Station.
- Secure environmental offsets for METRONET projects.
- Continue to implement METRONET Gnarla Bidji and Sustainability Strategies.
- Continue contaminated sites and asbestos remediation program.
- Secure permanent environment branch structure and resources.
- Focus on documenting environment branch processes and procedures.

Rail planning

Long Term Network Strategy

- Ongoing development of the Rail Growth Plan – the PTA’s long-term strategy for the rail network.
- Complete analysis of station internal capacity and performance considering forecast future passenger volumes for Joondalup, Armadale, Midland and Fremantle lines.
- Produce strategic operational planning documents to inform project development and long-term planning within IPLS and across the PTA.

METRONET

- Progress and finalise PDPs for the priority METRONET projects under development, including Midland Station Relocation, Level Crossing Removal projects on the inner Armadale Line, and Byford Rail Extension.
- Progress the closure of Caledonian Avenue level crossing with appropriate stakeholders.

Platform and Signalling Upgrade Project

- Prepare and submit a Stage 1 Business Case to Infrastructure Australia.

Rail engineering

- Provision of engineering support for METRONET projects.
- Provision of engineering support for the replacement of PTA track infrastructure.
- Furthering engineering assurance practices to ensure quality of design deliverables.

Land and property management

- Undertake maintenance program on the disused lines.
- Provide ongoing project support, land acquisition, leasing and specialist land advice for PTA and METRONET projects including the Morley-Ellenbrook Line, Denny Avenue, Bayswater Station Upgrade, new Midland Station, Claremont Station and the Level Crossing Removal Program.
- Rezone Geraldton remnant line to develop plan of subdivision for disposal.
- Increase new leasing opportunities, optimise leasing revenue and mitigate impacts on tenants as a result of COVID-19.
- Manage third-party access applications in a timely manner.

2.4.2 Major projects

Major Projects is responsible for the delivery of complex, high-value, high-risk infrastructure projects to operate and grow the State’s public transport network.

During the year, responsibility for the delivery of a number of major projects was transferred to a newly-created Office of Major Transport Infrastructure Delivery (OMTID). Other key projects remain the responsibility of the Major Projects division.

While a number of METRONET projects are still in a phase of planning or procurement, there are several key projects in delivery with progress being achieved in 2019-20.

The table below summarises some of our major projects.

Project	The Vision	Progress in 2019-20	Next Steps
Forrestfield-Airport Link Budget: \$1,861m	Extend the public transport network and increase the level of rail and bus services to the eastern suburbs and foothills.	All tunnelling complete in April 2020. Finalisation of procurement and then commence installation of railway systems. Ongoing work on three stations and start of construction of multi-deck carpark at High Wycombe.	Construction complete by mid-2021 then commissioning and commencement of services at end 2021.
Radio Systems Replacement Budget: \$138.1m	Replacement of obsolete technology with new digital radio system. Provides a platform for future rail technology systems which require enhanced and secure radio communications.	Design, Build and Maintain contract will no longer proceed due to U.S. government trade restrictions affecting the ability of Huawei to deliver key components of the system.	New arrangements for delivery of the digital radio system are being developed.
Kenwick Facility Budget: \$114m	Secure a freight rail facility in Kenwick to address future network needs. New facility permits transfer of leased freight rail functions from Bellevue to Kenwick. Budgeted under future urban railcar procurement.	Bulk earthworks and drainage works continue. Procure contractor for the track and facilities works for the Intermodal Facility.	Complete earthworks, track and building works and commission the facility to enable relocation of ARC Infrastructure equipment and facilities from Bellevue to Kenwick.
Lakelands Station Budget: \$82m	Provide a new station on the Mandurah Line to provide accessibility for users in Lakelands and suburbs immediately north of Mandurah.	Planning phase complete. Procurement through an Early Contractor Involvement (ECI) process started. Site investigations and early works.	Award design and construction contract before the end of 2020.
Mandurah Station Multi-Storey Car Park Budget: \$32m	To provide additional parking capacity and to future-proof access to public transport for communities locally and across the Peel Region.	Design and Construct contract awarded in May 2020.	Completion due in 2021.

2.4.3 Office of Major Transport Infrastructure Delivery

The Office of Major Transport Infrastructure Delivery (OMTID) was established in May 2020 to take over control and management of the delivery of a suite of major road and rail projects.

The strategic formation of OMTID as a central office brings together expertise in project management from both the PTA and Main Roads into a major infrastructure delivery focussed group.

The PTA projects transitioned to OMTID for delivery include the Thornlie-Cockburn Link, Yanchep Rail Extension and Morley-Ellenbrook Line, the Bayswater Station Upgrade Project, Denny Avenue grade separation and the other level crossing removal projects, and the Byford Rail Extension.

Key achievements

Project	The Vision	Progress in 2019-20	Next Steps
Yanchep Rail Extension (YRE) and Thornlie-Cockburn Link (TCL)	<p>YRE: Extension of the Joondalup Line to emerging population growth areas.</p> <p>TCL: Connection of the Mandurah Line to the Thornlie Line. First stage of a potential orbital rail network.</p>	<p>Alliance contract awarded in December 2019.</p> <p>Alliance mobilisation complete with design under way.</p> <p>All environmental approvals complete.</p> <p>YRE forward earthworks continuing.</p>	<p>Transferred to OMTID in May 2020.</p> <p>Completion for YRE due in mid-2022.</p> <p>Completion for TCL due in 2023.</p>
Denny Avenue Level Crossing Removal	<p>Removal of a dangerous level crossing, installation of a new road under rail underpass and Kelmscott station precinct improvements. Funded under Level Crossing Removal Program.</p>	<p>A combined rail and road works design and construct contract awarded in May 2020.</p> <p>15% design has commenced.</p>	<p>Transferred to OMTID in May 2020.</p> <p>Finalise detail design.</p> <p>Site mobilisation scheduled for Sep 2020.</p> <p>Completion due in 2021.</p>
Bayswater Station Upgrade	<p>Substantial station redevelopment to facilitate rail junctions and urban renewal. Turnback facility for future Airport Line and Morley-Ellenbrook operations.</p>	<p>Alliance contract awarded in May 2020.</p> <p>Alliance mobilisation complete with design under way.</p> <p>Forward works Meltham and Ashfield car parks under way.</p> <p>Main cable route relocation contract awarded and works commenced.</p>	<p>Transferred to OMTID in May 2020.</p> <p>Finalise detail design.</p> <p>Completion for Bayswater Station Upgrade due in mid-2023.</p>
Morley-Ellenbrook Line	<p>Extends the public transport network and increase the level of rail and bus services to the north eastern suburbs connecting Ellenbrook to the city.</p>	<p>Procurement of the main works through competitive alliance commenced January 2020.</p> <p>Project Definition Plan finalised April 2020.</p> <p>Two proponents shortlisted April 2020 to commence alliance development phase.</p>	<p>Transferred to OMTID in May 2020.</p> <p>Award alliance contract before the end of 2020.</p>

Looking ahead

- OMTID will continue to work to finalise the alliance contract for the Morley-Ellenbrook Line and to start procurement activities for the Level Crossing Removal Program scope and for the Byford Rail Extension.
- Work collaboratively with Main Roads WA and other Government Agencies to achieve successful project delivery.

2.4.4 Network maintenance and upgrades

Our N&I division manages our metropolitan rail infrastructure, the asset investment program, and delivery of Information Technology services.

Routine maintenance is carefully planned on our network so that our infrastructure is safe and reliable for employees and passengers.

Specific activities include:

- Signal and crossing maintenance and replacements.
- Track grinding and rail replacement.
- Upgrading and maintaining the passenger information systems such as displays and messaging systems.
- Overhead line maintenance and upgrades.
- Upgrading and improving accessibility of station facilities.

Key activities

- Successful trial testing of first phases of High Voltage (HV) electronic permitting.
- Creation of competence frameworks for authorised and nominated HV personnel, and Electrical Control Officer.

Upgrades

Most of the work undertaken in this area remains unseen by the public. However, the impact on our customers if the infrastructure fails is significant, and therefore it remains a key focus. A list of key projects is highlighted below.

Project	Progress in 2019-20	Next Steps	The Vision
Alkimos Bus Depot Budget: \$7.4m (Contribution from YRE)	Complete depot design	Obtain design approval, secure long-term lease of site, appoint construction contractor and start construction.	The bus depot is required as part of the Yanchep Rail Extension.
Arc Slot Controls Budget: \$2.1m	Installation of signalling and train control modification between PTA and Arc Infrastructure freight boundaries at Armadale – Mundijong and Fremantle – Robb Jetty.	Finalisation of interface agreements with Arc Infrastructure, then close out the project.	The project will enable a greater level of safety and train control in these areas for both the PTA and Arc Infrastructure while directing trains and undertaking track maintenance activities.
Bassendean Station Bicycle Access Route Budget: \$0.36m	Project was successfully completed in November 2019 at a cost of \$0.257m.	The project is now complete.	This project seeks to increase patronage by walking and cycling to rail stations and maximise use of existing facilities.

Project	Progress in 2019-20	Next Steps	The Vision
Bike Shelters Budget: \$2m	New bike shelters have been commissioned at: <ul style="list-style-type: none"> • Henley Brook • Wellard • Victoria Street • Victoria Park • Clarkson • Warwick • Cannington • North Fremantle • Beckenham 	The program is now complete.	The bike shelter program will significantly increase the number of secured bicycle parking spaces throughout the rail network by adding more than a thousand secure bicycle spaces.
Causeway West End Bus Priority Lanes Budget: \$0.8m	Complete construction.	Project complete.	The use of bus priority lanes makes bus services more attractive and journey times more efficient and reliable for passengers.
Cecil Avenue East Bus Priority Lanes including Continued Design of Seven Oaks Street Bus layover Budget: \$1.75m	Complete concept design.	Obtain final design approval, appoint construction contractor and start construction.	The use of bus priority lanes makes bus services more attractive and journey times more efficient and reliable for passengers.
Cecil Avenue West Bus Priority Lanes Budget: \$1.5m	Complete bus lane design, appoint construction contractor and start construction.	Project complete.	The use of bus priority lanes makes bus services more attractive and journey times more efficient and reliable for passengers.
Claremont Station Project Budget: \$75m (Including \$65m Forrestfield-Airport Link contribution)	Development application approved by WAPC. Start of enabling construction works.	Construction for main track and civil works along the rail corridor, underpass and station.	An upgraded Claremont Station and rail infrastructure to enable increased train service frequencies between the new Airport Line, Perth and Claremont stations.
DDA Station Upgrade Program Budget \$7.2m	Finalisation of concept design for major works at City West Station Twenty-two stations have had minor alterations to comply with DDA standards.	Project will go to tender under a D&C contract. Design will be finalised in FY20-21. Another 20 stations will undergo minor works to comply with DDA standards.	Compliance with current Disability Discrimination Act standard. City West will require extensive works such as an underpass and closure of two pedestrian crossings.
Electronic Permitting and Track Access Budget: \$4.29m	Developed system to improve planning and implementation of track access protection. Trials of the system have taken place on the Midland Line.	Tailor the solution to the emerging PTA system of safeworking. Trials will continue, increasing complexity of testing and extend to other lines until the system is ready for go live.	This project seeks to improve efficiency through increased transparency of trackwork planning as well as improvement of safety and communication through consistent implementation of track protection.

Project	Progress in 2019-20	Next Steps	The Vision
Escalator and lift replacement program: Elizabeth Quay and Perth Underground Budget: \$28m	Remaining three escalators commissioned during July/August 2019.	The program is now complete.	The escalator and lift replacement program better supports the movement of passengers throughout our stations particularly during peak hours due to variable operating speeds that can move up to 8000 passengers per hour with a required reliability performance level of 99.5 per cent.
Henley Brook Bus Station Budget: \$5.1m	Complete construction	Project is now complete.	The station has been designed to cater for the planned patronage growth in Henley Brook bus service area well into the future. The station has ten bus stands, bus driver amenities, public toilets, substantial park and ride, secure bike shelter, high-quality lighting, CCTV coverage and information and emergency help points.
Infrastructure Diagnostic Vehicle Budget: \$16.8m	Commissioning of the diagnostic systems is on-going and scheduled to be completed by the end of August subject to no recommissioning requirements. Post-commissioning, a phased rollout of the various systems will enable the PTA to mature with the data and diagnostic systems.	Commissioning will continue to achieve compliance with the PTA's technical requirements.	The IDV will analyse and produce rail infrastructure data (overhead and track) leading to a better understanding and management of asset performance. The data will alert the PTA to where it should focus its maintenance and will allow for better quality asset management plans within the next two to three years.
Joondalup Bus Depot Upgrade Budget: \$2.0m	Complete depot design and call tenders for works.	Appoint construction contractor and start construction.	Upgrade of bus depot to accommodate the trial of electric buses.
Moore St Crossing Closure Budget: \$1.386m	Crossing closed. Design finalised with MRWA and City of Perth. Construction started on the cul-de-sacs and surrounding areas.	Work will continue with completion expected June 2021.	The project will close the Moore Street crossing permanently, provide traffic management and improved public amenity in the area along with increased parking in the Pier Street car park.
Mount Claremont Bus Depot Budget: \$6.0m	Depot started operation on July 21, 2019.	Project complete.	The bus depot will help future-proof Transperth's bus operations, by ensuring as many bus depots as possible are owned by the PTA.
Nowergup Depot upgrade project Budget: \$13.9m	Track works, OLE and building works progressed.	Work will continue with completion expected January 2021.	The project will deliver an upgraded depot including a new building able to support the increase and upgrade of railcars within the PTA fleet.

Project	Progress in 2019-20	Next Steps	The Vision
Pinjarra Bus Depot Budget: \$2.6m	Depot started operation in February 2020.	Project complete.	The bus depot will help future-proof Transperth's bus operations, by ensuring as many bus depots as possible are owned by the PTA.
Procurement of Overhead Maintenance Vehicles Budget: \$3m	Requirements definition has been completed and project tender closed in May 2018. First OLE vehicle (SkyRailer) delivered in June 2019. Rapid response vehicle delivered in late June 2020. Rewiring unit tenders evaluated and recommendation report submitted.	Second SkyRailer to be delivered in July 2020; third and fourth by the end of December 2020. Award of contract for rewiring unit by end of August 2020.	Maintenance is a key function in keeping the trains running. This project is to ensure there are sufficient vehicles available to undertake maintenance of the overhead power supply.
Riverside Drive Bus Priority Lanes Budget: \$4.0m	Complete bus lane design, appoint construction contractor and start construction.	Complete construction.	The use of bus priority lanes makes bus services more attractive and journey times more efficient and reliable for passengers.
Upgraded platforms at regional stations Budget \$0.075m	Upgrades to North Dandalup and Cookernup stations completed and brought into service in December 2019, ahead of schedule.	Royalties for Regions Program is complete.	The upgraded platforms will comply with current Disability Discrimination Act standards for regional passengers.

N&I looking ahead

- Radio System Replacement will be introduced and N&I will be responsible for the ongoing maintenance of this new technology for the PTA.
- Preparing our people and processes for the expansion of the system as a result of METRONET.
- Ensuring that there is a clear competency and development path for everyone in N&I.



2.5 PTA - Our people

Our aim is to attract, develop and maintain a workforce with the right capabilities and attitudes. We do this by developing, attracting and retaining the right employees to meet our business needs.

The People and Organisational Development (POD) division provides strategic and operational labour relations, HR services and systems, workforce management, payroll and training services for the PTA while ensuring compliance with relevant legislation.

The PTA is a registered training organisation (RTO) under the Vocational Education and Training Act 1996 and trains its own railcar drivers, transit officers, infrastructure employees, and ticketing and customer service staff. POD also manages the PTA's graduate program, vacation students and trainee programs along with the contract management of the Employee Assistance Program.

Occupational groupings

- 56 per cent employed in operations which involve looking after the day-to-day processes of delivering our public transport system.
- 27 per cent employed in infrastructure which relates to construction and maintenance of tracks, signals, stations and other facilities which allow services to operate.
- 17 per cent support service delivery in the areas of contract management and procurement, lease management, safety, communication, policy development and implementation, and other corporate areas.
- Operational numbers at balance date include:
 - 392 transit officers
 - 309 train drivers
 - 218 customer and ticketing service staff
 - 91 construction project managers
 - 116 engineers
 - 64 contract administrators
 - 36 road coach operators
 - 20 signal and electrical technicians
 - 34 linespersons (electrical overhead)
 - 28 railway track maintainers
 - 24 train controllers

Key activities

Strategic people management

This year the focus has been on workforce planning and development to ensure the PTA has the required people to deliver the transport component of the Government's METRONET program of projects. The year saw a significant increase in recruitment, training, and professional development activities to ensure the required workforce is in place to support the future operation of the Forrestfield-Airport Link services and the opening of additional stations and services.

The emergence of the COVID-19 pandemic and response measures had a significant impact on the PTA workforce. POD took a lead role in supporting employees, and facilitating (in consultation with the relevant unions) major changes to working arrangements and rosters as the Government moved to reduce train services and then return to normal operations as the situation improved. Concurrent with these changes, the negotiation of replacement industrial agreements and various rostering and dispute resolution activities continued.

Recruitment and induction processes have increased significantly during the year as METRONET projects move to design and delivery phases of operations.

The PTA remains actively involved in addressing rail workforce attraction and skills requirements at both a state and national level. The division has worked closely with North Metropolitan TAFE to progress its METRONET training centre development and assisting in skills development for WA. POD's executive director is the current chair of the ARA Rail Workforce Development Committee (RWDC) – the driving force behind the initiation of the ARA Skills Capability Study released in November 2018. The PTA is working with the National Transport Commission and the Commonwealth Government to develop a National Rail Action Plan to address industry skills issues and training as part of a national approach.

Leadership and development

The PTA acknowledges the importance of leadership development at all levels by empowering individuals and teams to lead “from track to station to office.” The PTA aspires to a leadership approach that is values-based, collaborative, decisive, agile and system-focussed. Our 2020–2023 Leadership and Management (L&M) program recognises that leadership effectiveness is linked to better organisational performance. It focusses on the attributes of leading self, leading others, leading across the PTA and leading your business. The L&M program also includes professional coaching to support development. Formal and informal coaching supports experiential development and reinforces initiatives such as peer mentoring systems, on the job experiences and referrals to online resources.

In 2021, the PTA will again lead the delivery of the Transport Portfolio Leadership Development Program in which emerging leaders from the PTA, Main Roads WA and the Department of Transport work together to increase their leadership skills and complete corporate people management projects that are significant across the Portfolio.

Labour relations

The Labour Relations branch provides support to operational management through the provision of industrial relations advice, industrial and legal advocacy support, disciplinary process support and as a bargaining agent for the negotiation of industrial agreements.

The year has been busy for this branch, with the negotiation of a number of the PTA's current industrial agreements including:

- Transit officers
- TTO railway employees
- N&I railway employees

The branch also coordinates the review and release of a number of people-related policies. During the reporting period, the following policies were reviewed and endorsed:

- Overseas Travel
- Grievance Resolution
- Graduate Development Program
- My Action Plan
- Temporary Working From Home Policy

The branch undertook a review of rostering information and rostering instructions to inform the configuration of a new workforce management system (WMS) to replace the existing rostering system. Following implementation, it is expected that the WMS will provide an opportunity to streamline existing administrative processes in staff entitlement and rostering management.

Diversity and equal opportunity

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

Group	Representation
Women	26%
Employees of Aboriginal or Torres Strait Islander origin	0.8%
Employees with a disability	0.7%
Employees from a culturally-diverse background	19%

Through the 2018-2020 Reconciliation Action Plan (RAP), the PTA continued its journey to build strong, respectful and mutually-beneficial relationships and realise opportunities for improved economic participation with Aboriginal and Torres Strait Islander communities. More details on the PTA’s RAP initiatives can be found on the PTA website.

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

Djinang, moorditj bridiya warniny, ni, nidja bidi bokadja kalyakool moort koorliny

Health and lifestyle

To promote the importance of a balanced and healthy lifestyle, the PTA offers employees information and sponsored activities, support programs and encouragement to proactively manage their health and wellbeing. The modest Health and Wellbeing budget is efficiently managed to achieve maximum benefit to our employees.

This year the program included free flu vaccines and skin checks. Also trialled was a three-month online health, fitness and sleep challenge which attracted 31 teams from across all areas of the PTA.

Employees involved in critical incidents or who have other challenges have access to free confidential counselling and support services for themselves and their families through the PTA’s Employee Assistance Provider.

The PTA Peer Support Program offers targeted, practical and non-judgmental support to employees experiencing professional or personal pressure. This year, the program continued to expand and reached 50 volunteer peer supporters across various PTA locations and divisions, the highest number of employees who have volunteered since 2004. This group of employees are trained to provide this valuable support to their co-workers. During the COVID pandemic, peer supporters had to adapt to the restrictions and develop innovative initiatives to continue their important work in supporting their co-workers.



Service milestones

Our employees are key to our operations and we value their dedication and input in providing quality services for the public. This year, eleven awards recognising 30 years of service were presented to employees. In addition, there were eight awards recognising 40 years of service and two awards recognising 50 years of service, presented to the following employees:

Name	Position
50-year service awards	
Michael Fyt	Senior Signal Maintainer
Peter Dittmer	Customer Service Assistant
40-year service awards	
Garry Lovelock	Facilities Coordinator
Kim Martion	Railcar Driver
Gavin Hollis	Railcar Driver
John Slodecki	Signal Technician
Eric Scholte	Railcar Driver
Fernando Peca	Customer Service Assistant
Ignjat Zivkovic	Customer Service Assistant
Filippo Patorniti	Railcar Driver

Looking ahead

The year to come will see an increased focus on securing and training the necessary staff for the start of operations on the Forrestfield-Airport Link and growing demands as METRONET projects move to construction and delivery phases. All this is against the backdrop of supporting the Government's COVID-19 Roadmap priorities as we move into the recovery phase. The acceleration of key projects will add significantly to the important work currently under way including:

- Recruitment of required staff to oversee METRONET and other State recovery-initiated projects.
- Enhancing and implementing a PTA Workforce Management Plan with focus on operations post-METRONET construction.
- Implementation of a new workforce management system designed to work in conjunction with our train scheduling and HR information management systems. This will significantly increase the level of automation in the current rostering system.
- Continue to expand and enhance the competence and talent management approach for existing employees.
- Procure and implement a Learning Management System to comprehensively manage competence management, training and development and talent management at the PTA.

Case study: **Forrestfield-Airport Link tunnelling complete**

A major milestone was achieved on the Forrestfield-Airport Link when tunnel boring machine (TBM) Sandy broke through at Bayswater Junction in April, marking the completion of tunnelling for the project.

The 600-tonne, world-class machine spent a little more than 900 days tunnelling through varied and sometimes challenging conditions, reminiscent of its insect namesake, the sandgroper.

The milestone was achieved just two months after TBM Grace arrived at the same location in February.

The machines' journeys from High Wycombe to Bayswater took them underneath the Perth Airport runways and the Swan River. Together they installed 9000 tunnel rings made up of 54,000 locally-fabricated concrete segments to form the twin tunnels.

The completion of the tunnels was a significant achievement for this visionary project and a proud moment for the team. The machines have since been dismantled and farewelled.

As the page turned on tunnelling, a new chapter began for the project – telling the story of Western Australia's longest rail tunnels.

The 2020-21 financial year is set to be a busy one for the future Airport Line, when track laying and tunnel fit-out take centre stage and station construction approaches the finish line.

The continuation of works by the PTA and its contractors through COVID-19 was a timely reminder of the vital impact major infrastructure has in supporting the Western Australian economy.





Governance and compliance

3

3.1 Bus safety

Each bus depot was audited in accordance with the audit schedule with other site visits undertaken as required. These regular audits and inspections have continued to improve the safety management systems and the safety focus of contractors. Contractor LTI (lost-time injury) rates continue to be in line with or better than the industry standard.

The three contractors providing Transperth bus services have been re-certified to AS 4801 – Occupational Health and Safety Management Systems:

- Swan Transit, valid to February 2021.
- Path Transit, valid to July 2021.
- Transdev, valid to January 2023.

All three contractors are continuing the transition to being certified as compliant with AS/NZS ISO 45001 Occupational Health and Safety Management Systems, which will supersede AS4801.

3.2 Rail safety

We promote, administer and improve rail safety operations for our employees, contractors, stakeholders and the public.

Reporting of notifiable occurrences

Under the Rail Safety National Law (WA) Act 2015, specific railway safety incidents must be reported to the Office of the National Rail Safety Regulator (ONRSR). These “notifiable occurrences” are defined by the Rail Safety National Law (WA) Regulations 2015 as Category A (causing death, serious injury, or significant property damage) or Category B (incidents that have the potential to cause a serious accident). They do not cover non-rail operations.

Projected targets were established on estimated passenger boardings and train kilometres. These estimates were derived on normal operating conditions, which were significantly disrupted by the COVID pandemic, with a corresponding impact on our ability to reach targets.

Reporting of notifiable occurrences

KPIs	Measures	Target	Results	Level of Achievement	Status	Notes
Safety incidents per million passenger and kilometre decrease	Notifiable occurrences Category A per million passenger boardings	0.27	0.40	+ 48%	Desired results not achieved – taking action	Ref #1
	Notifiable occurrences Category A per million train kilometres	0.76	0.85	+ 12%	~ Desired results not achieved – taking action	Ref #2
	Notifiable occurrences Category B per million passenger boardings	16.06	36.04	+ 124%	Desired results not achieved – taking action	Ref #3
	Notifiable occurrences Category B per million train kilometres	45.01	76.74	+ 71%	~ Desired results not achieved – taking action	Ref #4
Obligations under the lease are adhered to	Lease breaches	0	0	100%	+ Met Target	
	Five-year independent audit	Next audit due 2020	NA	5%	Planning commenced for 2020 audit	

Key + Met Target ^ Close to Target ~ Desired results not achieved–taking action

Notes

Targets are set as an aspirational 10 per cent reduction on the average of the previous five years' results.

An increase of Category Bs has been a historical trend, with total occurrences increasing over the past five years. Improvements in reporting, including changes to categorisation, saw an increase in this year's total Category B results with 1798 notifiable occurrences, compared with 1585 in 2018-19.

COVID pandemic concerns and the associated cancellation of community events that would usually bolster the daily commuter figures resulted in a significant reduction in the passenger boarding numbers on metropolitan services for the months of March, April, May and June 2020. The introduction of intrastate travel bans also resulted in Transwa passenger numbers being reduced, with all these factors having a dramatic effect on the level of achievement attained this year.

Ref #1

Category A per million passenger boardings benchmark value

This target of 0.27 per million passenger boardings (pmpb) was set at the beginning of the year, based on estimates of Transperth and Transwa train boardings totalling 62.355m (total train boardings at year's end were 49.8m).

There were 20 Category As, compared with 18 in 2018-19. Though over target, there was an increase in the incidence of Category As (0.40pmpb vs 0.29 last year) and an increase in the level of achievement over target (from 27 per cent to 48 per cent).

Ref #2

Category A per million train kilometres benchmark value

This target of 0.76 was set at the beginning of the year, based on projected estimates of Transperth and Transwa train kilometres totalling 22.496m (train kilometres at year's end was 23.350m).

Ref #3

Category B per million passenger boardings benchmark value

The target for this year was not met due to a large increase in the number of Category B incidents reported, in particular Rolling Stock Irregularities.

The following categories showed increases: Trespass (559 vs 743), Track and Civil Irregularities (12 vs 25), Vandalism (98 vs 117) and Rollingstock Irregularities (18 vs 250). There were some decreases in a number of incident categories such as Level Crossing Occurrences (290 vs 492).

Ref #4

Category B per million train kilometres benchmark value

This target of 45.01 was set at the beginning of the year, based on projected estimates of Transperth and Transwa train kilometres.

Rail safety initiatives

Strategies to reduce trespass

- Review of all reported trespass incidents and provision of additional station staff at locations with higher reported incidents of trespass.
- Continued investment in a targeted public campaign using social media, highlighting the dangers of trespassing.
- Provision of additional station staff at key locations during special events held at Optus Stadium.
- A proposal to increase fines to deter risky behaviour on WA's rail network is in progress. The bill is going through Parliament.
- Using transit officers to build relationships with high-risk demographics through social activities, to highlight the dangers of trespassing, such as the Right Track program and the PTA's Stay off the Tracks initiative. This includes urban art projects, community events, TO engagement activities, youth workshops and participating in committees and networks.
- Community engagement strategies including:
 - Right Track program coordination, with rail safety ambassador and double amputee Jonathan Beninca presenting to schools and youth organisations across the

metropolitan area (curtailed by COVID restrictions).

- Corporate Communications participation in the review of educational resources, mapping them against the new Australian Curriculum Framework.
- TO engagement with at-risk youth through a reward card campaign, rewarding youth for demonstrating safe behaviours around the rail network.
- TTO reviewing security options at railcar depots and sidings to reduce trespass/graffiti incidents.

Strategies to reduce slip trip or fall incidents

- Improved signage on escalators at Perth Underground Station.
- Improved communication between PTA and disability service providers to enhance support provided to patrons requiring assisted travel.

Strategies to reduce level crossing incidents

- Continued support of media campaign to highlight the dangers of vehicles at level crossings and trying to beat boom gates.
- Continued support of the TrackSAFE Level Crossing Safety Forum and campaigns.
- Closure of Moore Street level crossing in Perth.

Strategies to reduce suspected/attempted suicides

- Continued training for TOs to identify at-risk behaviours so they're able to intervene to de-escalate the incident. This is embedded in initial training and requalification.
- Ongoing training for CMR operators to identify at-risk behaviours and relay this information to mobile or stationed TOs who can intervene.

Strategies to enhance rail safety

- Targetted campaign at Shenton Park Train Station to manage the mass movement of school children leaving Shenton College at the end of the school day.
- SWIP was developed to review safe working at the PTA as the PTA rail network grows. To establish positive safety performance the future of operations must be planned and supported now. The PTA has initiated four streams of work to meet safety obligations: Network Control Work Program, Network Rules and Procedures, Track Safety and General Safety. Each stream has dedicated members and resources to ensure and drive continuous improvement. Initiatives include:
 - Safety Culture Survey
 - Review current Safeworking Rules and Procedures
 - Network Rules working groups review existing rules
 - Implement a Safe Working Mentoring Program
 - Develop and implement a Safe Working Governance Process
 - Simplifying the Work on Track process
 - Resourcing and implementing Rail Safety Coaches
 - Review Network Control, recruitment, training and operating instructions for Network Control
- A safety assurance framework has been developed to align with industry best practice and ensure our system is safe for our employees, contractors and customers. The Electronic Permit Access System (EPAS) has progressed and desk-top trials began throughout the year.

3.3 Occupational safety, health and injury management

OSH performance

KPIs	Measures	2016-17	2017-18	2018-19	2019-20	Target	Level of Achievement
	Lost-time injury/disease (LTI/D incident rate)	3.94	3.61	5.32	5.26	3.4	~ Desired results not achieved – taking action
	LTI severity rate	31.52	20.49	35.00	30.47	22.2	~ Desired results not achieved – taking action
OSH	% of injured workers returned to work within (i) 13 weeks	67.6%	70.88%	70.93%	62.36	Greater than or equal to 80% return to work within 26 weeks	+ Met Target
	and (ii) 26 weeks	82.43%	81.01%	84.88%	82.79		
	Number of fatalities (employees/contractors)	0	0	0	0	0	+ Met Target

Key + Met Target ~ Close to Target ^ Desired results not achieved–taking action

Organisational commitment to safety and health

Safety is a core value and was a continued focus throughout the year. The provision of a healthy and safe workplace – under the banner Everyone Home Safe Every Day – is the prime responsibility of everyone in the PTA. A workplace where management and employees are committed to safety is integral to delivering safe and customer-focussed public transport.

The PTA strives for safety excellence in its activities at all levels and enlists the support and cooperation of all personnel in developing solutions to eliminate unsafe conditions and practices. Management (all levels) has primary responsibility for the provision of a safe and healthy workplace for all personnel under their control. From Executive down, the PTA actively supports the development and monitoring of safe working practices by providing resources to undertake monitoring, auditing and consultation.

About 75 per cent of supervisor/managers have undergone training in occupational safety, health and injury management responsibilities.

The PTA's cross-divisional, divisional and branch/site OSH management committees facilitate employer-employee consultation and cooperation in initiating, developing, implementing and making recommendations for improvement to the PTA's SMS.

Health assessment standards

All employees who have track access continue to be monitored and reviewed in accordance with the National Standard for Health Assessment for Rail Safety Workers.

HSE management system

Our Health, Safety and Environmental (HSE) system is continually monitored and reviewed, with a comprehensive and strategic audit program and dedicated rail safety compliance personnel to certify it remains compliant and effective. The audit process provides feedback, identifies areas for improvement and ensures corrective actions are implemented, monitored and reviewed. The National Rail Safety Legislation requires the PTA to conduct an annual safety management system review. The PTA has undertaken an exercise to map the existing policies, procedures and documentation against the Australian Standard AS/NZS ISO 45001 – Occupational Health and Safety Management Systems. Where deficiencies were identified in the PTA's policy, procedures and documentation, these gaps will be addressed and appropriate changes made during the scheduled document review cycle.

Our integrated HSE system was improved to make it easier to identify and report Category A incidents.

The HSE system extends to contractors so that they understand PTA safety requirements, which in turn reinforces our commitment to safety. An audit of the PTA third-party operators was carried out this year to review the organisation's safety management systems and maintenance process for rollingstock that operates on the PTA network.

The ONRSR also regularly inspects sections of the HSE management system throughout the year.

Reporting systems

We have two reporting systems to identify incident trends, perform trend analysis and implement corrective actions.

STARRS enables the reporting, recording and analysis of hazards, near misses, incidents, health assessments, injuries and workers' compensation claim data. IFRS enables the reporting and recording of rail-related incidents, particularly occurrences notifiable to the ONRSR.

There is an ongoing project to replace the two systems with an integrated reporting and analysis system.

Injury management

We are committed to reducing work-related injury and illness, and our prompt and efficient management of work-related injuries enhances a safe and healthy workplace.

Our program helps injured workers return to work as soon as medically appropriate and adheres to the requirements of the Workers' Compensation and Injury Management Act 1981. Supervisors, managers, divisional safety representatives and executive management actively support injured workers by ensuring suitable duties are available to meet medical conditions whenever possible.

Though we have met our target of returning 80 per cent of injured workers to work within 26 weeks, there was a slight decrease from the previous year's level (82.79 per cent, compared with 84.88 per cent previously).

3.4 Internal Audit and Risk management

Audit Committee

The Audit Committee provides independent corporate governance and oversight to the Accountable Authority in areas including financial reporting, annual reporting, external and internal audit, risk management and internal control, compliance, fraud and corruption. The committee meets on a quarterly basis.

In May 2020, Julie De Jong, an executive director with the Department of Mines, Industry, Regulation and Safety, was appointed as the independent chair of PTA's Audit Committee for three years. The committee also includes various independent members, including:

- An external independent member appointed in July 2019
- The Executive Director, Finance and Commercial Services, Main Roads as the cross-Portfolio representative
- The PTA's Executive Director, Safety, Freight and Business Management Systems

The committee has a number of additional attendees, invited as guests and observers. These include:

- The Chief Executive Officer of the PTA (also the Accountable Authority)
- A representative of the Office of the Auditor General
- The Managing Director of the PTA
- The General Manager, Network and Infrastructure
- The General Manager, Transperth Train Operations
- The Executive Director, Finance and Contracts
- The Executive Director, Transperth RSBS
- The Manager, Audit and Risk

Internal Audit

The PTA's Internal Audit Charter outlines the objectives, independence, status, reporting arrangements and role of the internal audit function as conferred by the Audit Committee. The Charter is aligned with the Treasurer's Instructions and with the latest guidance from the Institute of Internal Auditors.

The primary purpose of internal audit is to provide independent and objective assurance to the Accountable Authority and management, to add value and improve the PTA's operations. Until 2020 the PTA's internal audits had been conducted independently by KPMG, in accordance with the Financial Management Act 2006. In the year under review, six internal audits were conducted.

Subsequent to balance date (in July 2020) the PTA appointed a Manager of Audit and Risk to manage the internal audit function, with a direct functional reporting line to the Audit Committee to ensure independence and objectivity in the delivery of a risk-based internal audit program.

Risk Management

Risk management is crucial to achieving the PTA's purpose of providing safe, customer-focussed, integrated and efficient transport services. The PTA is aware that success in managing risk is closely aligned to the effectiveness of a framework to provide the Governance, Risk and Compliance (GRC) foundations and arrangements.

The PTA's Executive and senior management are committed to ensuring that risk management is well embedded in the organisation, providing best practice in decision-making, business management and corporate governance. Effective risk management is evident when strategic, operational and project risks are proactively identified, assessed and controlled, with opportunities being recognised and capitalised on.

There is ongoing commitment to maintain awareness and education among employees and contractors in order to proactively identify, manage and monitor risk. It is important to note that risk management is not just about tools and techniques; it is about the corporate culture and the mindset of management and employees.

Risk management initiatives in 2019-20 included:

- Significant review and update to the Risk Management Policy and newly-relabelled Risk Management Handbook, previously referred to as Guidelines. These updates will ensure business strategy development, projects and daily operations continue to be underpinned by robust risk management practices.
- A project to source and implement a new PTA risk management system to replace the current GRC Manager system. Scheduled completion date April 2021.
- Significant review and update to the risk management in-house training material to ensure a more structured and interactive format is being delivered, both face-to-face and on-line.
- Ongoing structured quarterly meetings of the Divisional Risk Coordinator and Strategic Risk Management Groups. Quarterly risk reporting to executive management and divisions.

3.5 Freight corridor lease agreement compliance

Freight Network Management

Activity in 2019-20 focussed on appraising and consolidating the Lease Management Plan for the freight rail corridor. This was achieved by the introduction of the Freight Information Management System and ensuring that the Lease Management Plan was still the appropriate tool to realise this initiative.

Freight Information Management System

Rail Network Information System (now Freight Information Management System) went into production in December 2019. The system allows the user to access all Freight Lease documentation and data retained since the sale of Westrail Freight in December 2000. Also included are:

- An automated notification process linked to the Lease Management Plan
- A database containing information provided by the Lessee in the Annual Corridor Minister's Report (trains run, tonnages over each line section, gross tonne kilometres) and five-yearly maintenance plans data
- A register of Westrail Freight Sale files with hyperlinks to documentation with the original residing within FIMS.

Lease monitoring

The PTA Lease Management Plan audit was closed out.

The five-yearly independent review of the Initial Performance Standards was undertaken on operational lines in December 2019.

An Engineering Assessment of the Tier 3 freight lines started in June 2020. The scope requires:

- Evaluation of the rail infrastructure and provision of a detailed assessment of current condition
- Detailed costs to rehabilitate the rail infrastructure to support trains operating at 19t axle load at 80kmh
- Detailed costs to bring the rail infrastructure back to initial performance standards in line with Schedule 4 of the lease.

Third-party Access

Third-party documentation was reviewed and a Freight Third-party Access Manual was developed.

Significant work was undertaken with stakeholders to blend the requirements of third-party operators, TTO and N&I maintenance commitments to achieve a mutually-beneficial freight timetable. The result was an increase in the percentage of TEU (twenty-foot equivalent) containers on rail into Fremantle Port.

A new access agreement was executed with Arc Infrastructure.

3.6 Other legal and policy requirements

Information and records management

As part of our commitment to best practice information and records management in compliance with the State Records Act 2000, the PTA's Retention and Disposal Schedule was approved by the State Records Commission in August 2019. In addition, the PTA has implemented an Information Management Policy and is developing an information management framework. The framework has been built upon via the Digital PTA programme of works, which has delivered:

- an Electronic Authorisation and Signatures Policy
- a technical standard and updates to the Records Management Manual to enable compliance to the State Records Commission's General Disposal Authority for Source Records
- a tool to enable business system owners to self-assess their systems for compliance to information and records management.

As part of ongoing improvement, the PTA's online record-keeping training was overhauled and relaunched in August 2019 under the new name of Information Management Awareness Training (IMAT). As part of the IMAT implementation, a five-year refresh cycle was applied to ensure staff are regularly reminded of their responsibilities. Over 300 new staff have completed the relaunched IMAT course, and nearly 200 have completed the course as a refresher.

Due to the proposed WA Information Classification Policy, the PTA is preparing for changes by reviewing the Information Security Policy, the IMAT and the EDRMS training to incorporate the classifications, emphasise information security and increase synergy between the courses. Additional work is planned for 2020-21 to strengthen the security within the EDRMS.

The PTA's EDRMS has 1440 active users, and stores more than five million documents. In 2019-20, the following were undertaken:

- ~1.026 million documents and emails were created
- ~1.5 million document versions were created
- ~40,000 files were created
- ~100,000 workflows were run
- ~755,000 searches were performed
- ~400 new and existing staff were trained in the use of the EDRMS

The following information is provided in accordance with the State Records Commission Standard 2, Principle 6:

- the PTA will be evaluating the efficiency and effectiveness of the record-keeping system in the next financial year
- record-keeping training is provided online at the start of employment and recurs every five years
- the efficiency and effectiveness of the record-keeping training program has been reviewed as previously detailed
- the PTA undertakes induction on a weekly basis where employees are advised of their roles and responsibilities for records management.

Compliance with public sector standards

The PTA's human resource management policies and practices are subject to ongoing review and, in accordance with section 31(1) of the *Public Sector Management Act*, comply fully with the public sector standards in human resource management.

Compliance with relevant written law

Enabling legislation

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

Legislation impacting on the PTA's activities

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

Financial Management Act 2006 (WA); Electoral Act 1907; Equal Opportunity Act 1984; State Superannuation Act 2000; Heritage of Western Australia Act 1990; Freedom of Information Act 1992; State Supply Commission Act 1991; Public Sector Management Act 1994; Western Australian Jobs Act 2017; Disability Services Act 1993 (Cth); Rail Safety National Law (WA) Act 2015; Railways (Access) Act 1998; State Trading Concerns Act 1916; Occupational Safety and Health Act 1984; Environmental Protection Act 1986; Contaminated Sites Act 2003; Auditor General Act 2006; State Records Act 2000; Salaries and Allowances Act 1975; and Public Interest Disclosure Act 2003.

Other various Agreements/Acts and written laws impact on the PTA's activities from time to time.

In the financial administration of the PTA, we have complied with the requirements of the *Financial Management Act 2006 (WA)*. We have also complied with every other relevant written law and exercised controls to provide reasonable assurance that the receipt and expenditure of moneys, the acquisition and disposal of public property and the incurring of liabilities have been in accordance with legislative provisions.

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



Peter Woronzow
Accountable Authority
7 September 2020



Jeffrey Steedman
Chief Finance Officer
7 September 2020

Expenditure on advertising, market research, polling and direct mail

In compliance with section 175ZE of the Electoral Act 1907, the following table reports our expenditure on advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

	2019-20 \$
Expenditure with Advertising Agencies:	
Rare Creativethinking	377,706
Gatecrasher Advertising Pty Ltd	303,679
Ad Capital Advertising Pty Ltd	199,606
Initiative Media Australia Pty Ltd	133,635
Facebook	60,783
Pamphleteers	56,600
Linkedin	45,408
Quick Mail	33,680
Sam Field	25,630
Definition Pty Ltd	15,020
Railway Gazette Group	14,188
Cooch Creative	9,630
Google	7,200
Grad Connection Pty Ltd	3,995
	1,286,760
Expenditure with Market Research Agencies:	
Painted Dog Research	185,280
Metrix Consulting	37,580
	222,860
Expenditure with Polling Agencies:	Nil
Expenditure with Direct Mail Agencies:	Nil
Expenditure with Media Advertising Agencies:	
Carat Australia Media Services	168,205
Initiative Media Australia Pty Ltd	84,702
Big Head Digital	10,000
	262,907
Total Expenditure	1,772,527

3.7 Other governance and financial disclosures

Pricing policy

Government continued to maintain public transport fares at an affordable level.

The PTA reviews its fares annually. The fares are set by Government to ensure affordability for both metropolitan and regional West Australians.

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

Workers compensation

Seventy compensation claims were recorded during the year, compared to eighty-three in 2018-19.

Indemnification of Directors and Officers

The Authority provides a statutory indemnity for Directors and its Officers, and we also purchase Directors and Officers insurance.

Unauthorised use of credit cards

Some PTA officers hold corporate credit cards, but only where their functions warrant it. Despite each card holder being reminded of their obligations annually under the PTA credit card policy, there were ten instances where the Western Australian Government Purchasing Card has been used for a personal purpose. All transactions were settled within five working days after Finance became aware that the transaction was for personal use. There were no referrals for disciplinary action as the Chief Finance Officer noted prompt advice and settlement of the personal use amount, and, that the nature of the expenditures were immaterial and characteristic of honest mistakes.

	2020 \$
Aggregate amount of personal use expenditure for the reporting period	440
Aggregate amount of personal use expenditure settled by the due date (within five working days)	440
Aggregate amount of personal use expenditure settled after the period (after five working days)	0
Aggregate amount of personal use expenditure outstanding at the end of the reporting period	0

Explanation of major capital expenditure variations 2019-20

(a) Budgeted estimates and actual results for 2019-20

	Budget \$000	Actual \$000	Variation \$000	Comments
Forrestfield-Airport Link	263,789	250,252	13,537	Project Scheduling
Thornlie-Cockburn Link	103,678	56,340	47,338	Project Scheduling
Railcar Acquisition	82,965	31,812	51,153	Project Scheduling
Yanchep Rail Extension	64,145	50,250	13,895	Project Scheduling
Railcar Replacement (A-Series)	53,141	61,606	(8,465)	Project Scheduling
Radio Systems Replacement	49,858	4,930	44,928	Project Scheduling
Future Urban Railcar Procurement	36,956	17,372	19,584	Project Scheduling
New Bus Replacement Program	35,766	31,081	4,685	Project Scheduling
Level Crossing Removal Program	21,321	4,801	16,520	Project Scheduling
Smartrider System Asset Replacement And Technology Update	18,360	8,748	9,612	Project Scheduling
Lakelands Station	17,412	668	16,744	Project Scheduling
Morley-Ellenbrook Line Planning	15,871	13,829	2,042	Project Scheduling
Other	253,980	110,805	143,175	Project Scheduling
Grand Total	1,017,242	642,494	374,748	

Budget is reflective of the Public Transport Authority's published Asset Investment Program as at 30 June 2020*.

*reflects the approved Asset Investment Program position as at 2019-20 Mid-Year Review due to the prolonged 2020-21 Budget Process which will not be published until October 2020

(b) Major Works in progress and completed

Description of Work	2019-20 Estimated Total Cost \$000	Estimated Cost to Complete \$000	Total cost of project Actual \$000
Forrestfield-Airport Link	1,861,000	655,076	1,205,924
Railcar Replacement	1,059,500	995,569	63,931
Thornlie-Cockburn Link	716,050	641,165	74,885
New Bus Replacement Program	567,719	536,638	31,081
Railcar Acquisition	508,199	473,920	34,279
Yanchep Rail Extension	431,716	367,758	63,958
Level Crossing Removal Program - Inner Armadale Line	415,000	415,000	-
Future Urban Railcar Procurement	229,861	39,647	190,214
Bayswater Station (Morley-Ellenbrook Line) Forward Works	146,198	130,404	15,794
Radio Systems Replacement	138,074	111,596	26,478
Lakelands Station	82,000	80,744	1,256
Level Crossing Removal Program - Denny Avenue	70,716	62,638	8,078

3.8 Independent Auditor's Report

To the Parliament of Western Australia

PUBLIC TRANSPORT AUTHORITY OF WESTERN AUSTRALIA

Report on the financial statements

Opinion

I have audited the financial statements of the Public Transport Authority of Western Australia which comprise the Statement of Financial Position as at 30 June 2020, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Public Transport Authority of Western Australia for the year ended 30 June 2020 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of my report. I am independent of the Authority in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Chief Executive Officer for the financial statements

The Chief Executive Officer is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Authority.

Auditor's responsibility for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of my auditor's report.

Report on controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Public Transport Authority of Western Australia. The controls exercised by the Authority are those policies and procedures established by the Chief Executive Officer to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Public Transport Authority of Western Australia are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2020.

The Chief Executive Officer's responsibilities

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

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Public Transport Authority of Western Australia for the year ended 30 June 2020. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Public Transport Authority of Western Australia are relevant and appropriate to assist users to assess the agency's performance and fairly represent indicated performance for the year ended 30 June 2020.

Matter of Significance

The Authority received an exemption from the Under Treasurer from reporting the 'Level of overall customer satisfaction - customer satisfaction index: Country Passenger Rail and Road Coach Services' key performance indicator for the year ended 30 June 2020.

The exemption was approved because the Authority was unable to conduct its satisfaction survey for this indicator in the months of April and May due to COVID-19 pandemic restrictions. Consequently, the indicator has not been reported. My opinion is not modified in respect of this matter.

The Chief Executive Officer's responsibility for the key performance indicators

The Chief Executive Officer is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Chief Executive Officer determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Chief Executive Officer is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My independence and quality control relating to the reports on controls and key performance indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with *ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements and key performance indicators of the Public Transport Authority of Western Australia for the year ended 30 June 2020 included on the Authority's website. The Authority's management is responsible for the integrity of the Authority's website. This audit does not provide assurance on the integrity of the Authority's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/ from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version of the financial statements and key performance indicators.



Caroline Spencer

Auditor General

For Western Australia
Perth, Western Australia
11 September 2020

3.9 Key performance indicators

Relationship to Government Strategic Goals

The following table depicts the relationship between the Government's Strategic Goals and desired outcomes and services that the PTA provides in order to achieve those goals. The key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes. The key efficiency indicators monitor the relationship between the service delivered and the resources used to produce the service.

Government Strategic Goal	PTA Desired Outcomes	PTA Service Output
Better Places - A quality environment with liveable and affordable communities and vibrant regions.	Accessible, reliable and safe public transport system	1. Metropolitan and Regional Passenger Services 2. Country Passenger Rail and Road Coach Services 3. Regional School Bus Services
	Protection of the long term functionality of the rail corridor and railway infrastructure	4. Rail Corridor and Residual Freight Issues Management

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

Financial targets: Actual compared to budget targets

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

	2020 Target (1) \$000	2020 Actual \$000	Variation (2) \$000	Notes
Total cost of services (expense limit (sourced from Statement of Comprehensive Income))	1,634,398	1,601,259	(33,139)	(a)
Net cost of services (sourced from Statement of Comprehensive Income)	1,297,252	1,343,942	46,690	(b)
Total equity (sourced from Statement of Financial Position)	7,866,764	7,923,511	56,747	(c)
Approved salary expense level	193,648	188,386	(5,262)	
Agreed borrowing limit (where applicable)	2,603,040	2,553,552	(49,488)	(d)

(1) As specified in the revised Resource Agreement.

(2) Further explanations are contained in notes 10.12 'Explanatory statement' to the financial statements.

(a) Total cost of services (expense limit) decreased by \$33.1 million. The variation is mainly a result of lower costs due to reduced services resulting from COVID-19 and lower interest costs.

(b) Net cost of services increased by \$46.7 million mainly a result of lower cost and revenue of public transport services as a result of COVID-19, lower interest cost, the deferral of one-off income from Western Australian Planning Commission for the METRONET –Yanchep Rail extension project and reduced income from free parking at train stations.

(c) Equity increased by \$56.7 million. The variation is mainly due to transfers of assets between Government agencies.

(d) The agreed borrowing limit decreased by \$49.5 million due to a reduction in borrowings as a result of deferrals in expenditure of the Asset Investment Program.

Working cash targets

	2020 Agreed limit \$000	2020 Actual \$000	Variation \$000	Notes
Agreed working cash limit	77,715	70,247	(7,468)	(a)

(a) The variation is due to the optimisation of cash management.

Summary of KPIs

Actual compared to budget targets

The following table provides a summary of Key Performance Indicators against criteria included in the latest Resource Agreement between the Chief Executive Officer, Minister for Transport and the Treasurer. These have been included in the latest Budget Paper.

	2019-20 Target	2019-20 Actual	Variation
Key Effectiveness Indicators			
Outcome 1: Accessible, reliable and safe public transport system			
Use of public transport – passengers per service kilometre:			
Metropolitan bus services (a)	1.15	0.97	-0.18
Metropolitan train services (b)	2.87	2.31	-0.56
Metropolitan ferry services (c)	13.3	11.25	-2.05
Intra-town regional bus services	0.693	0.653	-0.04
Country passenger rail services (d)	0.193	0.161	-0.032
Country passenger road coach services (e)	0.059	0.051	-0.008
Inter-town country bus services	0.013	0.012	-0.001
Accessible Public Transport:			
The proportion of street addresses within the Perth Public Transport Area which are within 500 metres of a Transperth stop providing an acceptable level of service	85%	85.21%	0.21%
Metropolitan and regional passenger services reliability:			
Bus services within four minutes of scheduled time	85%	83.33%	-2%
Train arriving within four minutes of scheduled time	95%	95.86%	1%
Ferries arriving within three minutes of scheduled time	96%	95.28%	-1%
Country passenger rail and road coach services reliability:			
Prospector arriving within 15 minutes of scheduled time (f)	80%	52.91%	-27%
Australind arriving within 10 minutes of scheduled time	90%	85.57%	-4%
MerredinLink arriving within 10 minutes of scheduled time (f)	90%	71.21%	-19%
AvonLink arriving within 10 minutes of scheduled time	90%	89.26%	-1%
Road Coaches arriving within 10 minutes of scheduled time	95%	98.08%	3%
School Bus availability at arrival/departure time:			
Satisfaction with School Bus availability at arrival/departure time	99%	99.87%	0.9%
Level of overall customer satisfaction - customer satisfaction index:			
Metropolitan bus services	89%	91%	2%
Metropolitan train services	92%	94%	2%
Metropolitan ferry services	99%	100%	1%
Country passenger rail and road coach services (g)	92%	Reporting exemption approved	

	2019-20 Target	2019-20 Actual	Variation
Customer perception of safety - independent external surveys:			
Train station - daytime	96%	98%	2%
On-board train - daytime	97%	97%	
Train station - night-time	70%	69%	-1%
On-board train - night-time	76%	74%	-2%
Bus station - daytime	98%	98%	
On-board bus - daytime	99%	99%	
Bus station - night-time	75%	76%	1%
On-board bus - night-time	82%	82%	
Level of notifiable safety occurrences - notifiable occurrences:			
Category A: occurrences per million passenger boardings (h)	0.27	0.40	0.13
Category A: occurrences per million train kilometres (h)	0.76	0.85	0.09
Category B: occurrences per million passenger boardings (i)	16.06	36.04	19.98
Category B: occurrences per million train kilometres (i)	45.01	76.74	31.73
Regional school bus services: notifiable occurrences (accidents) reported each school year (j)	19	15	-4
Return on Construction Expenditure	1.60	1.599	0.00
Outcome 2: Protection of the long term functionality of the rail corridor and railway infrastructure			
Number of lease breaches	Nil	Nil	
Key Efficiency Indicators			
Service 1 : Metropolitan and Regional Passenger Services			
Average cost per passenger kilometre			
Transperth bus operations (k)	\$1.35	\$1.56	\$0.21
Transperth train operations (l)	\$0.63	\$0.76	\$0.13
Transperth ferry operations (m)	\$1.54	\$2.07	\$0.53
Average cost per 1,000 place kilometres			
Intra-town regional bus services	\$87.11	\$83.43	-\$3.68
Service 2 : Country Passenger Rail and Road Coach Services			
Average cost per passenger kilometre			
Transwa rail (n)	\$0.56	\$0.67	\$0.11
Transwa road coaches (o)	\$0.31	\$0.37	\$0.06
Average cost per 1,000 place kilometres			
Inter-town country bus services	\$18.03	\$16.73	-\$1.30
Service 3 : Regional School Bus Services			
Average cost per contracted kilometre : School bus services	\$3.95	\$3.81	-\$0.14
Service 4 : Rail Corridor and Residual Freight Issues			
Total cost of managing the rail freight corridor and residual freight issues (p)	\$139,193,000	\$221,507,000	\$82,314,000

- a) Bus passengers per service kilometre was 15.30 per cent below the 2019-20 target due to the 2.54 per cent decrease in service kilometre delivery being outweighed by the 17.50 per cent decrease in passenger boardings largely due to COVID-19.
- b) Train passengers per service kilometre was 19.58 per cent below the 2019-20 target due to the 0.86 per cent decrease in service kilometre delivery being outweighed by the 20.24 per cent decrease in passenger boardings largely due to COVID-19.
- c) Ferry passengers per service kilometre was 15.41 per cent below the 2019-20 target due to the 9.34 per cent decrease in service kilometre delivery being outweighed by the 23.32 per cent decrease in passenger boardings largely due to COVID-19.
- d) The 2019-20 result is 16.62 per cent less than the 2019-20 target due to a 21 per cent reduction in rail patronage (41,240 patrons) from COVID-19 regional travel restrictions and a reduction in Transwa services.
- e) The 2019-20 result is 13.66 per cent less than the 2019-20 target due to an 18 per cent reduction in road coach patronage (32,762 patrons) from COVID-19 regional travel restrictions and a reduction in Transwa services.
- f) The OTR of the Prospector reached 53 per cent which is below the 2019-20 target due to a number of delays associated with crossings (544 instances - 56 per cent) and track related issues (191 instances - 20 per cent) as a result of maintenance work undertaken by Arc Infrastructure. The OTR of the MerredinLink reached 71 per cent which is 20.88 per cent below the 2019-20 target due to a number of delays associated with crossings (97 instances - 56 per cent) and track related issues (51 instances - 30 per cent).
- g) Due to COVID-19 restrictions which prevented the PTA from conducting the customer satisfaction survey on Country passenger rail and road coach services in April and May 2020, the PTA has sought and received approval to temporarily discontinue reporting of this key effectiveness indicator "level of overall customer satisfaction".
- h) The indicator for Category A incidents per million passenger boardings reached 0.40, 48.48 per cent above the 2019-20 target of 0.27. This was due to a significant decrease in passenger boardings as well as a temporary service reduction in response to the decline in demand associated with COVID-19. The indicator for Category A incidents per million train kilometres reached 0.85, 12.32 per cent above the 2019-20 target of 0.76 mainly due to higher than forecast train kilometres and Category A incidents.
- i) The indicator for Category B incidents per million passenger boardings reached 36.04, 124.41 per cent above the 2019-20 target of 16.06 mainly due to higher than forecast Category B incidents and a significant decrease in passenger boardings due to COVID-19. The indicator for Category B occurrences per million train kilometres reached 76.74, 70.5 per cent above the 2019-20 target of 45.01. Controls and strategies aimed at reducing Trespass and Level Crossing incidents included: Rail Safety Week 2019, the permanent closure of Moore Street Level Crossing in October 2019, Right Track Campaign, Stay Off the Tracks campaign and legislation introduced into Parliament to increase the maximum fine for rail trespass from \$200 to \$5,000.
- j) Comparing the 2019-20 result against the 2019-20 target, the lower number of notifiable incidents compliments the continued efforts by SBS and contractors/drivers in recognising the importance of adopting a safe system approach to road safety. The number of incidents triggered by the contractors/drivers remain low and the fatality or serious injury rate was nil. The number of 'not at fault' accidents represents the greater share of all reported accident cases and this advocates that our school bus drivers understand the need to adopt a safe system approach to road safety.

- k) Bus total costs per passenger kilometre was 15.64 per cent above the 2019-20 target despite a 4.65 per cent reduction in total costs outweighed by a 17.31 per cent decrease in passenger kilometres due to COVID-19.
- l) Train total costs per passenger kilometre was 21.04 per cent above the 2019-20 target despite a 4.63 per cent reduction in total costs outweighed by a 20.85 per cent decrease in passenger kilometres due to COVID-19.
- m) Ferry total costs per passenger kilometre was 34.35 per cent above the 2019-20 target due to a 3.02 per cent increase in total costs combined with a 23.32 per cent decrease in passenger kilometres due to COVID-19.
- n) Rail total costs per passenger kilometre in 2019-20 is 19.35 per cent above the 2019-20 target due to a 21.1 per cent decline in patronage from COVID-19 regional travel restrictions and a reduction in Transwa services. The percentage decrease in patronage is significantly higher than the 6.4 per cent decrease in total costs.
- o) Road coach total costs per passenger kilometre in 2019-20 is 20.44 per cent above the 2019-20 target due to a 18 per cent decline in patronage from COVID-19 regional travel restrictions and a reduction in Transwa services. The percentage decrease in patronage is significantly higher than the 2.7 per cent decrease in total costs.
- p) The cost of managing the rail corridor and residual freight issues was 59.14 per cent above the 2019-20 target. The result was \$82.314 million above the target mainly driven by a significant increase in depreciation of the freight network infrastructure, following the revaluation of the freight network infrastructure in 2018-19.

Certification of KPIs

For the year ended 30 June 2020

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Public Transport Authority's performance, and fairly represent the performance of the Public Transport Authority of Western Australia for the financial year ended 30 June 2020.



Peter Woronzow
Accountable Authority
7 September 2020

3.10 Audited KPI report

Measuring Performance

Outcome 1: Accessible, reliable and safe public transport system

EFFECTIVENESS INDICATORS

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

1. Use of public transport
2. Accessible public transport
3. Service reliability
4. Level of overall customer satisfaction
5. Customer perception of safety
6. Level of notifiable occurrences
7. Return on Construction Expenditure (RCE)

1. Use of Public Transport

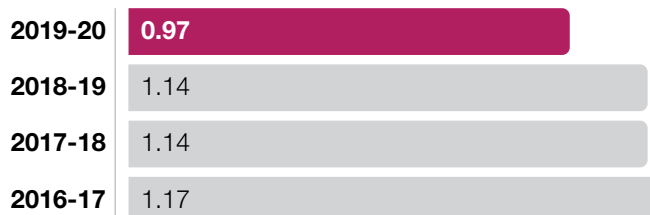
The use of public transport is measured by comparing the annual number of passengers carried with the number of service kilometres. Service kilometres are kilometres operated on scheduled passenger services and exclude "non-productive running" i.e. travelling to or from the depot to commence a service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

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

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

Transperth Bus Services

Target: 1.15



Passengers per service kilometre

Bus passengers per service kilometre was 14.21 per cent below the 2018-19 result due to a 2.57 per cent decrease in service kilometre delivery combined with a 16.41 per cent decrease in passenger boardings largely due to COVID-19.

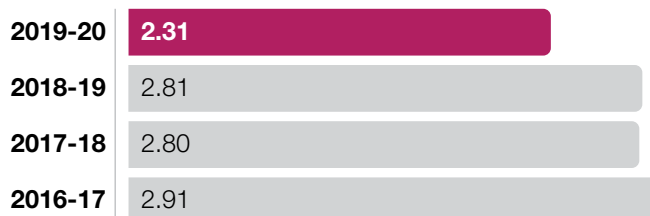
Based on the first eight months, before COVID-19 impacted services, the result was 2.28 per cent above the 2018-19 result due to a 0.47 per cent increase in service kilometre delivery combined with a 2.75 per cent increase in passenger boardings.

Bus passengers per service kilometre was 15.30 per cent below the 2019-20 target due to the 2.54 per cent decrease in service kilometre delivery being outweighed by the 17.50 per cent decrease in passenger boardings largely due to COVID-19.

Based on the first eight months, before COVID-19 impacted services, the result was 1.36 per cent above the 2019-20 target due to the 0.05 per cent increase in service kilometre delivery being exceeded by the 1.42 per cent increase in passenger boardings.

Transperth Train Services

Target: 2.87



Passengers per service kilometre

Train passengers per service kilometre was 17.93 per cent below the 2018-19 result due to a 1.53 per cent decrease in service kilometre delivery combined with a 19.18 per cent decrease in passenger boardings largely due to COVID-19.

Based on the first eight months, before COVID-19 impacted services, the result was 0.93 per cent above the 2018-19 result due to a 0.51 per cent increase in service kilometre delivery combined with a 1.44 per cent increase in passenger boardings.

Train passengers per service kilometre was 19.58 per cent below the 2019-20 target due to the 0.86 per cent decrease in service kilometre delivery being outweighed by the 20.24 per cent decrease in passenger boardings largely due to COVID-19.

Based on the first eight months, before COVID-19 impacted services, the result was 1.07 per cent below the 2019-20 target due to the 1.20 per cent increase in service kilometre delivery outpacing the 0.12 per cent increase in passenger boardings.

Intra-town Regional Bus Services

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

At the commencement of 2019-20, six inter-town services that were previously administered by the Regional Town Bus Services section were transferred to Transwa, which also has a small number of contracted inter-town services in place. The new indicator passenger per service kilometre was created for Inter-town Country Bus Services managed by Transwa.

The remaining three inter-town services which stay with RTBS are now included in the KPI results of the Intra-town Regional Bus Services. These services include the inter-town components of the Kalgoorlie and Karratha contracts, and the Mandurah-Waroona-Pinjarra service.

To enable a comparison to be made between 2019-20 and the last three financial years, the actual results for 2018-19, 2017-18 and 2016-17 have been adjusted to reflect the transfer of inter-town services.

Intra-Town Regional Bus Services

Intra-Town Regional Bus Services Target: 0.693

2019-20 0.653

Adjusted Intra-Town Regional Bus Services
(Including 3 Inter-Town services)

2018-19 0.705

2017-18 0.735

2016-17 0.769

Passengers per service kilometre

In terms of the result for 2019-20, passengers per service kilometre reached 0.653, 5.8 per cent below the 2019-20 target and 7.4 per cent below the 2018-19 result. This was mainly due to a 0.5 per cent increase in service kilometres to 3.171 million from 3.156 million in 2018-19 and a 7.0 per cent decrease in patronage to 2.070 million from 2.226 million in 2018-19.

In 2019-20, with two exceptions (Broome and Port Hedland), all other services (Albany, Bunbury, Busselton, Carnarvon, Collie, Esperance, Geraldton, Kalgoorlie, Karratha, Kununurra, Manjimup and Narrogin) showed decreases in passengers carried per service kilometre when compared to 2018-19. The main reason for the decrease in 2019-20 was the impact that COVID-19 had on regional passenger numbers in the second half of the financial year.

In comparing actual to budget figures, the 5.8 per cent decrease for 2019-20 reflects that there were 49,587 less passengers carried and 114,294 additional service kilometres operated. Once again, COVID-19 was the main reason for the patronage decline.

Transperth Ferry Services

Target: 13.30

2019-20 11.25

2018-19 11.80

2017-18 12.89

2016-17 14.00

Passengers per service kilometre

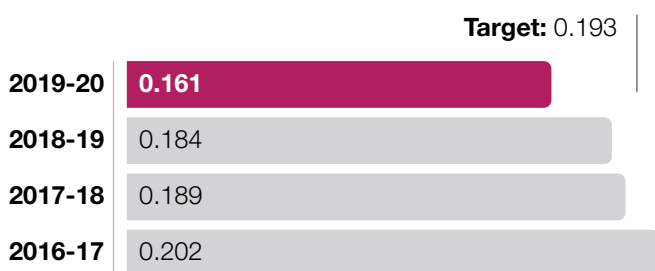
Ferry passengers per service kilometre was 4.63 per cent below the 2018-19 result due to a 9.17 per cent decrease in service kilometre delivery combined with a 13.38 per cent decrease in passenger boardings largely due to COVID-19.

Based on the first eight months, before COVID-19 impacted services, the result was 6.29 per cent above the 2018-19 result due to a 0.63 per cent increase in service kilometre delivery being offset by a 6.96 per cent increase in passenger boardings.

Ferry passengers per service kilometre was 15.41 per cent below the 2019-20 target due to the 9.34 per cent decrease in service kilometre delivery being outweighed by the 23.32 per cent decrease in passenger boardings largely due to COVID-19.

Based on the first eight months, before COVID-19 impacted services, the result was 5.7 per cent below the 2019-20 target due to a 0.45 per cent increase in service kilometre delivery being offset by a 5.31 per cent decrease in passenger boardings.

Transwa Rail Services

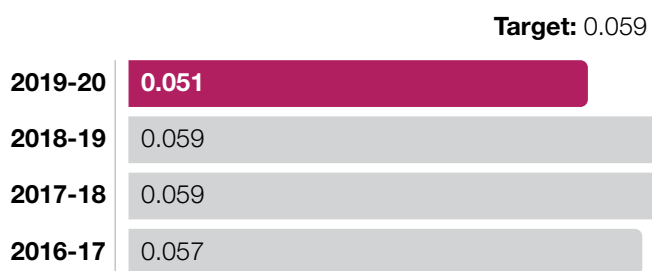


Passengers per service kilometre

The 2019-20 result is 16.62 per cent less than the 2019-20 target due to a 21 per cent reduction in patronage (41,240 patrons) from COVID-19 regional travel restrictions and a reduction in Transwa services.

The 2019-20 result is 12.35 per cent less than the 2018-19 result due to a 17 per cent decline in patronage (31,561 patrons) from COVID-19 regional travel restrictions and a reduction in Transwa services. Patronage notably declined by 89 per cent in April (13,428 patrons) and 70 per cent (10,271 patrons) in May for Transwa Rail in comparison to the same periods in 2018-19.

Transwa Road Coach Services



Passengers per service kilometre

The 2019-20 result is 13.66 per cent less than the 2019-20 target due to an 18 per cent reduction in patronage (32,762 patrons) from COVID-19 regional travel restrictions and a reduction in Transwa services.

The 2019-20 result is 13.20 per cent less than the 2018-19 result due to an 18 per cent decline in patronage (33,371 patrons) from COVID-19 regional travel restrictions and a reduction in Transwa services. Patronage notably declined by 90 per cent (15,600 patrons) in April and 70 per cent (10,078 patrons) in May for Transwa Road Coaches in comparison to the same periods in 2018-19.

Inter-town Country Bus Services

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

At the start of the 2019-20 financial year, due to a change in PTA operations, six inter-town services were transferred from Regional Town Bus Services (RTBS) to Transwa which also has a small number of contracted inter-town services in place. The new indicator passenger per service kilometre was created for Inter-town Country Bus Services managed by Transwa.

For comparative purpose the inter-town results recorded by RTBS in the previous years have been adjusted to represent the equivalent results of the six inter-town services that were transferred to Transwa.

Inter-Town Country Bus Services

Inter-Town Country Bus Services (Transwa)

Target: 0.013

2019-20 0.012

Adjusted Inter-Town Country Bus Services (RTBS)

2018-19 0.013
2017-18 0.014
2016-17 0.012

Passengers per service kilometre

The 2019-20 result is 5.63 per cent less than the 2019-20 target as a result of a reduction in patronage due to COVID-19 regional travel restrictions.

2. Accessible Public Transport

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

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

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

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

Target: 85%

2019-20 85.21%
2018-19 84.87%
2017-18 85.19%
2016-17 84.74%

The proportion of street addresses within the Perth Public Transport Area (PPTA) which are within 500 metres of a Transperth stop providing an acceptable level of service.

Accessibility to public transport was 0.25 per cent above the 2019-20 target and 0.4 per cent above the 2018-19 result due to the 1.71 per cent increase in the number of PSAs within 500 metres of an ASL stop outpacing the 1.30 per cent increase in the total number PSAs within PPTA.

The 2019-20 result of 85.21 per cent indicates that 963,726 PSAs in the PPTA, out of 1,130,975 have ready access to an acceptable level of public transport services (defined as an hourly service during the day with at least three trips per hour in peak flow direction in the morning and/or afternoon peaks).

Since 2008-09, the total number of PSAs within PPTA has increased by 34.5 per cent (0.290 million) from 0.841 million to 1.131 million to cater for Perth’s growing population. The total number of PSAs within 500 metres of an ASL stop also increased by 41.31 per cent (0.282 million) due to bus service expansion.

3. Service Reliability

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

Operation	‘OTR’ parameter
Metropolitan and Regional Passenger Services	
Transperth Trains	4 minutes
Transperth Buses	4 minutes
Transperth Ferries	3 minutes
Country Passenger Rail and Road Coach Services	
Transwa Rail	
Prospector	15 minutes
Australind	10 minutes
AvonLink	10 minutes
MerredinLink	10 minutes
Road Coaches	10 minutes

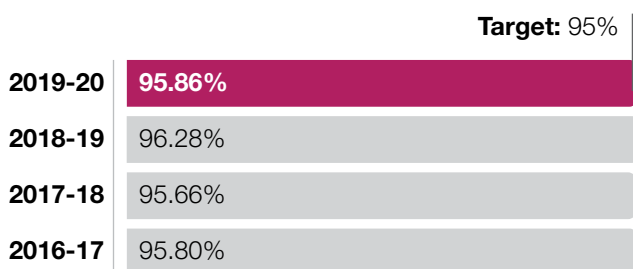
Regional school bus services

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

Services are considered to be punctual if they arrive within a defined period of time after the scheduled arrival time. This parameter is referred to as “On Time Running” (OTR).

The ‘OTR’ measure demonstrates the extent to which the PTA meets its service reliability standards.

Transperth Train Services

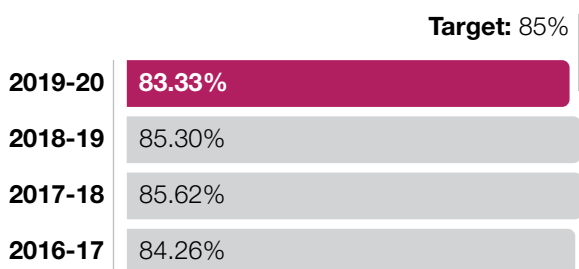


Percentage of services arriving within ‘on-time arrival’ parameter

The OTR of Transperth trains in 2019-20 reached 95.86 per cent, slightly above the 2019-20 target despite the speed restrictions currently imposed on certain sections of track.

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

Transperth Bus Services



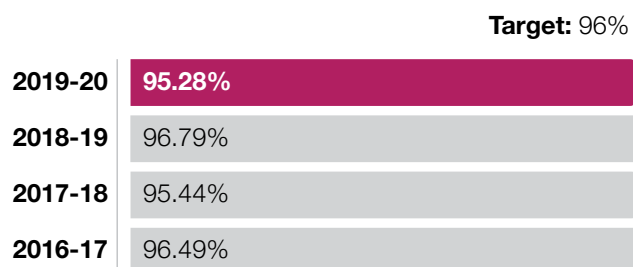
Percentage of services arriving within ‘on-time arrival’ parameter

The OTR of Transperth buses in 2019-20 reached 83.33 per cent, 1.96 per cent below the 2019-20 target and 2.31 per cent below the 2018-19 result.

The lower than expected result is predominately due to road works and traffic congestion and performance within the Fremantle and Canning bus contract areas. While the OTR performance of these areas has improved materially in the past four months they will continue to be monitored closely with timetables adjusted if required.

During the year, following the completion of the Bus Priority Causeway Project, travelling times of peak-period journeys on 31 Transperth bus routes travelling towards Victoria Park Transfer Station has been reduced up to three minutes.

Transperth Ferry Services



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

The OTR of Transperth ferries in 2019-20 reached 95.28 per cent slightly below the 2019-20 target and 2018-19 result.

The lower than expected result is due to late jetty departures.

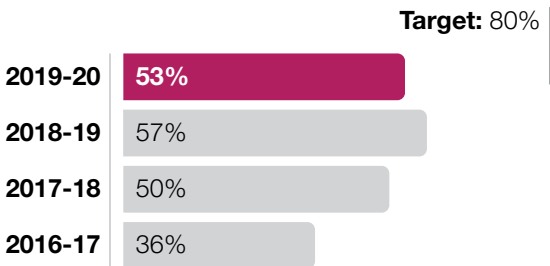
In December 2019, a third ferry, MV Tricia was introduced and joined the MV Shelley Taylor-Smith and MV Phillip Pandal ferrying passengers between Elizabeth Quay and South Perth’s Mends Street Jetty. The new ferry is faster and longer than the existing ferries and as a result, is able to achieve on-time running. The oldest ferry is being used as a backup and during special events.

Transwa Rail Services

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

These services operate on the freight rail network which is managed and operated by Arc Infrastructure (previously known as Brookfield Rail and WestNet Rail) under a long-term lease.

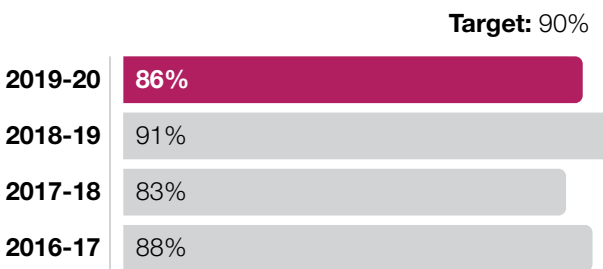
a. Prospector



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

The OTR of the Prospector reached 53 per cent which is below the 2019-20 target and 2018-19 result due to a number of delays associated with crossings (544 instances - 56 per cent) and track related issues (191 instances - 20 per cent) as a result of maintenance work undertaken by Arc Infrastructure.

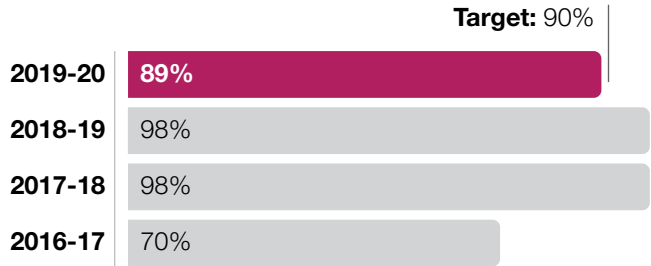
b. Australind



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

The OTR of the Australind reached 86 per cent which is below the 2019-20 target and 2018-19 result due to a number of delays associated with crossings (426 instances - 53 per cent) and track related issues (123 instances - 15 per cent).

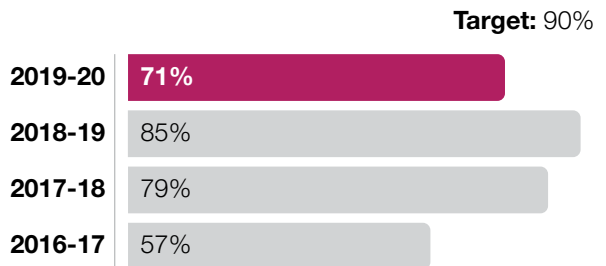
c. AvonLink



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

The OTR of the AvonLink reached 89 per cent which is slightly below the 2019-20 target and 2018-19 result due to a number of delays associated with crossings (46 instances - 31 per cent) and track related issues (71 instances - 48 per cent).

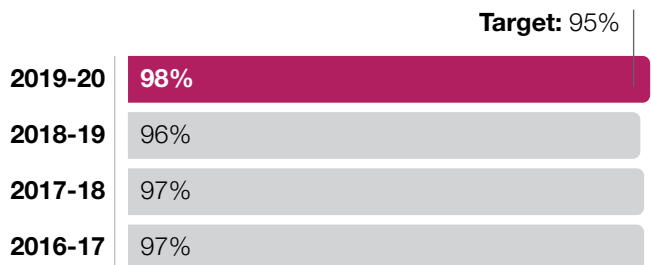
d. MerredinLink



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

The OTR of the MerredinLink reached 71 per cent which is below the 2019-20 target and 2018-19 result due to a number of delays associated with crossings (97 instances - 56 per cent) and track related issues (51 instances - 30 per cent).

Transwa Road Coach Services



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

The OTR of road coach services have exceeded the 2019-20 target and 2018-19 result and reached 98 percent.

Regional School Bus Services

Satisfaction with School Bus availability at arrival/departure time

The Key Performance Indicator aims to ensure that School Bus Services run to timetable and/or frequency and it will measure the satisfaction of the service reliability through the online complaints register. A web based reporting tool has been set up for parents and schools to report breaches of on-time arrivals and departures.

The emphasis of the indicator is on the delivery of the School Bus Services to meet community on-time requirements and on performance improvements where the Contract Bus Services fail to meet the requirements.

Input Parameters:

Contributing to the results is a number of input parameters which are used to calculate the effectiveness indicator and these include:

- Number of expected school bus service trips = number of operating school bus services x trips per day x service days in the year.
- Number of satisfaction complaints.

Calculation:

- Outcome % = 100 x (Number of satisfaction complaints / Number of expected school bus service trips).
- Rate of 'Satisfaction with School Bus availability at arrival/departure time' = 100% - Outcome %.

The actual results are provided in the following tables:

Parameters	Annual 2019-20
Number of School Bus Service trips	380,210
Number of Satisfaction Complaints	5
Satisfaction with School Bus availability at arrival/departure time (%)	99.87%

The current indicator was introduced in July 2017 to replace the previous 'on-time arrival' parameter which was to arrive at school no less than ten minutes before school starts and departing within ten minutes of school ending. The previous 'OTR' indicator has not been reported since January

2017 due to a restructure of the School Bus Services staffing levels in 2016 and the transfer of the inspection function to the Department of Transport (DoT).

Satisfaction with School Bus availability at arrival/departure time

Target: 99%

2019-20	99.87%
2018-19	99.89%
2017-18	99.65%

Drop off before school starts and pick up when school finishes

2016-17	99.22%
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In 2019-20, satisfaction with School Bus availability at arrival/departure time reached 99.87 per cent, 0.9 per cent above the target and slightly below 2018-19 result (0.02 per cent). There were 5 recorded instances of satisfaction complaints in 2019-20 compared to 4 in 2018-19 and 13 in 2017-18. The number of stakeholder responses has remained relatively low and this is reflected in the outcome being marginally higher than the target.

SBS network encompasses 965 contract school bus services, transports on average 25,879 students on each school day.

PTA maintains ongoing discussions with stakeholders to ensure the high level of service reliability and customer satisfaction is maintained.

4. Level of Overall Customer Satisfaction

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

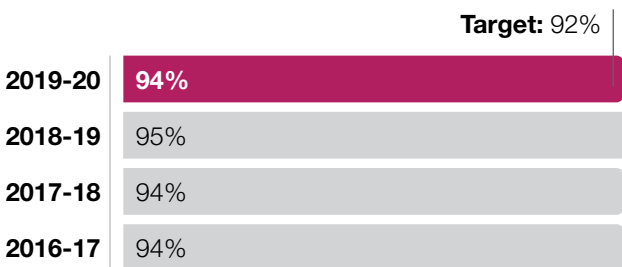
The measure for Transperth services is derived from an extensive annual survey conducted by independent pollsters. The survey, known as the 'Passenger Satisfaction Monitor' (PSM), provides an objective, unbiased view over time of patrons' overall satisfaction with the system, e.g. safety, on-time running, courtesy of staff, service frequency and station amenities. The information is used by Transperth to develop strategies for improving service performance and infrastructure.

The pollsters interview a large sample of passengers in lengthy face-to-face surveys. Interviewers are normally assigned to various services and transit station locations over a four-week period covering the working week and weekend. However, due to the COVID-19 impact, only two weeks of the survey was conducted in 2019-20 before this activity was suspended. As a consequence, and to ensure the statistical accuracy of the measures surveyed, the results have been reported at a global level.

Transperth Train Services

For the train PSM, a total of 509 train patrons were surveyed. The overall sample comprised of:

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



% of respondents either "very satisfied" or "satisfied"

Overall satisfaction remained high at 94 per cent, 2.17 per cent above the 2019-20 target and 1.05 per cent below the 2018-19 result. The expressed level of dissatisfaction in 2019-20 remained unchanged at one per cent, representing the equal all-time low dissatisfaction results.

In 2019-20, overall satisfaction with peak-time service frequency decreased to 87 per cent, 2.25 per cent below the 2018-19 result.

Satisfaction with train service frequency during off-peak weekdays in 2019-20 also decreased to 84 per cent, 1.18 per cent below the 2018-19 result.

The overall satisfaction result in 2019-20 and all-time high result achieved in 2019 reflect increased benefits of using train services resulting from continuous improvements in train service delivery and service expansion with additional railcars and increased service frequency to meet the service

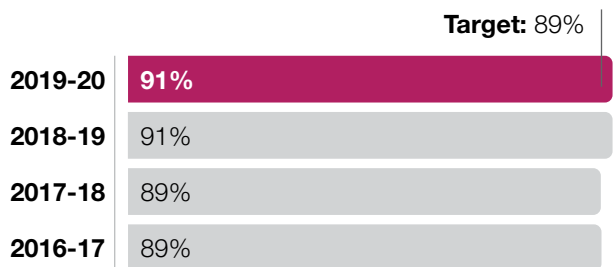
demand of Perth's growing population and special events.

In 2019-20, high-frequency Stadium shuttles and extra suburban trains efficiently transported large crowds before and after special events held at Optus Stadium.

Transperth Bus Services

For the Transperth bus PSM, a total of 925 bus patrons were surveyed. The overall sample of regular bus patrons comprised of:

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



% of respondents either "very satisfied" or "satisfied"

An overall satisfaction rate of 91 per cent was recorded in 2019-20, maintaining the all-time high of 91 per cent recorded in 2018-19.

During the year, overall level of dissatisfaction reduced further to three per cent, the lowest dissatisfaction result in 25 years and 25 per cent below the all-time low result achieved in 2018-19.

In 2019-20, satisfaction with bus service frequency during peak times reached an all-time high result of 91 per cent, 3.4 per cent above the all-time high result in 2018-19 and 2.25 per cent above target.

Satisfaction with bus frequency during off-peak weekdays and weeknights was 80 per cent (down from 81 per cent in 2018-19) and 56 per cent (down from 59 per cent in 2018-19) respectively.

The new all-time high peak satisfaction result reflects service expansion, increased service kilometres and bus frequencies, and expanded bus priority programs to meet increased service demand.

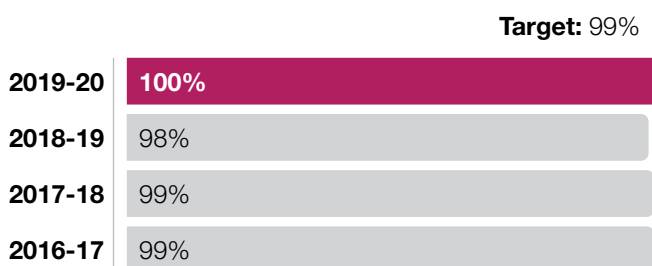
In 2019-20, high-frequency shuttle buses and special event buses operating on nine suburban routes efficiently transported large crowds before and after special events held at Optus Stadium.

Bus journey times, service reliability and traffic congestion have also improved as a result of ongoing intersection upgrades along busy bus routes and the completion of the Bus Priority Causeway Project.

Transperth Ferry Services

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

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



% of respondents either "very satisfied" or "satisfied"

In 2019-20, 100 per cent of ferry users expressed overall satisfaction – a 2 per cent increase compared to 2018-19 and recording 100 per cent for the first time since 2015.

Transwa Train and Road Coach Services

The measure for Transwa services is derived from an independent passenger satisfaction survey which is undertaken annually for each service: Australind, Prospector, AvonLink, MerredinLink and Road Coach.

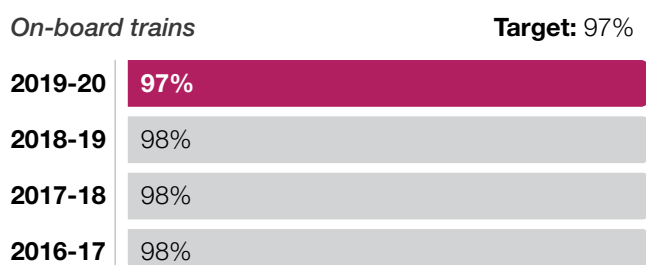
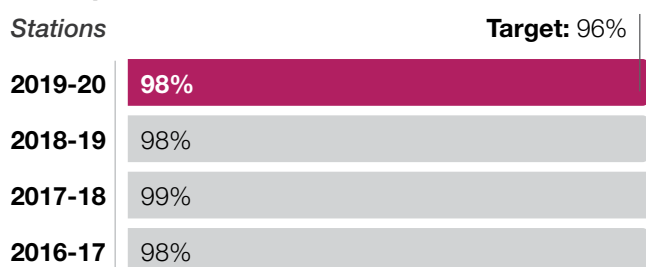
Due to COVID-19 restrictions, the customer satisfaction survey to provide the key effectiveness KPI "Level of overall customer satisfaction - Country passenger rail and road coach services" in 2019-20 could not be conducted in April and May 2020, and the 2019-20 results are not available. The PTA has received exemption from the Under Treasurer for reporting of these KPIs this year.

5. Customer Perception of Safety

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

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

Transperth Train Services



Customer perception of safety - Daytime

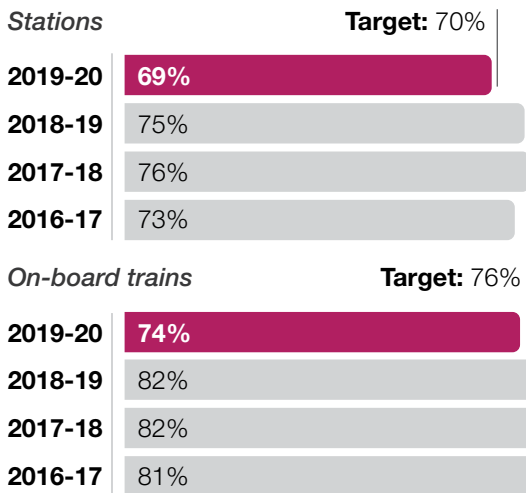
Train stations

The indicator for perceived safety at train stations during the day reached 98 per cent, same level as last year and 2.08 per cent above 2019-20 target. This is consistent with the results achieved over the past ten years which have ranged from 97 per cent to 99 per cent.

On-board trains

The indicator for perceived safety on board trains achieved the target of 97 per cent and is consistent with the results of the past 13 years which have ranged from 97 per cent to 99 per cent.

Transperth Train Services



Customer perception of safety - Night-time

Train stations

The indicator for perceived safety at train stations at night reached 69 per cent, 1.43 per cent below the 2019-20 target and 8 per cent below the result achieved in 2018-19, partly due to COVID-19 which has led to less people at train stations making passengers feel slightly more vulnerable.

On-board trains

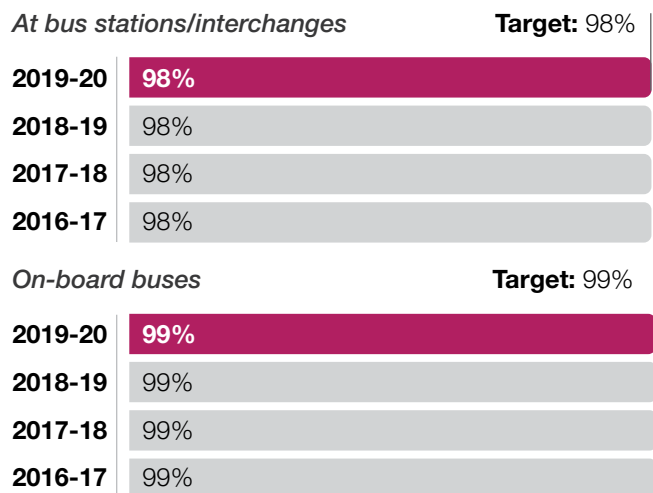
The indicator for perceived safety on board trains at night in 2019-20 reached 74 per cent, 9.76 per cent below the 2018-19 result and 2.63 per cent below the 2019-20 target, partly due to COVID-19 which has led to less people on board making passengers feel slightly more vulnerable.

PTA provides ongoing measures to address security concerns which includes:

- Risk based resource allocation, mobile patrols being strategically located across the network and ensuring a greater support and security presence on all lines and at stations,
- Sophisticated CCTV system and major upgrades to station lighting,
- Joint Police and PTA targeted operations and enhanced security coverage at stations and on late evening trains.

In 2019-20, PTA had 389 transit officers and senior security staff providing visible security and greater support across the network. A fleet of 10 patrol cars covering the rail system provides a fast and effective response to any incidents of anti-social behaviour. Many stations are manned after business hours and more than 99.4 per cent of trains operating after 7pm have transit officers on board.

Transperth Bus Services



Customer perception of safety - Daytime

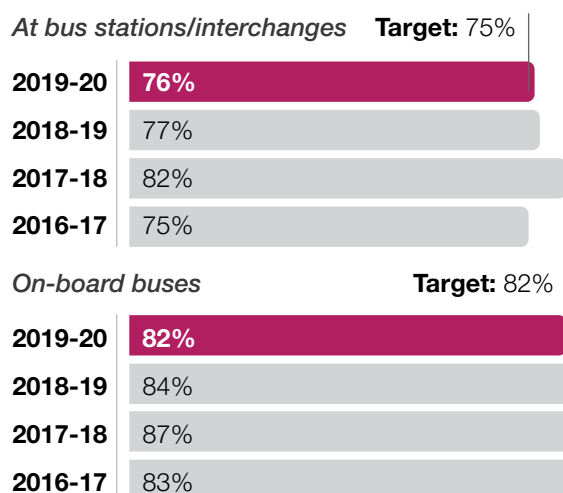
Bus stations/interchanges

The indicator for perceived safety at bus stations/interchanges during the day reached the target of 98 per cent and is consistent with the results achieved over the previous three years, representing the highest level since 2006.

On-board buses

The indicator for perceived safety on board buses during the day reached the target of 99 per cent and is consistent with the very high results reported in the previous nine years.

Transperth Bus Services



Customer perception of safety - Night-time

Bus stations/interchanges

The indicator for perceived safety at bus stations/interchanges at night reached 76 per cent, 1.33 per cent above the 2019-20 target and 1.3 per cent below the 2018-19 result.

On-board buses

The indicator for perceived safety on board buses at night reached the target of 82 per cent and is 2.38 per cent below the 2018-19 result.

PTA is committed to ongoing measures to ensure passengers feel safe:

- Digitised CCTV footage is monitored at the central monitoring room, and is recorded and available for use if needed,
- All buses are fitted with CCTV cameras, with all new buses fitted with ten full-colour cameras,
- A fleet of 22 patrol cars covering the bus and ferry systems provides a fast and effective response to any incidents of anti-social behaviour.

In 2019-20, PTA has completed the rollout of new dash mounted duress alarms on all buses, integrating with both the new bus digital radio system and the SmartRider ticketing system to provide GPS tracking in real time thus improving the on-road safety of our bus drivers and customers.

6. Level of Notifiable Occurrences

Rail Safety

Railway safety incidents are recorded and reported to the Office of the National Rail Safety Regulator (ONRSR). These incidents are termed 'Notifiable Occurrences'. PTA's reporting systems for the notification of Category 'A' and Category 'B' occurrences comply with the Rail Safety National Law (WA) Regulations 2015 [section 57 (a)] and the Rail Safety National Law (WA) Act 2015 [section 44].

Rail safety KPI's are reviewed annually and formulated by considering trends from previous years coupled with an aspirational reduction in incidents.

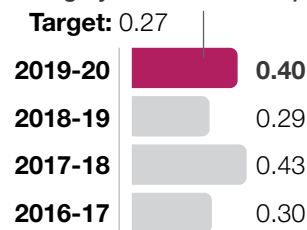
Category 'A' occurrences are those resulting in serious injury, death, or significant damage. Category 'B' occurrences are occurrences with the potential to cause a serious injury, death or significant damage.

Performance indicators for both Category 'A' and Category 'B' occurrences are presented against million passenger boardings and million train

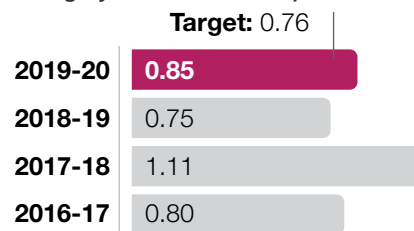
kilometres. A low rate of incidents indicates that sound safety procedures and risk management procedures/controls exist and are operating effectively throughout the rail system.

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

Category A - occurrences per million passenger boardings



Category A - occurrences per million train kilometres



Notifiable occurrences - Rail safety

The indicator for Category A incidents per million passenger boardings reached 0.40, 48.48 per cent above the 2019-20 target of 0.27 and 37.47 per cent above the 2018-19 result of 0.29. This was mainly driven by a significant decrease in passenger boardings as well as a temporary service reduction in response to the decline in demand associated with COVID-19.

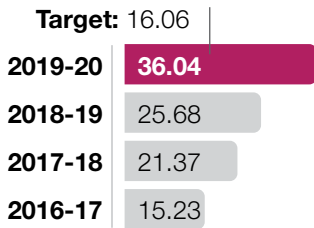
The indicator for Category A incidents per million train kilometres reached 0.85, 13.18 per cent above the 2018-19 result of 0.75 and 12.32 per cent above the 2019-20 target of 0.76.

The KPIs were calculated based on 20 Category A incidents, total train kilometres of 23.429 million and 49.888m boardings in 2019-20.

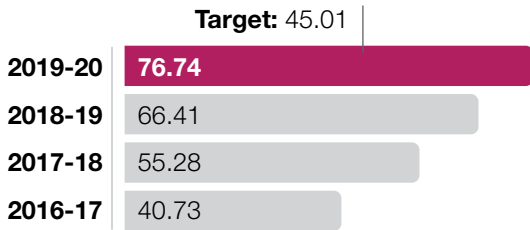
During the year, incidents related to suspected/attempted suicide which were beyond PTA controls decreased by 12.5 per cent offset by increases in trespass and level crossing incidents.

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

Category B - occurrences per million passenger boardings



Category B - occurrences per million train kilometres



Notifiable occurrences - Rail safety

The indicator for Category B incidents per million passenger boardings reached 36.04, 40.35 per cent above the 2018-19 result of 25.68 and 124.41 per cent above the 2019-20 target of 16.06.

The indicator for Category B occurrences per million train kilometres reached 76.74, 15.55 per cent above the 2018-19 result of 66.41 and 70.5 per cent above the 2019-20 target of 45.01.

Compared to 2018-19 results, the number of Category B incidents increased by 13.44 per cent while total train kilometres and boardings decreased by 1.83 per cent and 19.18 per cent respectively due to COVID-19.

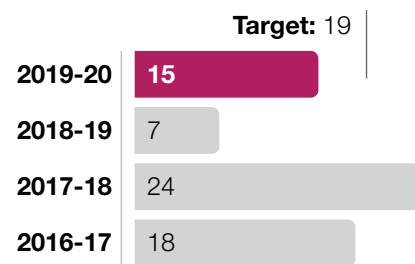
During the year, Level Crossing incidents decreased by 41.3 per cent. This was offset by a 31.33 per cent increase in trespass incidents following a review of how the incidents are reported to better align with ONRSR requirements.

Controls and strategies aimed at reducing trespass and level crossing incidents included: Rail Safety Week 2019, the permanent closure of Moore Street Level Crossing in October 2019, Right Track Campaign, Stay Off the Tracks campaign and legislation introduced into Parliament to increase the maximum fine for rail trespass from \$200 to \$5,000.

Regional School Bus Services Safety

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

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



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

The 2019-20 data recorded 6 accidents in regional Western Australia and 9 accidents in metropolitan Perth.

Comparing the actuals for 2019-20 and 2018-19, the increase in the number of notifiable incidents reinforces the significance in maintaining a high standard of road safety when transporting students to and from school. Although the incident rate had increased, the majority of the accidents cases occurred through no fault of the contractors/drivers and more importantly, no fatalities were recorded.

Comparing the actuals for 2019-20 against the 2019-20 target, the lower number of notifiable incidents compliments the continued efforts by SBS and contractors/drivers in recognising the importance of adopting a safe system approach to road safety. The number of incidents triggered by the contractors/drivers remain low and the fatality or serious injury rate was nil.

The number of 'not at fault' accidents represents the greater share of all reported accident cases and this advocates that our school bus drivers understand the need to adopt a safe system approach to road safety.

Cornerstone to the safe system approach are a number of key contractual conditions which include:

- Implementing a Safety Management Plan (SMP);
- The contracted school bus meeting road worthiness standards and appropriate school bus specifications, noting that the buses are inspected by the Department of Transport once each year;
- The safe operation of a school bus and the mandatory reporting of traffic offences.

7. Return on Construction Expenditure (RCE)

New construction works add to the capacity of the rail and bus networks. Return on Construction Expenditure (RCE) is based on the estimated Benefit Cost Ratio (BCR) of a set of projects undertaken each year. It indicates the extent to which new bus and rail construction expenditures will deliver future economic benefits to the community.

This indicator represents the expenditure weighted average BCR for the PTA Asset Investment Program (AIP) for which a BCR has been calculated. The AIP includes projects that increase the capacity of the rail and bus networks in line with customer demand and replace/upgrade ageing or obsolete infrastructure. This expenditure increases the accessibility, reliability and safety of Western Australia's public transport system.

This indicator was introduced in 2018-19.

Calculation:

The RCE is the expenditure weighted average BCR defined by:

$RCE = \text{Sum of Expected Project Benefits} / \text{Sum of Project Expenditures}$

Where:

- Expected Projected Benefits = Project Expenditure * BCR
- Project Expenditure = Relevant financial year approved AIP budget or AIP actual
- BCR = Present value of project benefits / Present value of project costs

Scope

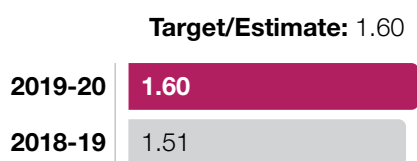
The scope of the RCE includes projects that:

- are in the approved AIP and relevant to infrastructure construction with an Estimated Total Cost (ETC) of \$25 million or higher;
- have a relevant financial year approved AIP budget of \$1m or higher; and
- have an approved BCR.

Integrity of the indicator

Due to the nature of the Public Transport Authority AIP, year on year comparison of the indicator may be challenging. A large project that dominates the annual budgeted or actual expenditure will skew the ratio to its individual BCR.

Variances will reflect changes based on the individual project BCR's and their relative annual cost of the projects, and variations of the annual budgeted and actual expenditures.



Return on Construction Expenditure (RCE)

The 2019-20 result is greater than the 2018-19 result driven by greater activity in METRONET Projects and Election Commitment Projects in 2019-20.

EFFICIENCY INDICATORS

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

1. Average cost per passenger kilometre
2. Average cost per 1000 place kilometres
3. Average cost per contracted kilometre

These measures are sensitive to changes in service kilometres and patronage. In the eight years to February 2020, Transperth system continued to record large increases in service kilometres with the roll out of additional bus services, the introduction of new six-car and three-car trains, the extension of the urban passenger line network to Butler, increased service frequencies associated with the Optus Stadium, Aubin Grove Station, Edgewater Multi-Storey Carpark, Curtin Central Bus Station and operations from Elizabeth Quay Jetty including the extension of Elizabeth Quay Jetty facility to accommodate a new ferry, MV Tricia introduced in December 2019. However, in the four months to June 2020, Transperth system recorded decreases in service kilometres and patronage due to the temporary service reduction in response to a decline in service demand associated with the COVID-19 crisis.

The benefits of the State's investment in public transport and the long-term planning for optimum expansion and utilisation of WA's public transport networks including METRONET and Transport@3.5 Million will be better reflected in future KPIs as patronage improves.

1. Average Cost per Passenger Kilometre

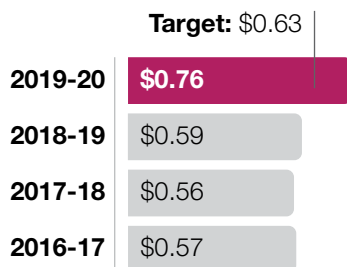
This indicator measures the cost efficiency of providing passenger services, expressed as the cost of carrying one passenger over one kilometre.

Transperth

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

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

Transperth Train Services



Average cost per passenger kilometre

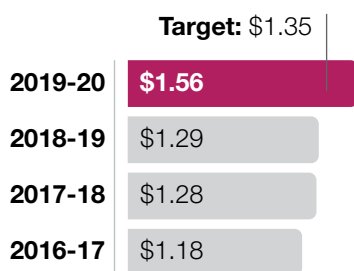
Train total costs per passenger kilometre was 29.61 per cent above the 2018-19 result due to a 4.16 per cent increase in total costs combined with a 19.64 per cent decrease in passenger kilometres due to COVID-19.

Based on the first eight months, before COVID-19 impacted services, the result was 2.52 per cent above the 2018-19 result due to a 3.65 per cent increase in total costs combined with a 1.11 per cent increase in passenger kilometres.

Train total costs per passenger kilometre was 21.04 per cent above the 2019-20 target despite a 4.63 per cent reduction in total costs due to a 20.85 per cent decrease in passenger kilometres due to COVID-19.

Based on the first eight months, before COVID-19 impacted services, the result was 0.29 per cent below the 2019-20 target due to a 0.71 per cent decrease in total costs combined with a 0.42 per cent reduction in passenger kilometres.

Transperth Bus Services



Average cost per passenger kilometre

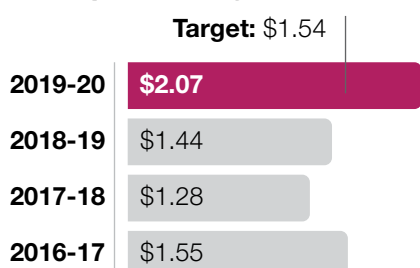
Bus total costs per passenger kilometre was 20.81 per cent above the 2018-19 result due to a 0.82 per cent increase in total costs combined with a 16.55 per cent decrease in passenger kilometres due to COVID-19.

Based on the first eight months, before COVID-19 impacted services, the result was 2.06 per cent below the 2018-19 result due to a 0.80 per cent increase in total costs combined with a 2.93 per cent increase in passenger kilometres.

Bus total costs per passenger kilometre was 15.64 per cent above the 2019-20 target despite a 4.65 per cent reduction in total costs due to a 17.31 per cent decrease in passenger kilometres due to COVID-19.

Based on the first eight months, before COVID-19 impacted services, the result was 3.07 per cent below the 2019-20 target due to a 1.15 per cent decrease in total costs combined with a 1.98 per cent increase in passenger kilometres.

Transperth Ferry Services



Average cost per passenger kilometre

Ferry total costs per passenger kilometre was 43.35 per cent above the 2018-19 result due to a 24.17 per cent increase in total costs combined with a 13.38 per cent decrease in passenger kilometres due to COVID-19.

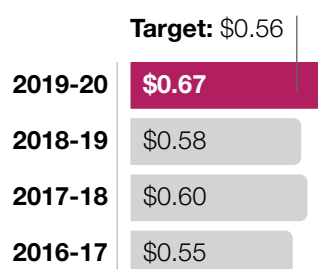
The substantial increase in costs is due to the extension of Elizabeth Quay Jetty facility to accommodate a third ferry, the commissioning of MV Tricia and refurbishment of MV Philip Pandal.

Based on the first eight months, before COVID-19 impacted services, the result was 2.26 per cent below the 2018-19 result due to a 4.55 per cent increase in total costs combined with a 6.96 per cent increase in passenger kilometres.

Ferry total costs per passenger kilometre was 34.35 per cent above the 2019-20 target due to a 3.02 per cent increase in total costs combined with a 23.32 per cent decrease in passenger kilometres due to COVID-19.

Based on the first eight months, before COVID-19 impacted services, the result was 10.39 per cent below the 2019-20 target due to a 15.15 per cent decrease in total costs combined with a 5.31 per cent reduction in passenger kilometres.

Transwa Rail Services

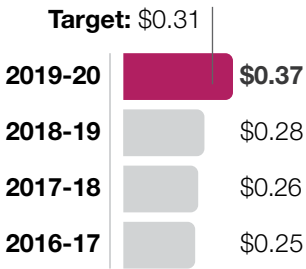


Average cost per passenger kilometre

Rail total costs per passenger kilometre in 2019-20 is 19.13 per cent above the 2019-20 target due to a 21.1 per cent decline in patronage from COVID-19 regional travel restrictions and a reduction in Transwa services. The percentage decrease in patronage is significantly higher than the percentage decrease in total costs (6.4 per cent).

Rail total costs per passenger kilometre was 15.22 per cent above the 2018-19 result due to a 17.0 per cent decline in patronage and a 6.5 per cent decrease in total costs as a result of COVID-19 regional travel restrictions and a reduction in Transwa services.

Transwa Road Coach Services



Average cost per passenger kilometre

Road coach total costs per passenger kilometre in 2019-20 is 18.94 per cent above the 2019-20 target due to a 18.0 per cent decline in patronage from COVID-19 regional travel restrictions and a reduction in Transwa services. The percentage decrease in patronage is significantly higher than the percentage decrease in total costs (2.7 per cent).

Road coach total costs per passenger kilometre was 32.75 per cent above the 2018-19 result due to a 18.2 per cent decline in patronage from COVID-19 regional travel restrictions and a reduction in Transwa services.

2. Average Cost per 1000 Place Kilometres

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

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

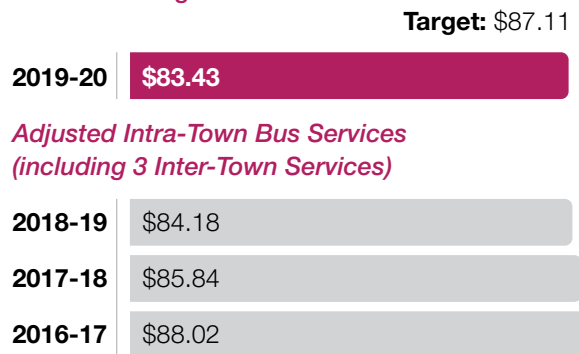
Intra-Town Regional Bus Services

At the start of the 2019-20 financial year, due to a change in PTA operations, six inter-town services were transferred from Regional Town Bus Services (RTBS) to Transwa which also has a small number of contracted inter-town services in place. The new indicator passenger per service kilometre was created for Inter-town Country Bus Services managed by Transwa.

The remaining three inter-town services which stay with RTBS are now included in the KPI results of the Intra-town Regional Bus Services. These services include the inter-town components of the Kalgoorlie and Karratha contracts, and the Mandurah-Waroona-Pinjarra service.

For comparative purposes, the previous years' actual results of intra-town services have been adjusted to include what was previously recognised as the Kalgoorlie inter-town and Karratha inter-town services. Also included are the figures for the Mandurah shopper service.

Intra-Town Regional Bus Services



Total cost per 1000 place kilometres

For 2019-20, the indicator reached \$83.43 which was 4.22 per cent below the target and 0.89 per cent below the 2018-19 result. When comparing the 2018-19 and 2019-20 actual results, the decrease was due to a combination of a small increase in place kilometres from 256.7 million in 2018-19 to 257.8 million in 2019-20, and a decrease in the total costs of running intra-town services.

The total costs of \$21.510 million for 2019-20 was 0.44 per cent less than 2018-19 (\$21.606 million) and 0.67 per cent less than the target (\$21.655 million). The cost savings represent lower than expected expenditure on regional bus services during 2019-20.

Inter-town Country Bus Services

At the start of the 2019-20 financial year, due to a change in PTA operations, six inter-town services were transferred from Regional Town Bus Services (RTBS) to Transwa which also has a small number of contracted inter-town services in place. The new indicator passenger per service kilometre was created for Inter-town Country Bus Services managed by Transwa.

For comparative purpose the inter-town YTD results recorded by RTBS in the previous years have been adjusted to represent the equivalent results of the six inter-town services that were transferred to Transwa.

Inter-Town Country Bus Services (Transwa)



Adjusted Inter-Town Bus Services (RTBS)



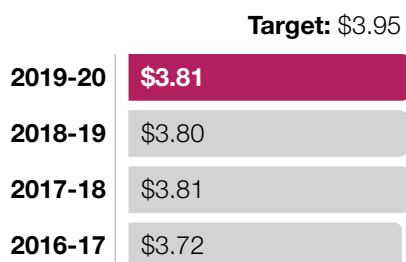
Total cost per 1000 place kilometres

The services were brought over to Transwa from Transperth in the 2019-20 year. Due to limited data availability at the time, the target costs of service was forecasted slightly higher than actual 2019-20 costs. These services will be continuously monitored being relatively new to Transwa.

3. Average Cost per Contracted Kilometres

Regional School Bus Services

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



Average cost per contracted kilometre

The 2019-20 result against the 2019-20 target represents a decrease of 3.57 per cent. The lower outcome incorporates a 2.9 per cent decrease in the total costs and a 0.8 per cent increase in annual contract service kilometres. In 2019-20, the number of service days is 197 compared to 192 in 2018-19 and this is contributing to the variance.

The 2019-20 service profile show sustained activity in maintaining a viable school bus network.

- The total number of contracted school bus services is currently 965;
- On average the contract school bus fleet travelled 171,715 kilometres on each school day;
- The school bus fleet serviced 530+ schools around the state;
- On average, 25,879 students accessed the school bus network on each school day.

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

EFFECTIVENESS INDICATOR

The most significant issue for this outcome is the management of the long-term lease of the rail freight infrastructure to Arc Infrastructure (previously known as Brookfield Rail and WestNet Rail) and reporting any breaches by the parties involved with the Rail Freight Corridor Land Use Agreement (Narrow Gauge) and Railway Infrastructure Lease Agreement and Rail Freight Corridor Land Use Agreement (Standard Gauge) and Railway Infrastructure Lease Agreement dated 2000 (the Leases).

Arc Infrastructure manages and operates the rail freight infrastructure under the terms of the Leases. Under the Leases, Arc Infrastructure is the 'accredited owner' of the infrastructure as defined in the Rail Safety National Law (WA) Act 2015.

Arc Infrastructure engages an independent expert, on a five-yearly basis, to review compliance to performance standards as defined in the Leases. The 2020 audit of operational lines was completed in December 2019 with the final report received in June 2020. Due to COVID-19, the audit of non-operational lines will be undertaken in late 2020.

Additionally, Arc Infrastructure provides an Annual Corridor Ministers Report that detail:

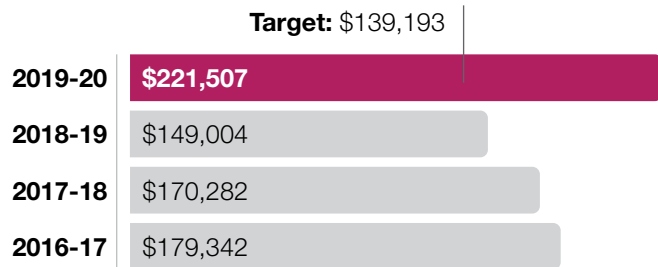
- Audited financial statements for Arc Infrastructure
- Gross tonnes and train numbers for freight and passenger services during the reporting period on each section of line
- Track kilometres in use for standard gauge, narrow gauge, dual gauge and operational and non-operational track
- Directors Certification of compliance pursuant to clause 15 of the leases

PTA measures the effectiveness of the agreement by internally reviewing the Annual Corridor Ministers Report, the five-yearly inspection report from the independent expert and the five-yearly maintenance plan provided by Arc Infrastructure.

There has been no lease breach by Arc Infrastructure with the above agreements since 2009.

COST EFFICIENCY

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



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

The cost of managing the rail corridor and residual freight issues was 59.14 per cent above the 2019-20 target and 48.66 per cent above the 2018-19 result.

The result was \$72.503 million (48.66 per cent) above the 2018-19 result mainly driven by a significant 60.29 per cent increase in depreciation of the freight network infrastructure, following the revaluation of the freight network infrastructure in 2018-19.

Case study: **METRONET**



From Yanchep to the north, Mandurah to south and High Wycombe to the east, 2019-20 saw a number of contracts awarded and shovels in the ground across Perth for METRONET projects.

The milestones were rolling by, the most noteworthy being the end of tunnelling for the Forrestfield-Airport Link project.

Tunnelling commenced at Forrestfield in July 2017 and was completed in April 2020 at the Bayswater portal. Together TBM Grace and TBM Sandy installed 9000 rings (made up of 54,000 locally-made concrete segments) to form the walls of the tunnels, which link three new stations at High Wycombe, Airport Central and Redcliffe to the existing rail network at Bayswater before going on the Midland Line to Perth and then through to Claremont. With tunnelling now complete, the focus turns to installing the systems and tracks in the two 8km tunnels and to complete and commission the three stations and multi-deck car park at High Wycombe.

The remaining METRONET projects are on track to deliver more stations and more trains for Perth, while supporting local business and job opportunities with more than \$85.5 million value of contracts provided to registered Western Australian businesses in the last financial year.

Major contracts were also awarded for six METRONET projects, which collectively support thousands of jobs in delivery. Among these projects is the railcar program to deliver and locally build 246 new C-Series railcars at a facility in Bellevue. The Subiaco-based contractor FIRM Construction started work on new facilities at Bellevue in January 2020.

Local contractors are also working hard to engage other WA-based companies, including supporting Aboriginal businesses. Guided by the METRONET Gnarla Bididi strategy, which sets procurement targets for all contractors, Welshpool-based Westforce Construction engaged two Aboriginal-registered businesses as sub-contractors for the Ashfield/Meltham station car park expansions to support the new Bayswater Station.

During the year, contracts were awarded to NEWest Alliance for the Thornlie-Cockburn Link and the Yanchep Rail Extension. This alliance of major companies CPB and Downer will provide many opportunities to local businesses to contribute. Other contracts were awarded to deliver the Denny Avenue level crossing replacement and the new station at Bayswater through the Evolve Bayswater Alliance and its main contractor, Coleman Rail. All these projects will offer opportunities to local businesses to support and deliver on the METRONET program.

Over the next year we'll see more major contracts awarded, with more opportunities for local businesses to get involved. This will include Lakelands Station and the Morley- Ellenbrook Line main works, which has shortlisted two proponents for the next phase of procurement that will conclude in late 2020 when the contract is awarded.

This pipeline of contracts, jobs and investment will play a key role in supporting the post-pandemic economic recovery effort.



4

Financial statements

Certification of financial statements

FOR THE YEAR ENDED 30 JUNE 2020

The accompanying financial statements of the Public Transport Authority of Western Australia have been prepared in compliance with the provisions of the Financial Management Act 2006 (WA) from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2020 and the financial position as at 30 June 2020.

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



Peter Woronzow
Accountable Authority
7 September 2020



Jeffrey Steedman
Chief Financial Officer
7 September 2020

Financial report

FOR THE YEAR ENDED 30 JUNE 2020

The Public Transport Authority of Western Australia has pleasure in presenting its audited general purpose financial statements for the financial reporting period ended 30 June 2020 which provides users with the information about PTA's stewardship of resource entrusted to it. The financial information is presented in the following structure:

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Statement of comprehensive income

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$'000	2019 \$'000
COST OF SERVICES			
Expenses			
Employee benefits expenses	3.1(a)	205,728	195,266
Supplies and services	3.3	253,434	229,466
Depreciation and amortisation expenses	5.1.1, 5.2, 5.3.1	454,334	369,050
Finance costs	8.3	83,573	89,037
Grants and subsidies	3.2	543,357	538,764
Energy and fuel		32,315	34,129
Other expenses	3.4	28,518	21,235
Total cost of services		1,601,259	1,476,947
Income			
Revenue			
User charges and fees	4.2	192,895	229,630
Operating lease revenue	4.3	5,466	5,466
Commonwealth grants and contributions	4.4	4,720	1,000
Interest revenue	4.5	2,116	3,372
Other revenue	4.6	52,058	45,557
Total revenue		257,255	285,025
Gains			
Gain on disposal of non-current assets	4.7	62	180
Total gains		62	180
Total income other than income from State Government		257,317	285,205
NET COST OF SERVICES		1,343,942	1,191,742
Income from State Government			
Operating subsidy contributions	4.1	901,943	830,061
Services received free of charge	4.1	790	843
Royalties for Regions Fund	4.1	7	9
Total income from State Government		902,740	830,913
DEFICIT FOR THE PERIOD		(441,202)	(360,829)
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	10.10	414,684	1,118,689
Changes in hedge reserve	10.10	(111)	341
Total other comprehensive income		414,573	1,119,030
TOTAL COMPREHENSIVE SURPLUS/(DEFICIT) FOR THE PERIOD		(26,629)	758,201

See also the Schedule of income and expenses by service note 2.2.

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

Statement of financial position

AS AT 30 JUNE 2020

	Note	2020 \$'000	2019 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	8.4	204,170	167,263
Restricted cash and cash equivalents	8.4	543,065	278,848
Inventories	6.4	21,687	18,242
Receivables	6.1	23,306	23,641
Amounts receivable for services	6.2	141,948	154,933
Non-current assets classified as held for sale	10.9	-	2,860
Other current assets	6.3	18,061	13,892
Derivative financial instruments	7.0	-	28
Total Current Assets		952,237	659,707
Non-Current Assets			
Restricted cash and cash equivalents	8.4	1,381	2,743
Amounts receivable for services	6.2	437,992	518,369
Infrastructure, property, plant, equipment and vehicles	5.1	9,491,559	8,855,512
Right-of-use assets	5.2	29,581	-
Intangibles	5.3	12,283	12,882
Total Non-Current Assets		9,972,796	9,389,506
TOTAL ASSETS		10,925,033	10,049,213
LIABILITIES			
Current Liabilities			
Payables	6.6	160,503	129,395
Borrowings	8.1	176,137	165,772
Lease liabilities	8.2	3,228	-
Employee related provisions	3.1(b)	41,408	37,344
Other provisions	6.7	3,944	1,949
Contract liabilities	6.8	28,467	-
Other current liabilities	6.9	55	30
Deferred income operating lease	6.5	5,466	5,466
Derivative financial instruments	7.0	520	-
Total Current Liabilities		419,728	339,956
Non-Current Liabilities			
Borrowings	8.1	2,377,415	2,206,946
Lease liabilities	8.2	25,723	-
Employee related provisions	3.1(b)	9,585	8,887
Other provisions	6.7	7,125	6,640
Contract liabilities	6.8	1,884	-
Deferred income operating lease	6.5	160,062	165,528
Total Non-Current Liabilities		2,581,794	2,388,001
TOTAL LIABILITIES		3,001,522	2,727,957
NET ASSETS			
EQUITY			
Contributed equity	10.10	5,674,906	5,047,297
Reserves	10.10	4,825,277	4,410,704
Accumulated deficit		(2,576,672)	(2,136,745)
TOTAL EQUITY		7,923,511	7,321,256

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

Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2020

	Note	Contributed equity \$'000	Reserves \$'000	Accumulated deficit \$'000	Total equity \$'000
Balance at 1 July 2018		4,659,975	3,291,674	(1,775,969)	6,175,680
Changes in accounting policy or correction of prior period errors		-	-	53	53
Restated balance at 1 July 2018		4,659,975	3,291,674	(1,775,916)	6,175,733
Deficit		-	-	(360,829)	(360,829)
Other comprehensive income		-	1,119,030	-	1,119,030
Total comprehensive income for the period		-	1,119,030	(360,829)	758,201
Transactions with owners in their capacity as owners:					
Capital appropriations	10.10	446,256	-	-	446,256
Other contributions by owners	10.10	500	-	-	500
Distributions to owners	10.10	(91,054)	-	-	(91,054)
Transfers of net assets from other agencies		31,620	-	-	31,620
Total		387,322	-	-	387,322
Balance as at 30 June 2019		5,047,297	4,410,704	(2,136,745)	7,321,256
Balance at 1 July 2019		5,047,297	4,410,704	(2,136,745)	7,321,256
Initial application of AASB 16	10.2	-	-	1,275	1,275
Initial application of AASB 15/1058	10.2	-	-	-	-
Restated balance at 1 July 2019		5,047,297	4,410,704	(2,135,470)	7,322,531
Deficit		-	-	(441,202)	(441,202)
Other comprehensive income		-	414,573	-	414,573
Total comprehensive income for the year		-	414,573	(441,202)	(26,629)
Transactions with owners in their capacity as owners:					
Capital appropriations	10.10	618,472	-	-	618,472
Other contributions by owners	10.10	7,544	-	-	7,544
Distributions to owners		-	-	-	-
Transfers of net assets from other agencies	10.10	1,593	-	-	1,593
Total		627,609	-	-	627,609
Balance as at 30 June 2020		5,674,906	4,825,277	(2,576,672)	7,923,511

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

Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$'000	2019 \$'000
CASH FLOWS FROM STATE GOVERNMENT			
Operating subsidy contribution		901,943	830,061
Capital appropriations		618,472	446,256
Royalties for Regions Fund		7,551	509
Holding account drawdown		93,362	69,285
Net cash provided by state government		1,621,328	1,346,111
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(202,949)	(195,207)
Supplies and services		(285,352)	(264,413)
Finance costs		(85,487)	(88,626)
Grants and subsidies		(546,187)	(534,984)
Receipts paid into consolidated account		(3,474)	(3,777)
GST payments on purchases		(144,437)	(118,411)
Other payments		(22,338)	(13,702)
Receipts			
User charges and fees		198,826	230,744
Commonwealth grants and contributions		4,720	1,000
Interest received		2,918	2,863
GST receipts on sales		25,148	27,630
GST receipts from taxation authority		113,189	94,634
Other receipts		85,354	48,815
Net cash used in operating activities	8.4.2	(860,069)	(813,434)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(642,488)	(416,636)
Receipts			
Proceeds from sale of non-current assets		3,245	-
Net cash used in investing activities		(639,243)	(416,636)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Repayment of borrowings		(410,772)	(429,569)
Principal elements of lease (2019 - finance lease)		(3,088)	-
Receipts			
Proceeds from borrowings		591,606	538,776
Net cash provided by financing activities		177,746	109,207
Net increase in cash and cash equivalents		299,762	225,248
Cash and cash equivalents at the beginning of the period		448,854	223,606
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8.4	748,616	448,854
(including current and non-current restricted cash and cash equivalents)			

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

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2020

1. Basis of preparation

The Public Transport Authority of Western Australia (PTA) is a WA Government entity, controlled by the State of Western Australia, which is the ultimate parent. The PTA is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the '**Overview**' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the PTA on 7 September 2020.

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

Statement of compliance

These general purpose financial statements have been prepared in accordance with:

1. The Financial Management Act 2006 (**FMA**)
2. The Treasurer's Instructions (**the Instructions or TI**)
3. Australian Accounting Standards (**AAS**) including applicable interpretations
4. Where appropriate, those **AAS** paragraphs applicable for not-for-profit entities have been applied.

The FMA and the TI take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Contributed equity

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

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

2. PTA outputs

How the PTA operates

This section includes information regarding the nature of funding the PTA receives and how this funding is utilised to achieve the PTA's objectives. This note also provides the distinction between controlled funding and administered funding:

	Note
PTA objectives	2.1
Schedule of income and expenses by service	2.2

2.1 PTA objectives

Purpose

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

Services

The PTA provides the following services:

Service 1: Metropolitan and Regional Passenger Services

Transperth is the brand and operating name of the public transport system in the greater Perth metropolitan area. The Transperth system consists of a bus network, a fully-electrified urban train system and a ferry service. It is managed by our Transperth branch and covers key functions such as system planning, bus service delivery, bus service security, passenger information services, ticketing and bus fleet procurement. Transperth bus and ferry services are provided under commercial contract arrangements; train services are provided by our Transperth Train Operations (TTO) division under an internal service-level agreement. Passenger information comprising InfoCentre, InfoLine and customer feedback services are provided under contract by Serco.

Under the TransRegional brand, our Regional Town Bus Services (RTBS) branch manages Trans branded school and town public bus services in 14 major regional towns in rural WA.

Service 2: Country Passenger Rail and Road Coach Services

Transwa is the brand and operating name for the road coach and rail public transport system serving regional centres. Our Transwa network extends to Kalbarri and Meekatharra in the north, east to Kalgoorlie, and south-east to Esperance. The services link 240 regional locations to the Perth metropolitan area (and locations in between) and are used by a variety of passengers for a range of travel purposes. Transwa now manages 6 inter-town services previously managed by TransRegional – two in the Pilbara and one each in the Kimberley, Gascoyne, Mid-West and Goldfields regions.

Service 3: Regional School Bus Services

The PTA manages the policy and entitlement framework, delivers system support and oversees the contract arrangements of orange school bus services around the State. These buses provide access to school for students in rural areas (picking them up from the farm gate where appropriate), as well as access to schools in the metropolitan area for students attending special education facilities. Responsibility for the management of these services rests with our School Bus Services (SBS) branch. In addition to the orange contract school buses, there are four cluster contracts made up of 51 contract school buses that are funded by the Department of Education (DoE) and administered by SBS. These services do not form part of our Student Transport Assistance Policy Framework (STAPF). Where eligible students cannot be accommodated on a school bus, their parents/carers are paid a conveyance allowance to offset the cost of getting their children to the nearest appropriate school.

Service 4: Rail Corridor and Residual Freight Issues Management

Managing the rail freight corridor and infrastructure leases to the private sector and associated freight transport issues.

2.2 Schedule of income and expenses by service

For the year ended 30 June 2020

	Metropolitan and Regional Passenger Services		Country Passenger Rail and Road Coach		Regional School Bus Services		Rail Corridor and Residual Freight Issues		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
COST OF SERVICES										
Expenses										
Employee benefits expense	180,376	169,141	16,319	16,028	3,730	4,037	5,303	6,060	205,728	195,266
Supplies and services	219,946	192,753	21,231	22,327	1,591	1,336	10,666	13,050	253,434	229,466
Depreciation and amortisation expense	243,960	234,649	7,253	7,062	984	1,230	202,137	126,109	454,334	369,050
Finance costs	80,517	85,302	1,432	1,748	-	-	1,624	1,987	83,573	89,037
Grants and subsidies	418,518	418,077	648	-	124,191	120,687	-	-	543,357	538,764
Energy and fuel	28,272	29,773	3,064	3,341	-	-	979	1,015	32,315	34,129
Other expenses	25,321	18,468	2,071	1,689	328	295	798	783	28,518	21,235
Total cost of services	1,196,910	1,148,163	52,018	52,195	130,824	127,585	221,507	149,004	1,601,259	1,476,947
Income										
User charges and fees	179,508	214,788	8,353	9,764	5,034	5,078	-	-	192,895	229,630
Operating lease revenue	-	-	-	-	-	-	5,466	5,466	5,466	5,466
Commonwealth grants and contributions	4,720	1,000	-	-	-	-	-	-	4,720	1,000
Interest revenue	-	-	-	-	-	-	2,116	3,372	2,116	3,372
Gain on disposal of non-current assets	62	180	-	-	-	-	-	-	62	180
Other revenue	38,818	31,701	1,007	1,033	1	-	12,232	12,823	52,058	45,557
Total income other than income from State Government	223,108	247,669	9,360	10,797	5,035	5,078	19,814	21,661	257,317	285,205
NET COST OF SERVICES	973,802	900,494	42,658	41,398	125,789	122,507	201,693	127,343	1,343,942	1,191,742
Income from State Government										
Operating subsidy contributions	726,538	663,750	37,054	35,386	128,201	123,225	10,150	7,700	901,943	830,061
Services received free of charge	-	-	-	-	-	-	790	843	790	843
Royalties for Regions Fund	-	-	7	9	-	-	-	-	7	9
Total income from State Government	726,538	663,750	37,061	35,395	128,201	123,225	10,940	8,543	902,740	830,913
Surplus/(deficit) for the period	(247,264)	(236,744)	(5,597)	(6,003)	2,412	718	(190,753)	(118,800)	(441,202)	(360,829)

The Schedule of income and expenses by service should be read in conjunction with the accompanying notes.

3. Use of our funding

Expenses incurred in the delivery of services

This section provides additional information about how the PTA's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the PTA in achieving its objectives and the relevant notes are:

	Note	2020 \$'000	2019 \$'000
Employee benefits expenses	3.1(a)	205,728	195,266
Employee related provisions	3.1(b)	50,993	46,231
Grants and subsidies	3.2	543,357	538,764
Supplies and services	3.3	253,434	229,466
Other expenses	3.4	28,518	21,235

3.1 (a) Employee benefits expenses

	2020 \$'000	2019 \$'000
Employee benefits	188,386	178,806
Superannuation - defined contributions plans (i)	17,342	16,460
Total employee benefits expenses	205,728	195,266
Add: AASB 16 Non-monetary benefits	192	-
Less: Employee contributions	(90)	-
Net employee benefits	205,830	195,266

(i) Defined contribution plans include West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS), Government Employees Superannuation Board Schemes (GESBs) and *other eligible funds*.

Employee benefits: Includes wages, salaries, accrued and paid leave entitlements, paid sick leave and termination payments; and non-monetary benefits (such as cars and free or subsidised travel) for employees.

Superannuation: The amount recognised in profit or loss in the Statement of comprehensive income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds. The employer contribution paid to GESB, in respect of the GSS, is paid back into the Consolidated Account by GESB.

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

The PTA does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. All other GSS obligations are funded by concurrent contributions made by the PTA to the GESB.

The GESB and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

AASB 16 Non-monetary benefits: Employee benefits in the form of non-monetary benefits, such as the provision of motor vehicles, are measured at cost.

3.1 (b) Employee related provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

	2020	2019
	\$'000	\$'000
Current		
Employee benefits provisions		
Annual leave (i)	19,880	17,454
Long service leave (ii)	17,544	16,243
Deferred salary scheme (iii)	136	188
	37,560	33,885
Other provisions		
Employment on-costs (iv)	3,848	3,459
Total current employee related provisions	41,408	37,344
Non-Current		
Employee benefits provisions		
Long service leave (ii)	8,654	8,018
Other provisions		
Employment on-costs (iv)	931	869
Total non-current employee related provisions	9,585	8,887
Total employee related provisions	50,993	46,231

(i) Annual leave liabilities: Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of liabilities is expected to occur as follows:

	2020	2019
	\$'000	\$'000
Within 12 months of the end of the reporting period	16,149	15,454
More than 12 months after the end of the reporting period	3,731	2,000
	19,880	17,454

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

(ii) Long service leave liabilities: Unconditional long service leave provisions are classified as current liabilities as the PTA does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the PTA has an unconditional right to defer settlement of the liability until the employee has completed the requisite years of service.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2020	2019
	\$'000	\$'000
Within 12 months of the end of the reporting period	4,274	4,347
More than 12 months after the end of the reporting period	21,924	19,913
	26,198	24,260

The liability for long service leave is recognised at the face value of each employee's long service leave entitlement based on remuneration rates current as at the end of the reporting period, adjusted for the employee's age factor. This method is referred to as the shorthand method.

An actuarial assessment of long service leave undertaken by PriceWaterhouseCoopers Actuaries at 30 June 2019 determined that the liability measured using the short-hand measurement technique above was not materially different from the liability determined using the present value of expected future payments. This calculation is consistent with the PTA's experience of employee retention and leave taken.

(iii) Deferred salary scheme liabilities: Classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Actual settlement of the liabilities is expected to occur as follows:

	2020	2019
	\$'000	\$'000
Within 12 months of the end of the reporting period	136	188
More than 12 months after the end of the reporting period	-	-
	136	188

Employment on-costs: The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses, note 3.4 (apart from the unwinding of the discount (finance cost))' and are not included as part of the PTA's 'employee benefits expenses'. The related liability is included in 'Employment on-costs provision'.

	2020	2019
	\$'000	\$'000
Employment on-costs provision		
Carrying amount at start of period	4,327	3,922
Additional provisions recognised	2,672	2,602
Payments/other sacrifices of economic benefit	(2,220)	(2,197)
Carrying amount at end of period	4,779	4,327

Key sources of estimation uncertainty – annual leave and long service leave

The PTA undertook an actuarial assessment of its long service leave provision in 2019 and is using employees' age based factors for discounting its expected future payments between valuations. These factors incorporate a series of assumptions such as demographics, salary inflation, and market yields on Commonwealth Government bonds. Fluctuations in any of the assumptions used to calculate these factors may impact the provision for annual and long service leave.

Any gain or loss following revaluation of the present value of the long service leave liabilities is recognised as employee benefit expense.

3.2 Grants and subsidies

	2020 \$'000	2019 \$'000
Recurrent		
Bus operators (i)	398,774	398,040
School bus services (i)	122,178	118,447
Regional bus services (i)	17,596	17,492
Student conveyance allowance (ii)	2,013	2,240
Ferry services (i)	1,417	1,276
Grants to other government agencies	834	386
Grants to local government (iii)	545	883
	543,357	538,764

- (i) Transactions are mainly contract payments to Metropolitan and Regional bus operators and ferry operators.
- (ii) Contribution to eligible parents/carers for transportation costs by private motor vehicle. This entitlement applies to rural students living outside of a public transport area and students with special needs who are required to attend an education support facility.
- (iii) Grants to local government includes bus shelter grant scheme.

Transactions in which the PTA provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant expenses'. Grants can either be operating or capital in nature.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools, and community groups.

3.3 Supplies and services

	2020 \$'000	2019 \$'000
Contractors	197,814	168,585
Motor vehicles	12,234	12,231
Materials and signs	9,652	8,808
Consumables	12,155	13,615
Communications	1,066	1,219
Other	20,513	25,008
Total supplies and services expenses	253,434	229,466

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

3.4 Other expenses

	2020 \$'000	2019 \$'000
Payroll tax	11,222	10,973
Workers' compensation	7,875	4,445
Impairment losses	4,203	-
Payment of infringements to consolidated account	3,474	3,777
Audit fees	586	719
Notional charges for services provided by government agencies	790	843
Employment on-costs	400	371
Bad debts written off	11	99
Expected credit losses expense	(44)	8
Other	1	-
Total other expenses	28,518	21,235

Other expenses:

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

Employee on-costs Includes workers' compensation insurance and employment on-costs. The on-costs liabilities associated with the recognition of annual and long service leave liabilities are included at note 3.1(b) Employee related provisions. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Expected credit losses is an allowance of trade receivables, measured at the lifetime expected credit losses at each reporting date. The PTA has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Please refer to note 6.1.1 Movement in the allowance for impairment of trade receivables.

Impairment losses are recognised in the Statement of comprehensive income. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income.

4. Our funding sources

How we obtain our funding

This section provides additional information about how the PTA obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the PTA and the relevant notes are:

	Note	2020 \$'000	2019 \$'000
Income from State Government	4.1	902,740	830,913
User charges and fees	4.2	192,895	229,630
Operating lease revenue	4.3	5,466	5,466
Commonwealth grants and contributions	4.4	4,720	1,000
Interest revenue	4.5	2,116	3,372
Other revenue	4.6	52,058	45,557
Gains (Losses) on disposal of non-current assets	4.7	62	180

4.1 Income from State Government

	2020 \$'000	2019 \$'000
Appropriations received during the period:		
Operating subsidy contributions (i)	901,943	830,061
Services received free of charge from other State Government agencies during the period (ii):		
State Solicitors Office	639	480
Landgate	24	8
Department of Water and Environmental Regulation	7	3
Department of Primary Industries and Regional Development	9	-
Department of Communities	7	-
Main Roads WA	104	352
Total services received	790	843
Royalties for Regions Fund:		
Regional Community Services Account (iii)	7	9
	902,740	830,913

- (i) Operating subsidy contributions are recognised as revenues at fair value in the period in which the PTA gains control of the appropriated funds. The PTA gains control of appropriated funds at the time those funds are deposited in the bank account.

Operating subsidy contributions fund the net cost of services delivered (as set out in note 2.2) except depreciation expense.

- (ii) Assets or services received free of charge (except those designated as contribution from owners) or for nominal cost are recognised as income at the fair value of the assets and/or the fair value of those services that can be reliably measured and the PTA would otherwise pay for. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of financial position.

(iii) The Regional Community Services Accounts are sub-funds within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas and are recognised as income when the PTA receives the funds. The PTA has assessed Royalties for Regions agreements and concludes that they are not within the scope of AASB 15 as they do not meet the 'sufficiently specific' criterion.

The application of AASB 15 and AASB 1058 from 1 July 2019 has had no impact on the treatment of income from State Government.

4.2 User charges and fees

	2020	2019
	\$'000	\$'000
Fare revenue	192,895	229,630

Revenue recognition

Until 30 June 2019, revenue was recognised and measured at the fair value of consideration received or receivable.

From 1 July 2019, revenue is recognised at the transaction price when the PTA transfers control of the services to customers.

Revenue is recognised for the major business activities as follows:

Fare revenue

Revenue is recognised when the PTA transfers control of services to a customer for the amount to which the PTA expects to be entitled. Revenue is recognised at a point in time when performance obligations are satisfied.

Provision of services

Revenue is recognised in the accounting period in which the relevant performance obligations has been satisfied.

4.3 Operating lease revenue

	2020	2019
	\$'000	\$'000
Rental income from freight network infrastructure (i)	5,383	5,383
Rental income from grain receival sites (ii)	83	83
	5,466	5,466

(i) The sale of the Westrail Freight Business on 17 December 2000 included an operating lease of the freight network infrastructure for 49 years between the Western Australian Government Railways Commission (WAGR) – now the PTA and Westnet Rail Pty Ltd – now Arc Infrastructure Pty Ltd. The lease rentals were fully prepaid on 17 December 2000, and credited to deferred operating lease revenue.

(ii) A 99 year operating lease for 118 grain receival sites was entered into with Co-operative Bulk Handling (CBH) in 2003. Rental income for 99 years of \$7.45 million was received in full at the commencement of the lease, and is accounted for as revenue over the 99 year lease period, with the prepaid portion shown as deferred income. (See note 6.5 'Deferred income – operating leases').

A further 99 year operating lease for 15 grain receival sites was entered into with CBH in 2004.

Rental income for 99 years of \$775,000 was received in full at the commencement of the lease, and is accounted for as revenue over the 99 year lease period, with the prepaid portion shown as deferred income. (See note 6.5 'Deferred income – operating leases').

4.4 Commonwealth grants and contributions

	2020	2019
	\$'000	\$'000
Commonwealth grant (via Treasury) - Karel Avenue Upgrade Project	4,720	1,000

Until 30 June 2019

Income from Commonwealth grants is recognised at fair value when the grant is receivable.

From 1 July 2019

Current grants are recognised as income when the grants are receivable.

Commonwealth grant received for Karel Avenue Upgrade Project is recognised as revenue as the PTA satisfies the performance obligations. When the PTA has not yet met the performance obligations, amounts received are treated as contract liabilities (note 6.8) in the Statement of financial position.

4.5 Interest revenue

	2020	2019
	\$'000	\$'000
Interest revenue	2,116	3,372

Revenue is recognised as the interest accrues.

Interest revenue received from Treasury was calculated only on the balance of the funds received for the METRONET account (note 10.6).

4.6 Other revenue

	2020	2019
	\$'000	\$'000
Contribution other government agencies	17,043	192
Rents and leases	13,984	15,854
Advertising income	6,695	10,151
Parking	6,620	8,829
Infringements	3,527	3,789
Miscellaneous	3,021	3,160
SmartRider card sales	958	1,090
External works	253	2,468
Net change in fair value of financial instruments through profit and loss	(43)	24
	52,058	45,557

Revenue recognition

Revenue is recognised when the PTA transfers control of services to a customer for the amount to which the PTA expects to be entitled. Under AASB 15, these are predominately to be recognised at a point in time when performance obligations are satisfied.

Revenue is recognised for the major business activities as follows:

Sale of goods

Up to 30 June 2019, revenue was recognised from the sale of goods when the significant risks and rewards of ownership transfer to the purchaser and can be measured reliably.

From 1 July 2019, revenue is recognised from the sale of goods and disposal of other assets when the PTA transfers control of the goods to a customer for the amount to which the PTA expects to be entitled.

Provision of services

Revenue is recognised in the accounting period in which the relevant performance obligations have been satisfied.

Infringements

Infringements are recorded on a cash basis. Outstanding infringements are not recognised as receivables, as the future economic benefits are minimal and cannot be reliably measured at the end of the reporting period.

Rents and leases

Revenue from rents and leases is recognised in the accounting period in which the relevant performance obligations have been satisfied.

4.7 Gains (Losses) on disposal of non-current assets

	2020 \$'000	2019 \$'000
Net proceeds from disposal of non-current assets		
Land	2,832	-
Buses	474	1,760
Other	68	-
Carrying amount of non-current assets disposed		
Land	(2,833)	-
Buses	(470)	(1,100)
Railway Infrastructure	-	(289)
Other/write-off of non-current assets	(9)	(191)
Net gains	62	180

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the Statement of comprehensive income (from the proceeds of sale).

5. Key assets

Assets the PTA utilises for economic benefit or service potential

This section includes information regarding the key assets the PTA utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Note	2020 \$'000	2019 \$'000
Infrastructure, property, plant, equipment and vehicles	5.1	9,491,559	8,855,512
Right-of-use assets	5.2	29,581	-
Intangible assets	5.3	12,283	12,882
Total key assets		9,533,423	8,868,394

5.1 Infrastructure, property, plant, equipment and vehicles

Year ended 30 June 2020	Land		Buildings		Freight infrastructure		Rollingstock		Railway infrastructure		Plant, equipment & motor vehicles		System infrastructure		Bus infrastructure		Vessels		Buses		Construction in progress		Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
1 July 2019																									
Gross carrying amount	455,632	116,785	13,382,428	1,521,365	4,814,197	58,943	337,460	691,150	3,851	952,549	1,164,144	23,498,504													
Accumulated depreciation	-	(75,806)	(10,975,519)	(753,175)	(1,856,415)	(45,600)	(235,796)	(244,300)	(2,881)	(453,500)	-	(14,642,992)													
Carrying amount at start of period	455,632	40,979	2,406,909	768,190	2,957,782	13,343	101,664	446,850	970	499,049	1,164,144	8,855,512													
Additions	-	-	-	-	61	119	249	-	-	-	-	674,616	675,045												
Transfers (i)	400	1,012	37	37,102	47,203	5,024	7,163	8,978	2,315	43,996	(154,797)	(1,567)													
Other disposals	-	-	-	-	-	(9)	-	-	-	(470)	-	(479)													
Revaluation increments/(decrements)	(9,832)	-	-	(71,092)	495,608	-	-	-	-	-	-	414,684													
Impairment losses (ii)	-	-	-	-	-	-	-	-	-	-	(4,203)	(4,203)													
Depreciation	-	(3,476)	(192,513)	(50,495)	(114,481)	(4,511)	(13,450)	(17,106)	(161)	(51,240)	-	(447,433)													
Carrying amount at 30 June 2020	446,200	38,515	2,214,433	683,705	3,386,173	13,966	95,626	438,722	3,124	491,335	1,679,760	9,491,559													

(i) On 30 June 2020, the PTA recognised transferred assets from Main Roads WA to PTA for Ashton Avenue bridge associated works (\$1.0 million); Hamilton Street bridge associated works (\$0.2 million) and Land at Northbridge (\$0.4 million). All other transfers relate to movements from construction in progress to respective asset profiles and internal transfers made by the PTA between asset classes to more accurately reflect the classification of assets in use.

(ii) Impairment losses are recognised in the Statement of comprehensive income. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. Information on fair value measurements is provided in note 9.3.

5.1 Infrastructure, property, plant, equipment and vehicles (continued)

Year ended 30 June 2019	Land \$'000	Buildings \$'000	Freight infrastructure \$'000	Rollingstock \$'000	Railway infrastructure \$'000	Plant, equipment & motor vehicles \$'000	System infrastructure \$'000	Bus infrastructure \$'000	Vessels \$'000	Buses \$'000	Construction in progress \$'000	Total \$'000
1 July 2018												
Gross carrying amount	454,374	116,459	7,651,374	1,437,365	4,747,670	53,273	335,810	666,154	3,579	950,135	1,047,984	17,464,177
Accumulated depreciation	-	(71,986)	(6,249,997)	(704,218)	(1,747,983)	(41,546)	(223,898)	(228,103)	(2,584)	(450,563)	-	(9,720,878)
Carrying amount at start of period	454,374	44,473	1,401,377	733,147	2,999,687	11,727	111,912	438,051	995	499,572	1,047,984	7,743,299
Additions	-	-	-	-	175	110	-	-	-	28	423,243	423,556
Transfers	2,432	327	5,146	84,000	68,955	5,593	1,765	23,602	-	53,027	(307,083)	(62,236)
Other disposals	-	-	-	-	(289)	(9)	(70)	-	-	(1,021)	-	(1,389)
Revaluation increments/ (decrements)	(1,174)	-	1,118,401	-	-	-	-	1,394	68	-	-	1,118,689
Depreciation	-	(3,821)	(118,015)	(48,957)	(110,746)	(4,078)	(11,943)	(16,197)	(93)	(52,557)	-	(366,407)
Carrying amount at 30 June 2019	455,632	40,979	2,406,909	768,190	2,957,782	13,343	101,664	446,850	970	499,049	1,164,144	8,855,512

Initial recognition

Items of property, plant and equipment, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no cost or significantly less than fair value, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment and infrastructure costing less than \$5,000 are immediately expensed direct to the Statement of comprehensive income (other than where they form part of a group of similar items which are significant in total).

Subsequent measurement

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land, buildings, freight network infrastructure, railway infrastructure, bus infrastructure, system infrastructure, rollingstock, vessels and buses. All assets except plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. Plant and equipment are carried at historical cost less accumulated depreciation and accumulated impairment losses.

Land controlled by the PTA including metropolitan and regional corridor land, not subject to commercial lease, is independently valued annually by the Western Australian Land Information Authority (Valuations and Property Analytics) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Land was revalued as at 1 July 2019 by the Western Australian Land Information Authority (Valuations and Property Analytics) and recognised at 30 June 2020.

Land which is commercially leased is independently valued on the capitalised value of current lease.

Buildings, freight network infrastructure, railway infrastructure, bus infrastructure, system infrastructure and Transwa rollingstock are revalued at fair value using current replacement cost by independent valuers, engineering and management professionals. Buses, vessels and urban rollingstock are revalued utilising internal resources and recent contract prices. Valuations are obtained every three to five years. The fair value is based on current replacement cost as the assets are specialised and limited market-based evidence of value is available.

Fair value for infrastructure assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications, adjusted for obsolescence. Obsolescence encompasses physical deterioration, functional (technological) obsolescence and economic (external) obsolescence.

Construction in progress is recognised at cost.

Significant assumptions and judgements

The most significant assumptions and judgement in estimating fair value are assets' useful lives, which are estimated having regard to such factors as asset maintenance, rate of technical and commercial obsolescence and asset usage. The useful lives of fixed assets are reviewed annually.

5.1.1 Depreciation and impairment

Charge for the period

	2020 \$'000	2019 \$'000
Depreciation		
Buildings	3,476	3,820
Freight network infrastructure	192,513	118,016
Rollingstock	50,495	48,957
Railway infrastructure	114,481	110,746
Plant, equipment and motor vehicles	4,511	4,078
Systems infrastructure	13,450	11,943
Bus infrastructure	17,106	16,197
Vessels	161	93
Buses	51,240	52,557
Total depreciation for the period	447,433	366,407

As at 30 June 2020 there were no indications of impairment to infrastructure, property, plant, equipment and vehicles.

All surplus assets at 30 June 2020 have either been classified as assets held for sale or have been written-off.

Finite useful lives

Buildings, freight network infrastructure, railway infrastructure, bus infrastructure, system infrastructure, rollingstock, vessels, buses and plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exceptions to this rule include assets held for sale and land.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Class of asset	Useful Life
Buildings	10 to 50 years
Rollingstock	10 to 45 years
Infrastructure (including bus, railway, freight network and system)	5 to 100 years
Plant and equipment	3 to 40 years
Buses	10 to 45 years
Vessels	4 to 20 years

The estimated useful lives and residual values are reviewed annually and adjustments are made where appropriate.

Land, which is considered to have an indefinite life, is not depreciated. Depreciation is not recognised because its service potential has not, in any material sense, been consumed during the reporting period.

Impairment

Non-financial assets, including items of property, plant and equipment, are tested for impairment annually or whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss. The PTA recognised an impairment loss to construction in progress and was recognised through the Statement of comprehensive income.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

There were no other indications of impairment to property, plant and equipment, vehicles or infrastructure assets at 30 June 2020.

As the PTA is a not-for-profit entity, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

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

Commitments

The PTA has contractual commitments of \$3,034 million for the acquisition and construction of non-current assets which includes infrastructure, property, plant and equipment.

5.2 Right-of-use assets

Year ended 30 June 2020	Land and buildings \$'000	Plant, equipment and motor vehicles \$'000	Concessionary leases Land & buildings (i) \$'000	Total \$'000
At 30 June 2019				
Opening net carrying amount	-	-	-	-
Recognition of right-of-use assets on initial application of AASB 16	28,580	1,812	-	30,392
Restated opening carrying amount	28,580	1,812	-	30,392
1 July 2019				
Gross carrying amount	28,580	1,812	-	30,392
Accumulated depreciation	-	-	-	-
Carrying amount at start of period	28,580	1,812	-	30,392
Additions	2,574	493	-	3,067
Transfers	-	-	-	-
Other disposals	-	(1)	-	(1)
Revaluation increments/(decrements)	-	-	-	-
Depreciation	(2,955)	(922)	-	(3,877)
Carrying amount at 30 June 2020	28,199	1,382	-	29,581

- (i) Right-of-use (“ROU”) assets resulting from concessionary leases are for transport infrastructure that enable the PTA to further its service objectives. As at 30 June 2020, the PTA had 13 concessionary leases with individual lease payments of \$1 per annum and a total ROU assets’ balance of \$113.37. The associated lease terms of the 13 concessionary leases are from 17 months to 74 years. During the lease terms, the PTA is obliged to operate the ROU assets for delivering public transport services only.

Initial recognition

Right-of-use assets are measured at cost including the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs, including dismantling and removing the underlying asset

This includes all leased assets other than investment property ROU assets, which are measured in accordance with AASB 140 ‘*Investment Property*’.

The PTA has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

Subsequent Measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the PTA at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 5.1.1.

The following amounts relating to leases have been recognised in the Statement of comprehensive income:

	2020 \$'000	2019 \$'000
Land and buildings	2,955	-
Plant, equipment and motor vehicles	922	-
Concessionary leases land and buildings	-	-
Total right-of-use asset depreciation	3,877	-
Lease interest expenses	842	-
Expenses relating to variable lease payments not included in lease liabilities	-	-
Short-term leases	750	-
Low-value leases	-	-
Gains or losses arising from sale and leaseback transactions	-	-

The total cash outflow for leases in 2020 was \$3,929,713 which include payments of both interest and principal.

The PTA's leasing activities and how these are accounted for:

The PTA has leases for bus depots and stations, car parks, motor vehicles and licenses.

Up to 30 June 2019, the PTA classified lease as either finance leases or operating leases. From 1 July 2019, the PTA recognises leases as right-of-use assets and associated lease liabilities in the Statement of financial position.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 8.2.

5.3 Intangible assets

	Licences \$'000	Computer software \$'000	Total \$'000
Year ended 30 June 2019			
1 July 2018			
Gross carrying amount	8,202	25,846	34,048
Accumulated amortisation	(2,387)	(18,625)	(21,012)
Carrying amount at start of period	5,815	7,221	13,036
Additions and transfers in	-	2,489	2,489
Amortisation expense	(588)	(2,055)	(2,643)
Carrying amount at 30 June 2019	5,227	7,655	12,882
Year ended 30 June 2020			
1 July 2019			
Gross carrying amount	8,202	28,335	36,537
Accumulated amortisation	(2,975)	(20,680)	(23,655)
Carrying amount at start of period	5,227	7,655	12,882
Additions and transfers in	-	2,425	2,425
Amortisation expense	(588)	(2,436)	(3,024)
Carrying amount at 30 June 2020	4,639	7,644	12,283

Initial recognition

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets that comply with the recognition criteria as per AASB 138.57 (as noted below), are capitalised.

Costs incurred below \$5,000 are immediately expensed directly to the Statement of comprehensive income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- b) an intention to complete the intangible asset and use or sell it;
- c) the ability to use or sell the intangible asset;
- d) the intangible asset will generate probable future economic benefit;
- e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Costs incurred in the research phase of a project are immediately expensed.

Subsequent measurement

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

5.3.1 Amortisation and impairment

Charge for the period

	2020 \$'000	2019 \$'000
Amortisation		
Computer software	2,436	2,055
Licences	588	588
Total amortisation for the period	3,024	2,643

As at 30 June 2020 there were no indications of impairment to intangible assets.

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

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the PTA have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The expected useful lives for each class of intangible asset are:

Class of asset	Useful Life
Software*	2 to 5 years
Website costs	3 to 5 years
Licences	15 years

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

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment when an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in note 5.1.1.

6. Other assets and liabilities

This section sets out those assets and liabilities that arose from the PTA's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Note	2020 \$'000	2019 \$'000
Receivables	6.1	23,306	23,641
Amounts receivable for services (Holding Account)	6.2	579,940	673,302
Other current assets	6.3	18,061	13,892
Inventories	6.4	21,687	18,242
Deferred income operating leases	6.5	(165,528)	(170,994)
Payables	6.6	(160,503)	(129,395)
Other provisions	6.7	(11,069)	(8,589)
Contract liabilities	6.8	(30,351)	-
Other current liabilities	6.9	(55)	(30)

6.1 Receivables

	2020 \$'000	2019 \$'000
Current		
Receivables	673	2,770
Allowance for impairment of receivables	(15)	(59)
Accrued revenue	2,771	7,338
GST receivable	19,799	13,140
Other receivables - external works	78	452
Total receivables	23,306	23,641

Receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

6.1.1 Movement of the allowances for impairment of receivables

	2020 \$'000	2019 \$'000
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at start of period	59	103
Remeasurement under AASB 9	-	51
Restated balance at start of period	59	154
Expected credit losses expense (recovery)	(44)	8
Amount written off during the period	-	(99)
Amount recovered during the period	-	(4)
Balance at end of period	15	59

The maximum exposure to credit risk at the end of the reporting period for trade receivables is the carrying amount of the asset inclusive of any allowance for impairment as shown in the table note 9.1(d) 'Financial instruments disclosures'.

The PTA does not hold any collateral as security or other credit enhancements for trade receivables.

6.2 Amounts receivable for services (Holding Account)

	2020	2019
	\$'000	\$'000
Current	141,948	154,933
Non-current	437,992	518,369
Balance at end of period	579,940	673,302

Amounts receivable for services represent the non-cash component of operating subsidy contribution. It is restricted in that it can only be used for asset replacement or payment of leave liability.

The PTA receives funding on an accrual basis. The operating subsidy are paid partly in cash and partly as an asset (holding account receivable) until 2011-12. From 2012-13, the PTA no longer receives funding into holding account receivable. The accrued amount receivable is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

Amounts receivable for services are considered not impaired (i.e. there is no expected credit loss of the holding accounts).

6.3 Other assets

	2020	2019
	\$'000	\$'000
Current		
Prepayments	18,061	13,892
Balance at end of period	18,061	13,892

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

6.4 Inventories

	2020	2019
	\$'000	\$'000
Current		
Inventories not held for resale:		
Maintenance spares - at cost	21,687	18,242

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

Inventories not held for resale are measured at cost unless they are no longer required, in which case they are measured at net realisable value.

6.5 Deferred income - operating lease

	2020 \$'000	2019 \$'000
Current		
Freight network infrastructure prepaid operating lease (i)	5,383	5,383
Co-operative Bulk Handling 99 year lease (ii)	83	83
Total current	5,466	5,466
Non-current		
Freight network infrastructure prepaid operating lease (i)	153,408	158,791
Co-operative Bulk Handling 99 year lease (ii)	6,654	6,737
Total non-current	160,062	165,528
Balance at end of period	165,528	170,994

- (i) The sale of the Westrail Freight Business on 17 December 2000 included an operating lease of the freight network infrastructure for 49 years between the Western Australian Government Railways Commission (WAGR) – now the PTA and Westnet Rail Pty Ltd – now Arc Infrastructure Pty Ltd. The lease rentals were fully prepaid on 17 December 2000, and credited to deferred operating lease revenue.
- (ii) A 99 year operating lease for 118 grain receival sites was entered into with Co-operative Bulk Handling (CBH) in 2003. Rental income for 99 years of \$7.45 million was received in full at the commencement of the lease, and is accounted for as revenue over the 99 year lease period, with the prepaid portion shown as deferred income. (See note 4.3 'Operating lease revenue').

A further 99 year operating lease for 15 grain receival sites was entered into with CBH in 2004. Rental income for 99 years of \$775,000 was received in full at the commencement of the lease, and is accounted for as revenue over the 99 year lease period, with the prepaid portion shown as deferred income. (See note 4.3 'Operating lease revenue').

6.6 Payables

	2020 \$'000	2019 \$'000
Current		
Accrued operational expenses	124,528	94,946
Accrued interest	17,346	19,260
Accrued salaries	6,314	6,529
Trade payables	9,521	6,061
Other payables	2,794	2,599
Balance at end of period	160,503	129,395

Payables are recognised at the amounts payable when the PTA becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight after the reporting period. The PTA considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (See note 8.4.1 'Restricted cash and cash equivalents') consists of amounts paid annually, from PTA's appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

6.7 Other provisions

	Note	2020 \$'000	2019 \$'000
Current			
Workers' compensation	6.7.1	767	(2,957)
Contaminated sites	6.7.1	3,177	4,906
Total current		3,944	1,949
Non-current			
Contaminated sites		7,125	6,640
Total non-current		7,125	6,640
Balance at end of period		11,069	8,589

Provision for Workers' Compensation

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

The workers' compensation fund contributions are initially calculated on estimates of wages, prior year claims and budgeted investment income and are then adjusted on the actual outcomes of these factors for the period of cover. Workers' compensation fund contributions are adjusted three years after the close of the period of cover and the PTA has made a provision based upon the RiskCover performance adjustment. The performance adjustment outcome for a year is influenced by the actual experience for a year being different to what was expected when the fund contribution was set. Differences can arise when the actual outcome is different from that originally projected, specifically in relation to number of claims received, cost of the claims, reinsurance costs and investment returns.

Provision for Contaminated sites

Provision is recognised for the sites that are classified as contaminated – remediation required or possibly contaminated – investigation required, and where the PTA has a liability in respect of investigation or remediation expenses.

The contaminated sites provision is the present value on the best estimates made by management for investigation or remediation expenses of contaminated or suspected contaminated sites.

Future remediation costs are reviewed annually and any changes in the estimate are reflected in the remediation provision at each reporting date.

6.7.1 Movement in provisions

	2020 \$'000	2019 \$'000
Movements in each class of provisions during the period, are set out below:		
Workers' compensation provisions (i)		
Carrying amount at start of period	(2,957)	(3,725)
Additional provisions recognised	8,001	4,538
Payments/other sacrifices of economic benefit	(4,277)	(3,770)
Carrying amount at end of period	767	(2,957)
Contaminated sites provision		
Carrying amount at start of period	11,550	12,782
Additional provisions recognised	416	1,761
Payments/other sacrifices of economic benefit	(1,664)	(2,993)
Carrying amount at end of period	10,302	11,550

- (i) The workers' compensation provision balance is in debit in the previous year due to higher workers' compensation fund contributions in prior years. This balance does fluctuate into credit when the workers' compensation fund contributions is lower than the estimated outstanding value of claims plus any actuarial assessments of the previous years adjusted fund contributions at the end of the reporting period.

6.8 Contract liabilities

	2020 \$'000	2019 \$'000
Current contract liabilities	28,467	-
Non-current contract liabilities	1,884	-
Total Contract liabilities	30,351	-

The PTA's contract liabilities relate to transport infrastructure works yet to be performed at the end of reporting period.

6.8.1 Movement in contract liabilities

	2020 \$'000	2019 \$'000
Reconciliation of changes in contract liabilities		
Opening balance	-	-
Additions	30,351	-
Revenue recognised in the reporting period	-	-
Balance at end of period	30,351	-

The PTA expects to satisfy the majority of its performance obligations unsatisfied at the end of the reporting period within the next 12 months.

6.9 Other liabilities

	2020 \$'000	2019 \$'000
Current		
Payments held in suspense	24	24
Parental leave	31	6
Balance at end of period	55	30

7. Financial assets and financial liabilities

	2020 \$'000	2019 \$'000
Financial assets		
Derivatives designated as hedging instruments:		
Cash flow hedges		
Current foreign exchange forward contracts	-	28
Total instruments at fair value through OCI	-	28
Other financial liabilities		
Derivatives designated as hedging instruments:		
Cash flow hedges		
Current foreign exchange forward contracts	(520)	-
Total instruments at fair value through OCI	(520)	-

The PTA enters into foreign exchange forward contracts with the Western Australian Treasury Corporation to hedge its exposure to foreign currency risks. The foreign exchange forward contracts are designated as cash flow hedges and are entered into for periods with foreign currency exposure of the underlying transactions.

Initial recognition and subsequent measurement

The foreign exchange forward contracts are initially recognised at fair value on the date on which it is entered into and are subsequently remeasured at fair value. Any gains or losses arising from changes in the fair value are taken directly to profit or loss, except for the effective portion of cash flow hedges.

Cash flow hedges

Forward foreign exchange contracts are entered into as hedges to avoid or minimise possible adverse financial effects of movements in exchange rates. Such derivatives are stated at fair value. Changes in the fair value of derivatives that are designated and effective as hedges of future cash flows are recognised directly in other comprehensive income and the ineffective portion is recognised immediately in profit or loss.

When the hedged firm commitment results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses that had previously been recognised in other comprehensive income are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability. For all other cash flow hedges, the gains or losses that are recognised in other comprehensive income are reclassified to profit or loss in the same period in which the hedged firm commitment affects profit or loss.

When a hedging instrument expires or is sold, terminated, or exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that was recognised in other comprehensive income at that time remains separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in other comprehensive income is immediately reclassified to profit or loss as a reclassification adjustment.

8. Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of the PTA.

	Note
Borrowings	8.1
Lease liabilities	8.2
Finance costs	8.3
Cash and cash equivalents	8.4
Reconciliation of cash	8.4.1
Reconciliation of operating activities	8.4.2

8.1 Borrowings

	2020	2019
	\$'000	\$'000
Current		
Western Australian Treasury Corporation Loans	176,137	165,772
Non-current		
Western Australian Treasury Corporation Loans	2,377,415	2,206,946
Balance at end of period	2,553,552	2,372,718

All loans payable are initially recognised at fair value, being the net proceeds received. Subsequent measurement is at amortised cost using the effective interest rate method.

8.2 Lease liabilities

	2020	2019
	\$'000	\$'000
Current	3,228	-
Non-current	25,723	-
Total lease liabilities	28,951	-

The PTA measures a lease liability, at the commencement date, at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the PTA uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by the PTA as part of the present value calculation of lease liability include:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options (where these are reasonably certain to be exercised);
- Payments for penalties for terminating a lease, where the lease term reflects the agency exercising an option to terminate the lease.

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Periods covered by extension or termination options are only included in the lease term by the PTA if the lease is reasonably certain to be extended (or not terminated).

Variable lease payments, not included in the measurement of lease liability, that are dependent on sales are recognised by the PTA in profit or loss in the period in which the condition that triggers those payment occurs.

This section should be read in conjunction with note 5.2.

Subsequent Measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

8.3 Finance costs

	2020	2019
	\$'000	\$'000
Interest expense on Western Australian Treasury Corporation (WATC) borrowings	82,731	89,037
Lease interest expense	842	-
Finance costs expensed	83,573	89,037

'Finance costs' includes the interest component of lease liability repayments, costs incurred in connection with the borrowing of funds for short term and long term borrowings, amortisation of premiums related to borrowings.

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

8.4 Cash and cash equivalents

8.4.1 Reconciliation of cash

	2020	2019
	\$'000	\$'000
Cash and cash equivalents	204,170	167,263
Restricted cash and cash equivalents	544,446	281,591
Balance at end of period	748,616	448,854

Restricted cash and cash equivalents

	2020	2019
	\$'000	\$'000
Current		
Royalties for Regions Fund (i)	3,680	128
Parental leave	31	6
Commonwealth funds	10,634	(55)
METRONET account (iii)	526,538	275,553
Funding segregated for specific projects	1,793	1,793
Accrued salaries suspense account (ii)	389	1,423
	543,065	278,848
Non-current		
Accrued salaries suspense account (ii)	1,381	2,743

- (i) Unspent funds are committed to projects and programs in WA regional areas.
- (ii) Funds held in suspense account used only for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.
- (iii) The METRONET Account – cash held in this account is to be used only for the purpose as prescribed in note 10.6 'The METRONET Account'.

Financing facilities

The PTA has a short-term liquidity facility of \$200 million (2019: \$200 million) with the Western Australian Treasury Corporation.

	2020	2019
	\$'000	\$'000
Amounts drawn from this facility at June 30	-	-

The PTA has a working capital facility of \$60 million (2019: \$60 million) with the Western Australian Treasury Corporation.

Amounts drawn from this facility at June 30	-	-
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For the purpose of the Statement of cash flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

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

	Note	2020 \$'000	2019 \$'000
Net cost of services		(1,343,942)	(1,191,742)
Non-cash items:			
Depreciation and amortisation expense	5.1.1,5.3.1	454,334	369,050
Loss/(gain) on disposal of non-current assets	4.7	(62)	(180)
Services received free of charge	4.1	790	843
Net foreign exchange loss/(gain)		43	(24)
Receivables written off during the period		11	99
Expected credit losses expense	3.4	(44)	8
Capitalised costs written off		804	-
Deferred lease income	4.3	(5,466)	(5,466)
(Increase)/decrease in assets:			
Current receivables (i)		2,825	(204)
Current inventories		(3,445)	(1,786)
Change in GST receivables/payments (ii)		(6,659)	3,534
Increase/(decrease) in liabilities:			
Current payables (i)		33,479	9,867
Current provisions		6,111	2,025
Other current liabilities		26	(11)
Non-current provisions		1,126	553
Net cash used in operating activities		(860,069)	(813,434)

(i) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

(ii) This reverses out the GST in receivables and payables.

9. Risks and contingencies

This note sets out the key risk management policies and measurement techniques of the PTA.

	Note
Financial risk management	9.1
Contingent assets	9.2.1
Contingent liabilities	9.2.2
Fair value measurements	9.3

9.1 Financial risk management

Financial instruments held by the PTA are cash and cash equivalents, restricted cash and cash equivalents, receivables, payables, Western Australian Treasury Corporation (WATC) borrowings and foreign exchange forward contracts. The PTA has limited exposure to financial risks. The PTA's overall risk management program focuses on managing the risks identified below.

a) Summary of risks and risk management

Credit risk

Credit risk arises when there is the possibility of the PTA's receivables defaulting on their contractual obligations resulting in financial loss to the PTA.

Credit risk associated with the PTA's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than Government, the PTA trades only with recognised, creditworthy third parties. The PTA has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the PTA's exposure to bad debts is minimal. Debt will be written-off against the allowance account when it is improbable or uneconomical to recover the debt. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the PTA is unable to meet its financial obligations as they fall due.

The PTA is exposed to liquidity risk through its trading in the normal course of business.

The PTA has appropriate procedures to manage cash flows including drawdown of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the PTA's income or the value of its holdings of financial instruments. The PTA's exposure to market risk for changes in interest rates relate primarily to the long-term debt obligations.

All borrowings are due to the WATC and are repayable at fixed rates with varying maturities. Other than as detailed in the interest rate sensitivity analysis table at note 9.1(f), the PTA is not exposed to interest rate risk because the majority of cash and cash equivalents and restricted cash are non-interest bearing, with the exception of METRONET Special Purpose Account balance and it has no borrowings other than WATC borrowings.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The PTA's exposure to the risk of changes in foreign exchange rates relates primarily to the PTA's Asset Investment Program activities (when capital expenditure is denominated in a foreign currency).

The PTA uses foreign exchange forward contracts to manage some of its foreign currency risk for transactions that are payable in a foreign currency.

The PTA enters into foreign exchange forward contracts with the Western Australian Treasury Corporation. Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of highly probable forecast purchases or firm commitment for future purchases in foreign currencies. The currencies giving rise to this risk are primarily Euro and Great British Pound.

b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2020 \$'000	2019 \$'000
Financial assets		
Cash and cash equivalents	204,170	167,263
Restricted cash and cash equivalents	544,446	281,591
Loans and receivables (i)	583,447	683,803
Foreign exchange forward contract	-	28
Total financial assets	1,332,063	1,132,685
Financial liabilities		
Financial liabilities measured at amortised cost	2,773,412	2,502,143
Foreign exchange forward contracts	520	-
Total financial liabilities	2,773,932	2,502,143

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

c) Foreign currency risk

	Euro		Great British Pound	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Foreign currency forward contracts designated as hedging instruments	4,118	3,663	3,676	-

Settlement dates of foreign exchange forward contracts						
	Notional Amount AUD \$'000	Up to 1 month \$'000	1 to 3 months \$'000	3 months to 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000
2020						
Euro	4,118	-	-	4,118	-	-
Great British Pound	3,676	-	3,676	-	-	-
	7,794	-	3,676	4,118	-	-
2019						
Euro	3,663	-	-	3,663	-	-
Great British Pound	-	-	-	-	-	-
	3,663	-	-	3,663	-	-

d) Credit risk exposure

The following table details the credit risk exposure on the PTA's trade receivables using a provision matrix.

	Total	Days past due				
		Current	<30 days	31 - 60 days	61 - 90 days	>90 days
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2020						
Expected credit loss rate		0%	0.3%	0.5%	2%	58%
Estimated total gross carrying at default	598	385	150	38	1	24
Expected credit losses	(15)	-	(1)	-	-	(14)
30 June 2019						
Expected credit loss rate		0%	0.5%	0.7%	2.6%	37%
Estimated total gross carrying at default	2,689	344	1,630	393	209	113
Expected credit losses	(59)	-	(9)	(3)	(5)	(42)

e) Liquidity risk and interest rate exposure

The following table details the PTA's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

		Interest rate exposure and maturity analysis of financial assets and financial liabilities									
		Interest rate exposure					Nominal amount \$'000	Maturity dates			
Note	Weighted average effective interest rate %	Carrying amount \$'000	Fixed interest rate \$'000	Variable interest rate (ii) \$'000	Non-interest bearing \$'000	Up to 1 month \$'000		1 to 3 months \$'000	3 months to 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000
30 June 2020											
Financial Assets											
		204,170	-	-	204,170	204,170	-	-	-	-	
8.4	Cash and cash equivalents	204,170	-	-	204,170	204,170	-	-	-	-	
8.4	Restricted cash and cash equivalents	544,446	-	526,538	17,908	544,446	-	-	-	-	
6.1	Receivables (i)	3,507	-	-	3,507	3,507	-	-	-	-	
6.2	Amounts receivable for services	579,940	-	-	579,940	579,940	-	141,948	191,219	246,773	
		1,332,063	-	526,538	805,525	1,332,063	-	141,948	191,219	246,773	
Financial Liabilities											
6.6	Payables	160,503	-	-	160,503	160,503	-	-	-	-	
6.8	Contract liabilities	30,351	-	-	30,351	30,351	2,390	25,042	1,884	-	
8.2	Lease liabilities (iii)	28,951	28,951	-	-	35,501	368	652	3,005	18,218	
6.9	Other current liabilities	55	-	-	55	55	-	-	-	-	
8.1	WATC borrowings (iv)	2,553,552	2,553,552	-	-	3,031,088	61,461	507	190,542	948,971	
		2,773,412	2,582,503	-	190,909	3,257,498	223,422	3,549	218,589	1,847,825	

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

(ii) Variable interest rates represent the most recently determined rate applicable to the instrument at the end of reporting period.

(iii) The carrying amount of lease liabilities includes \$27.5 million from leased land and buildings, and \$1.4 million from leased plant, equipment and vehicles.

(iv) The principal repayment of the WATC loans is based on a 25 year repayment schedule.

e) Liquidity risk and interest rate exposure (cont.)

		Interest rate exposure and maturity analysis of financial assets and financial liabilities					Maturity dates					
		Interest rate exposure					Nominal amount \$'000	Up to 1 month \$'000	1 to 3 months \$'000	3 months to 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000
		Weighted average effective interest rate %	Carrying amount \$'000	Fixed interest rate \$'000	Variable interest rate (ii) \$'000	Non-interest bearing \$'000						
30 June 2019												
Financial Assets												
	8.4		167,263	-	-	167,263	167,263	-	-	-	-	
	8.4	2.07	281,591	-	275,553	6,038	281,591	-	-	-	-	
	6.1		10,501	-	-	10,501	10,501	-	-	-	-	
	6.2		673,302	-	-	673,302	673,302	-	154,933	298,331	220,038	
			1,132,657	-	275,553	857,104	1,132,657	-	154,933	298,331	220,038	
Financial Liabilities												
	6.6		129,395	-	-	129,395	129,395	-	-	-	-	
	6.9		30	-	-	30	30	-	-	-	-	
	8.1	3.15	2,372,718	2,372,718	-	-	2,942,873	1,442	186,545	930,272	1,762,336	
			2,502,143	2,372,718	-	129,425	3,072,298	1,442	186,545	930,272	1,762,336	

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

(ii) Variable interest rates represent the most recently determined rate applicable to the instrument at the end of reporting period.

(iii) The principal repayment of the WATC loans is based on a 25 year repayment schedule.

f) Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the PTA's financial assets (METRONET – Special Purpose Account) at the end of the reporting period on the deficit for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying amount \$'000	- 100 basis points		+ 100 basis points	
		Deficit \$'000	Equity \$'000	Deficit \$'000	Equity \$'000
2020					
Financial Assets					
Restricted cash and cash equivalents (METRONET)	526,538	(5,265)	(5,265)	5,265	5,265
2019					
Financial Assets					
Restricted cash and cash equivalents (METRONET)	275,553	(2,756)	(2,756)	2,756	2,756

Fair values

All financial assets and liabilities recognised in the Statement of financial position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

9.2 Contingent assets and liabilities

Contingent liabilities are not recognised in the Statement of financial position but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented exclusive of GST receivable or payable respectively.

9.2.1 Contingent assets

There were no contingent assets as at 30 June 2020.

9.2.2 Contingent liabilities

The following contingent liabilities are excluded from the liabilities included in the financial statements:

Litigation in progress

A former contractor has commenced action in the Supreme Court against the PTA relating to a claim for breach of contractual obligations and the Australian Consumer Law. The PTA has denied all liability and is defending the action. The plaintiff is still to quantify the claim and it is not possible to estimate the amount of any potential payments in relation to this claim at balance sheet date.

A claim has been lodged by a third party with the Supreme Court in relation to taking orders for the acquisition of land for the construction of public transport infrastructure. A trial will be scheduled to be heard in the next financial year. It is not possible to disclose the amount of the claim as it could compromise settlement negotiation.

PTA has entered into a contractual agreement with two parties for the delivery of transport infrastructure assets. It is anticipated that one of the parties to the agreement will cease to participate in the delivery of the project and PTA is currently negotiating with the party for a release from the contract (in the form of a deed of settlement and release). The right to terminate for an event of force majeure accrued in February 2020. It is not possible to disclose the amount of the claim as it could compromise settlement negotiation.

In April 2016, the PTA granted an indemnity to Perth Airport Pty Ltd for any loss or liability it suffers or incurs due to personal injury, third party property damage and consequential losses arising in connection with the construction of the Forrestfield-Airport Link project on and underneath Perth Airport. The PTA has put in place insurance to reduce the State's exposure to claims under the indemnity.

Contaminated sites

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

During the year four additional known or suspected contaminated sites owned or controlled by the PTA, or affected by activities on land owned or controlled by the PTA, were reported to DWER. Four PTA sites have been classified by DWER as contaminated – remediation required or possibly contaminated – investigation required. The PTA is currently investigating and managing the outcome of the classification process from previous years. Whilst there is no possibility of reimbursement of any future expenses that may be incurred in the remediation of these sites, the PTA may apply for funding from the Contaminated Sites Management Account to undertake further investigative work or to meet remediation costs that may be required.

9.3 Fair value measurements

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Fair value at end of the period \$'000
2020					
Assets measured at fair value:					
Land	5	-	-	446,200	446,200
Buildings	5	-	-	38,515	38,515
Freight network infrastructure	5	-	-	2,214,433	2,214,433
Systems infrastructure	5	-	-	95,626	95,626
Rollingstock	5	-	645,501	38,204	683,705
Railway infrastructure	5	-	-	3,386,173	3,386,173
Bus infrastructure	5	-	-	438,722	438,722
Vessels	5	-	-	3,124	3,124
Buses	5	-	491,335	-	491,335
Non-current assets classified as held for sale - Land	10.9	-	-	-	-
		-	1,136,836	6,660,997	7,797,833

		Level 1	Level 2	Level 3	Fair value
	Note	\$'000	\$'000	\$'000	at end
					of the
					period
					\$'000
2019					
Assets measured at fair value:					
Land	5	-	-	455,632	455,632
Buildings	5	-	-	40,979	40,979
Freight network infrastructure	5	-	-	2,406,909	2,406,909
Systems infrastructure	5	-	-	101,664	101,664
Rollingstock	5	-	707,011	61,179	768,190
Railway infrastructure	5	-	-	2,957,782	2,957,782
Bus infrastructure	5	-	-	446,850	446,850
Vessels	5	-	-	970	970
Buses	5	-	499,049	-	499,049
Non-current assets classified as held for sale - Land	10.9	-	2,860	-	2,860
		-	1,208,920	6,471,965	7,680,885

There were no transfers between Levels 1, 2 or 3 during the current and previous periods. The transfers are generally limited to assets newly classified as non-current assets held for sale.

Valuation techniques to derive Level 2 fair values

Level 2 fair values of rollingstock and buses and non-current assets classified as held for sale are derived using the cost approach. Market evidence of sales prices of rollingstock and bus contracts held by the PTA are used to determine price per railcar and bus respectively. It should be noted that rollingstock is classified as both level 2 and level 3 on the fair value hierarchy as market information is available for urban railcars, however, regional rollingstock is recurrently valued by an independent third party as no observable inputs are available. Although this year the observable inputs were available during valuation for regional rollingstock, the level 3 hierarchy is maintained for these assets in accordance with the Treasurer's Instructions 954, which requires valuation of assets to be categorised with level 3 where the valuations will utilise significant level 3 inputs on a recurring basis.

Non-current assets held for sale have been measured at fair value less cost to sell. Fair value is determined by reference to market evidence of sales price agreed upon by both parties in the form of a contract.

Fair value measurements using significant unobservable inputs (Level 3)

	Land \$'000	Buildings \$'000	infrastructure \$'000	Freight network \$'000	Systems infrastructure \$'000	Rollingstock \$'000	infrastructure \$'000	Railway infrastructure \$'000	Bus infrastructure \$'000	Vessels \$'000
2020										
Fair Value at start of period	455,632	40,979	2,406,909	101,664	61,179	2,957,782	446,850	970		
Additions	-	-	-	249	-	61	-	-	-	-
Revaluation increments/(decrements) recognised in Other Comprehensive Income	(9,832)	-	-	-	(17,013)	495,608	-	-	-	-
Transfers	400	1,012	37	7,163	-	47,203	8,978	2,315		
Disposals	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	(3,476)	(192,513)	(13,450)	(5,962)	(114,481)	(17,106)	(161)		
Other	-	-	-	-	-	-	-	-	-	-
Fair Value at end of period	446,200	38,515	2,214,433	95,626	38,204	3,386,173	438,722	3,124		
2019										
Fair Value at start of period	454,374	44,473	1,401,377	111,912	67,142	2,999,687	438,051	995		
Additions	-	-	-	-	-	175	-	-	-	-
Revaluation increments/(decrements) recognised in Other Comprehensive Income	(1,174)	-	1,118,401	-	-	-	1,394	68		
Transfers	2,432	327	5,146	1,765	-	68,955	23,602	-		
Disposals	-	-	-	(70)	-	(289)	-	-		
Depreciation expense	-	(3,821)	(118,015)	(11,943)	(5,963)	(110,746)	(16,197)	(93)		
Other	-	-	-	-	-	-	-	-	-	-
Fair Value at end of period	455,632	40,979	2,406,909	101,664	61,179	2,957,782	446,850	970		

Valuation processes and basis of valuation

There were no changes in valuation techniques during the period. Revaluation is set every three to five years for each asset cost profile held at fair value.

Land

Fair value for restricted use land is based on comparison with market evidence for land with low level utility (high restricted use land). The relevant comparators of land with low level utility is selected by the Western Australian Land Information Authority (Valuations and Property Analytics) and represents the application of a significant Level 3 input in this valuation methodology. The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.

Land which is commercially leased was independently valued on the capitalised value of current lease by Burgess Rawson. The valuations were performed during the 2019-20 year and recognised at 30 June 2020.

Buildings and infrastructure

Fair value for the following buildings and infrastructure assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications, adjusted for obsolescence.

Buildings and bus infrastructure have been revalued as at 30 June 2018 by independent valuers Rider Levett Bucknall.

Rollingstock has been revalued as at 30 June 2020 by taking up the PTA's latest contract pricing from current contract with Alstom for metropolitan and regional rollingstock assets.

Buses have been revalued as at 30 June 2017 by taking up the PTA's latest contract pricing from Volvo.

Vessels have been revalued as at 30 June 2019 by taking up the PTA's latest vessel contract price, adjusted for the obsolescence.

Freight network infrastructure has been revalued on 30 June 2019 by independent valuation professionals GHD Pty Ltd.

Railway infrastructure has been revalued on 30 June 2020 by independent valuers Rider Levett Bucknall.

System infrastructure has been revalued on 30 June 2017 by independent valuation professionals GHD Pty Ltd.

Construction in progress, plant & equipment and intangibles are valued at cost.

The PTA entered into a rail lease with Karara Rail Pty Ltd and Gindalbie Metals Limited on 10 August 2012. The agreement grants a lease of the rail corridor from Tilley to Karara. The rail line was constructed by Karara Mining Limited for its exclusive use over the period of the lease term of 49 years. While legal ownership is vested in PTA, beneficial ownership is with Karara Mining Limited, therefore the assets are not included in the freight network infrastructure balance, however the asset will be transferred to PTA upon the expiry of the lease.

Land, buildings and infrastructure (Level 3 fair values)

Valuation using current replacement cost utilises the significant Level 3 input, which is estimated by the professional valuation services and consumed economic benefit/obsolescence of asset, which is estimated by the internal asset management experts based on the recurrent maintenance and replacement plans. In the absence of market-based evidence, due to the specialised nature of some non-financial assets, these assets are valued at Level 3 of the fair value hierarchy.

Significant Level 3 unobservable inputs used by the PTA are derived and evaluated as follows:

Description	Fair value		Valuation technique(s)	Unobservable inputs	Source
	2020 \$'000	2019 \$'000			
Land	446,200	455,632	Market approach	Selection of land with similar approximate utility	Western Australian Land Information Authority (Valuation Services)
Buildings	38,515	40,979	Current replacement cost	Consumed economic benefit/obsolescence of asset	Internal asset management experts based on the recurrent maintenance and asset management plans
				Replacement cost per square metre floor area (m ²)	Valuation reports supplied by independent valuation experts Rider Levett Bucknall in 2018
				Replacement cost per individual items	
Freight network infrastructure	2,214,433	2,406,909	Current replacement cost	Consumed economic benefit/obsolescence of asset	Internal management experts based on the recurrent maintenance and asset management plans
				Replacement cost per kilometre of network	Valuation reports supplied by independent valuation experts GHD Pty Ltd in 2019
				Replacement cost per kilometre of rail	
				Replacement cost per cubic metre of ballast	
				Replacement cost per sleeper	
Systems infrastructure	95,626	101,664	Current replacement cost	Consumed economic benefit/obsolescence of asset	Internal asset management experts based on the recurrent maintenance and asset management plans
				Replacement cost per individual items	Valuation reports supplied by independent valuation experts GHD Pty Ltd in 2017
				Replacement cost per metre of cabling	

Land, buildings and infrastructure (Level 3 fair values)

Description	Fair value		Valuation technique(s)	Unobservable inputs	Source
	2020 \$'000	2019 \$'000			
Rollingstock	38,204	61,179	Current replacement cost	Consumed economic benefit/obsolescence of asset	Internal asset management experts based on the recurrent maintenance and asset management plans
				Replacement cost per railcar	Internal asset management experts based on the cost of the contract price of the new rollingstock
Railway infrastructure	3,386,173	2,957,782	Current replacement cost	Consumed economic benefit/obsolescence of asset	Internal management experts based on the recurrent maintenance and asset management plans
				Replacement cost per individual tunnel	Valuation reports supplied by independent valuation experts Rider Levett Bucknall in 2020
				Replacement cost per station structure	
				Replacement cost per kilometre of rail line	
				Replacement cost per signal	
				Replacement cost per sleeper	
Replacement cost per kilometre of overhead traction wiring					
Bus infrastructure	438,722	446,850	Current replacement cost	Consumed economic benefit/obsolescence of asset	Internal asset management experts based on the recurrent maintenance and asset management plans
				Replacement cost per square metre floor area (m2)	Valuation reports supplied by independent valuation experts Rider Levett Bucknall in 2018
				Replacement cost per individual items	
Vessels	3,124	970	Current replacement cost	Consumed economic benefit/obsolescence of asset	Internal asset management experts based on the recurrent maintenance and asset management plans
				Replacement cost per vessel	Internal asset management experts based on the cost of the contract price of the new vessel in 2019, adjusted for obsolescence

10. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Note
Events occurring after the end of the reporting period	10.1
Initial application of Australian Accounting Standards	10.2
Future impact of Australian Accounting Standards not yet operative	10.3
Key management personnel	10.4
Related party transactions	10.5
Special purpose accounts	10.6
Remuneration of auditors	10.7
Act of Grace payments	10.8
Non-current assets classified as held for sale	10.9
Equity	10.10
Supplementary financial information	10.11
Explanatory statement (Controlled Operations)	10.12

10.1 Events occurring after the end of the reporting period

The PTA has not identified any material events after the end of the reporting period that would require adjustment or disclosure to be made.

10.2 Initial application of Australian Accounting Standards

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

AASB 15 *Revenue from Contracts with Customers* replaces AASB 118 *Revenue* and AASB 111 *Construction Contracts* for annual reporting periods on or after 1 January 2019. Under the new model, an entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer and is based upon the transfer of control rather than transfer of risks and rewards.

AASB 15 focuses on providing sufficient information to the users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with customers. Revenue is recognised by applying the following five steps:

- Identifying contracts with customers
- Identifying separate performance obligations
- Determining the transaction price of the contract
- Allocating the transaction price to each of the performance obligations
- Recognising revenue as each performance obligation is satisfied.

Revenue is recognised either over time or at a point in time. Any distinct goods or services are separately identified and any discounts or rebates in the contract price are allocated to the separate elements.

In addition, income other than from contracts with customers are subject to AASB 1058 *Income of Not-for-Profit Entities*. Income recognition under AASB 1058 depends on whether such a transaction gives rise to liabilities or a contribution by owners related to an asset (such as cash or another asset) recognised by the PTA.

The PTA adopts the modified retrospective approach on transition to AASB 15 and AASB 1058. No comparative information is restated under this approach, and the PTA recognises the cumulative effect of initially applying the Standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application (1 July 2019).

Under this transition method, the PTA applies the Standards retrospectively only to contracts and transactions that are not completed contracts at the date of initial application.

Refer to Note 4.1, 4.2, 4.3, 4.4 and 4.6 for the revenue and income accounting policies adopted from 1 July 2019.

The effect of adopting AASB 15 and AASB 1058 are as follows:

	30 June 2020	Adjustments	30 June 2020
	\$'000	\$'000	under AASB 118
			and 1004
			\$'000
User charges and fees	192,895	-	192,895
Commonwealth grants and contribution	4,720	-	4,720
Other revenue (i)	52,058	30,351	82,409
Net result	249,673	30,351	280,024

(i) In accordance with AASB 15, revenue is recognised when the PTA satisfies a performance obligation specified in the contracts. The other revenue is significantly lower due to transport infrastructure works yet to be performed at the end of the reporting period.

AASB 16 Leases

AASB 16 *Leases* supersedes AASB 117 *Leases* and related Interpretations. AASB 16 primarily affects lessee accounting and provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

The PTA applies AASB 16 *Leases* from 1 July 2019 using the modified retrospective approach. As permitted under the specific transition provisions, comparatives are not restated. The cumulative effect of initially applying this Standard is recognised as an adjustment to the opening balance of accumulated surplus/(deficit).

The main changes introduced by this Standard include identification of lease within a contract and a new lease accounting model for lessees that require lessees to recognise all leases (operating and finance leases) on the Statement of financial position as right-of-use assets and lease liabilities, except for short term leases (lease terms of 12 months or less at commencement date) and low-value assets (where the underlying asset is valued less than \$5,000). The operating lease and finance lease distinction for lessees no longer exists.

Under AASB 16, the PTA takes into consideration all operating leases that were off balance sheet under AASB 117 and recognises:

- a) right of use assets and lease liabilities in the Statement of financial position, initially measured at the present value of future lease payments, discounted using the WATC incremental borrowing rate (2.9%) on 1 July 2019;
- b) depreciation of right-of-use assets and interest on lease liabilities in the Statement of comprehensive income; and
- c) the total amount of cash paid as principal amount, which is presented in the cash flows from financing activities, and interest paid, which is presented in the cash flows from operating activities, in the Statement of cash flows.

In relation to leased vehicles that were previously classified as finance leases, their carrying amount before transition is used as the carrying amount of the right-of-use assets and the lease liabilities as of 1 July 2019.

The PTA measures concessionary leases that are of low value terms and conditions at cost at inception. The PTA is in possession of 13 concessionary leases at the date of transition.

The right-of-use assets are assessed for impairment at the date of transition and has not identified any impairments to its right-of-use assets.

On transition, the PTA has elected to apply the following practical expedients in the assessment of their leases that were previously classified as operating leases under AASB 117:

- a) A single discount rate has been applied to a portfolio of leases with reasonably similar characteristics;
- b) The PTA has relied on its assessment of whether existing leases were onerous in applying AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* immediately before the date of initial application as an alternative to performing an impairment review. The PTA has adjusted the ROU asset at 1 July 2019 by the amount of any provisions included for onerous leases recognised in the Statement of financial position at 30 June 2019;
- c) Where the lease term at initial application ended within 12 months, the PTA has accounted for these as short-term leases;
- d) Initial direct costs have been excluded from the measurement of the right-of-use asset;
- e) Hindsight has been used to determine if the contracts contained options to extend or terminate the lease.

The PTA has not reassessed whether existing contracts are, or contained a lease at 1 July 2019. The requirements of paragraphs 9-11 of AASB 16 are applied to contracts that came into existence post 1 July 2019.

Measurement of lease liabilities

	\$'000
Operating lease commitments disclosed as at 30 June 2019	33,576
Discounted using incremental borrowing rate at date of initial application (i)	32,609
Add: Finance lease liabilities recognised as at 30 June 2019	-
(Less): Short-term leases not recognised as liability	(750)
(Less): Low-value leases not recognised as liability	-
Lease liability recognised at 1 July 2019	31,859
Current lease liabilities	2,908
Non-current lease liabilities	28,951

(i) The WATC incremental borrowing rate was used for the purposes of calculating the lease transition opening balance.

10.3 Future impact of Australian Accounting Standards not yet operative

The PTA cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements* or by an exemption from TI 1101. Where applicable, the PTA plans to apply the following Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
AASB 1059	<p>Service Concession Arrangements: Grantors</p> <p>This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public sector agency by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided.</p> <p>The PTA has identified service concession arrangements within scope of the Standard and is currently undertaking an exercise to determine its impact.</p>	1 Jan 2020
AASB 2018-6	<p>Amendments to Australian Accounting Standards – Definition of a Business</p> <p>The Standard amends AASB 3 to clarify the definition of a business, assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.</p> <p>There is no financial impact.</p>	1 Jan 2020
AASB 2018-7	<p>Amendments to Australian Accounting Standards – Definition of Material</p> <p>The Standard principally amends AASB 101 and AASB 108. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.</p> <p>There is no financial impact.</p>	1 Jan 2020
AASB 2019-1	<p>Amendments to Australian Accounting Standards – References to the Conceptual Framework</p> <p>This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB.</p> <p>There is no financial impact.</p>	1 Jan 2020

		Operative for reporting periods beginning on/after
AASB 2019-2	Amendments to Australian Accounting Standards – Implementation of AASB 1059 This Standard makes amendments to AASB 16 and AASB 1059 to: (a) amend the modified retrospective method set out in paragraph C4 of AASB 1059; (b) modify AASB 16 to provide a practical expedient to grantors of service concession arrangements so that AASB 16 would not need to be applied to assets that would be recognised as service concession assets under AASB 1059; and (c) include editorial amendments to the application guidance and implementation guidance accompanying AASB 1059. There is no financial impact.	1 Jan 2020
AASB 2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the Statement of financial position as current or non-current. There is no financial impact.	1 Jan 2022

10.4 Key management personnel

The PTA has determined key management personnel to include cabinet ministers and senior officers of the PTA. The PTA does not incur expenditures to compensate Ministers and those disclosures may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the PTA for the reporting period are presented within the following bands:

Accountable Authority

Compensation band (\$)	2020	2019
0 - 10,000	1	1

The accountable authority of the PTA is the Director General - Transport who oversees the agencies Main Roads WA, the Department of Transport and the PTA from 3 May 2010. The Director General's compensation is paid by the Department of Transport. The day-to-day operations of the PTA are overseen by the Managing Director whose compensation is reported under the compensation of senior officers.

Compensation of senior officers

Compensation band (\$)	2020	2019
90,001 - 100,000	-	1
140,001 - 150,000	-	1
210,001 - 220,000	1	-
220,001 - 230,000	1	4
230,001 - 240,000	4	1
240,001 - 250,000	2	2
260,001 - 270,000	-	1
270,001 - 280,000	-	1
280,001 - 290,000	2	-
330,001 - 340,000	-	1
370,001 - 380,000	1	-
	11	12

	2020 \$'000	2019 \$'000
Short-term employee benefits	2,258	2,189
Post-employment benefits	250	255
Other long-term benefits	308	313
Termination benefits	-	-
Total compensation of senior officers	2,816	2,757

Total compensation includes the superannuation expense incurred by the PTA in respect of senior officers.

10.5 Related party transactions

The PTA is a wholly owned public sector entity that is controlled by the State of Western Australia.

Related parties of the PTA include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities);
- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

Significant transactions with Government-related entities

In conducting its activities, the PTA is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. Such transactions include:

- Income from State Government from the Department of Treasury (Note 4.1);
- capital appropriations from the Department of Treasury (Note 10.10);
- income from Royalties for Regions Fund from the Department of Treasury (Note 4.1);
- equity injections from Royalties for Regions Funds from the Department of Treasury (Note 10.10);
- transfer of assets to and from Main Roads WA (Note 10.10);
- income from the Department of Education (DoE) for transport assistance programs (Note 4.2);
- income from the Department of Transport for the Perth Central Area Transit (CAT) bus service (Note 4.2);
- income from Main Roads WA for infrastructure projects (Note 4.6);
- income from Queen Elizabeth II Medical Centre (QEII MC) for the shuttle bus service (Note 4.2);
- superannuation payments to GESB (Note 3.1(a));
- lease rentals payments for fleet leasing to the Department of Finance, right-of-use assets (Note 5.2) and related outstanding lease liability balances (Note 8.2 and 8.3);
- insurance payments to the Insurance Commission of Western Australia (Note 3.3 and 3.4);
- payments to Main Roads WA for infrastructure projects (Note 3.3 and 5.1);
- payments to Synergy for the supply of electricity;
- the drawdown and repayment of loans with the Western Australian Treasury Corporation for the purposes of funding the Asset Investment Program (Note 8.1);
- payments to the Department of Finance (Office of State Revenue) for payroll tax (Note 3.4);
- payments of emergency levy to the Department of Fire and Emergency Services (Note 3.3);
- payments of building permit for infrastructure projects to the Department of Mines, Industry Regulation and Safety (Note 3.3 and 5.1);
- payments to the Department of Transport for vehicles' annual licence and registration fees (Note 3.3);
- payments of infringements collected by PTA to the consolidated fund of the Department of Treasury (Note 3.4);
- payments of standing charges to Economic Regulation Authority for electricity networks access (Note 3.3);
- payments to South Metropolitan TAFE for provision of student training and assessments (Note 3.3);
- contribution for the support and maintenance of events through School Leavers campaign to Western Australia Police Force (Note 3.2);
- payments to Water Corporation for both operation and capital projects related service fees and charges (Note 3.3 and 5.1);
- remuneration for services provided by the Auditor General (Note 10.7).

Material transactions with related parties

No material transactions with related parties have occurred during the financial year.

10.6 Special purpose accounts

METRONET Account

Established under section 16(1)(d) of the FMA. The purpose of the account is to provide a source of funding for the delivery of METRONET transport infrastructure projects including all associated costs (such as planning and development activities and administering METRONET).

	2020 \$'000	2019 \$'000
Balance at start of period	275,554	9,964
Receipts - Contribution from State Government	131,924	28,426
Receipts - Contribution from Commonwealth Government	279,492	276,838
Receipts - Other government agencies	46,639	-
Proceeds from land sales	1,113	5,315
Interest received	2,913	1,184
Payments	(209,666)	(46,173)
Payments - Prior year	(1,431)	-
Balance at end of period	526,538	275,554

10.7 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2020 \$'000	2019 \$'000
Auditing the accounts, financial statements, controls and key performance indicators	204	186

10.8 Act of Grace payments

	2020 \$'000	2019 \$'000
Two Act of Grace payments were made pursuant to authorisations given under Section 80(1) of the Financial Management Act 2006. (2019: Nil).	110	-

10.9 Non-current assets classified as assets held for sale

	2020 \$'000	2019 \$'000
Opening balance	2,860	2,860
Assets reclassified as held for sale	(27)	-
Total assets classified as held for sale	2,833	2,860
Less assets sold	(2,833)	-
Closing balance	-	2,860

The PTA has no interests in other entities that are classified as held for sale, held for distribution to owners in their capacity as owners or discontinued operations in accordance with AASB 5.

The PTA held land surplus to its operational requirements in 2019. The land has been sold during the 2020 financial year.

10.10 Equity

	2020 \$'000	2019 \$'000
Contributed equity		
Balance at start of period	5,047,297	4,659,975
Contribution by owners		
Capital appropriations	618,472	446,256
Other contributions by owners		
Royalties for Regions Fund - Regional Infrastructure and Headworks Account	7,544	500
Transfer of net assets from other agencies		
Main Roads WA	1,593	31,620
Total contribution by owners	627,609	478,376
Distribution to owners		
Transfer of net assets to other agencies		
Main Roads WA	-	(91,054)
Total distributions to owners	-	(91,054)
Balance at end of period	5,674,906	5,047,297
Reserves		
Asset revaluation surplus and Hedge Reserve		
Balance at start of period	4,410,704	3,291,674
Net revaluation increments/(decrements):		
Railway infrastructure	495,608	-
Freight network infrastructure	-	1,118,401
Rollingstock	(71,092)	-
Land	(9,832)	(1,174)
Bus infrastructure	-	1,394
Vessels	-	68
	414,684	1,118,689
Hedge Reserve		
Currency forward contracts	(111)	341
	(111)	341
Balance at end of period	4,825,277	4,410,704

10.11 Supplementary financial information

a) Write-offs

During the financial year 2019-20, \$98,366 (2018-19: \$25,177) was written off the PTA's asset register under the authority of:

	2020 \$'000	2019 \$'000
Public Property		
The accountable authority	98	25

During the financial year 2019-20, \$10,544 (2018-19: \$99,204) of bad debts were written off under the authority of:

	2020 \$'000	2019 \$'000
Revenue		
The accountable authority	11	99

b) Losses through theft, defaults and other causes

	2020 \$'000	2019 \$'000
Loss of public moneys and public and other property through theft or default	-	-

c) Gifts of public property

	2020 \$'000	2019 \$'000
Gifts of public property provided by the PTA	-	-

10.12 Explanatory statement (Controlled Operations)

All variances between annual estimates (original budget) and actual results for 2020, and between the actual results for 2020 and 2019 are shown below. Narratives are provided for key major variances, which are greater than 10% and \$1 million for the Statements of comprehensive income, cash flows and the Statement of financial position.

10.12.1 Statement of comprehensive income variances

	Variance Note	Estimate 2020 \$'000	Actual 2020 \$'000	Actual 2019 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2020 and 2019 \$'000
Expenses						
Employee benefits expenses		213,160	205,728	195,266	(7,432)	10,462
Supplies and services	A	236,604	253,434	229,466	16,830	23,968
Depreciation and amortisation expenses	1, B	374,019	454,334	369,050	80,315	85,284
Finance costs	2	103,953	83,573	89,037	(20,380)	(5,464)
Grants and subsidies		567,083	543,357	538,764	(23,726)	4,593
Energy and fuel	3	28,847	32,315	34,129	3,468	(1,814)
Other expenses	4, C	34,996	28,518	21,235	(6,478)	7,283
Total cost of services		1,558,662	1,601,259	1,476,947	42,597	124,312
Income						
Revenue						
User charges and fees	5, D	230,816	192,895	229,630	(37,921)	(36,735)
Operating lease revenue		5,466	5,466	5,466	-	-
Commonwealth grants and contributions	6, E	-	4,720	1,000	4,720	3,720
Interest revenue	7, F	4,320	2,116	3,372	(2,204)	(1,256)
Gain on disposal of non-current assets		-	62	180	62	(118)
Other revenue	8, G	88,360	52,058	45,557	(36,302)	6,501
Total revenue		328,962	257,317	285,205	(71,645)	(27,888)
Total income other than income from State Government		328,962	257,317	285,205	(71,645)	(27,888)
NET COST OF SERVICES		1,229,700	1,343,942	1,191,742	114,242	152,200
Income from State Government						
Operating subsidy contributions		872,378	901,943	830,061	29,565	71,882
Services received free of charge		-	790	843	790	(53)
Royalties for Regions Fund		10	7	9	(3)	(2)
Total income from State Government		872,388	902,740	830,913	30,352	71,827
DEFICIT FOR THE PERIOD		(357,312)	(441,202)	(360,829)	(83,890)	(80,373)
OTHER COMPREHENSIVE INCOME						
Changes in asset revaluation surplus	9, H	-	414,684	1,118,689	414,684	(704,005)
Changes in hedge reserve		-	(111)	341	(111)	(452)
Total other comprehensive income		-	414,573	1,119,030	414,573	(704,457)
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD		(357,312)	(26,629)	758,201	330,683	(784,830)

Refer to note 'Schedule of income and expenses by services'.

Major Estimate and Actual (2020) Variance Narratives

1. Depreciation and amortisation expenses higher than estimated by \$80.3 million (21.5%) mainly due to the outcome of the revaluation process in the previous financial year for the asset cost profile freight network infrastructure.
2. Finance costs lower than estimated by \$20.4 million (19.6%) mainly due to a reduction in interest rate and a deferral in borrowings for PTA's asset investment program attributable to projects deferral due to Covid-19 pandemic.
3. Energy and Fuel expenses higher than estimated by \$3.5 million (12%) mainly due to higher electricity cost than budgeted.
4. Other expenses lower than estimated by \$6.5 million (18.5%) mainly due to the reallocation of the transfer of the Karel avenue road over rail bridge to supplies and services.
5. User charges and fees lower than estimated by \$37.9 million (16.4%) mainly due to lower fare revenue resulting from the impact of the Covid-19 pandemic.
6. Commonwealth grants and contributions higher than estimated by \$4.7 million due to Commonwealth contribution for the Karel avenue road over rail bridge.
7. Interest revenue lower than estimated by \$2.2 million (51%) mainly due to lower interest rate on bank balances of Commonwealth funds for METRONET projects in delivery.
8. Other revenue lower than estimated by \$36.3 million (41.1%) mainly due to deferral of a one-off revenue of \$30.0 million from Western Australian Planning Commission for the METRONET –Yanchep Rail extension project and reduced income from free parking at train stations during the Covid-19 pandemic and lower advertising income.
9. Changes in assets revaluation surplus higher than estimated by \$414.7 million mainly due to the outcome of the revaluation process scheduled in the financial year for the asset cost profiles railway infrastructure, buildings and land (refer to note 5.1 and note 10.10).

Major Actual (2020) and Comparative (2019) Variance Narratives

- A. Supplies and services increased by \$24.0 million (10.5%) mainly due to higher railcar and network infrastructure and building maintenance due to ageing of network infrastructure and buildings.
- B. Depreciation and amortisation expenses higher than previous year by \$85.3 million (23.1%) mainly due to the outcome of the revaluation process in the previous financial year for the asset cost profile freight network infrastructure.
- C. Other expenses increased by \$7.3 million (34.3%) mainly due to increased worker's compensation insurance expense and an impairment loss on PTA's construction in progress. (Refer to note 5.1)
- D. User charges and fees lower than previous year by \$36.7 million (16.0%) mainly due to lower patronage resulting from the impact of the Covid-19 pandemic.
- E. Commonwealth grants and contributions increased by \$3.7 million (372%) mainly due to increased Commonwealth contribution for the Karel avenue road over rail bridge in the current year.
- F. Interest revenue decreased by \$1.3 million (37.3%) mainly due to a reduction in interest rate on bank balances of Commonwealth funds for METRONET projects in delivery.
- G. Other revenue increased by \$6.5 million (14.3%) mainly due to revenue received from Main Roads WA for METRONET projects offset by reduced advertising revenue and parking fees resulting from Covid-19 pandemic.
- H. Changes in assets revaluation lower than estimated by \$704.0 million (62.9%) mainly due to the outcome of the revaluation process scheduled in the financial year for the asset cost profiles railway infrastructure, buildings and land and in the previous financial year for the asset cost profile freight network infrastructure and land (refer to note 5.1 and note 10.10).

10.12.2 Statement of financial position variances

	Variance Note	Estimate 2020 \$'000	Actual 2020 \$'000	Actual 2019 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2020 and 2019 \$'000
ASSETS						
Current Assets						
Cash and cash equivalents		367,289	204,170	167,263	(163,119)	36,907
Restricted cash and cash equivalents		279,734	543,065	278,848	263,331	264,217
Inventories	10, I	16,456	21,687	18,242	5,231	3,445
Receivables		29,013	23,306	23,641	(5,707)	(335)
Other current assets	11, J	15,577	18,061	13,892	2,484	4,169
Amounts receivable for services	12	198,497	141,948	154,933	(56,549)	(12,985)
Non-current assets classified as held for sale	13, K	2,860	-	2,860	(2,860)	(2,860)
Derivative financial instruments		4	-	28	(4)	(28)
Total Current Assets		909,430	952,237	659,707	42,807	292,530
Non-Current Assets						
Restricted cash and cash equivalents		3,101	1,381	2,743	(1,720)	(1,362)
Amounts receivable for services	12, L	319,872	437,992	518,369	118,120	(80,377)
Infrastructure, property, plant, equipment and vehicles		8,644,008	9,491,559	8,855,512	847,551	636,047
Right-of-use assets	14, M	33,787	29,581	-	(4,206)	29,581
Intangibles	15	17,850	12,283	12,882	(5,567)	(599)
Total Non-Current Assets		9,018,618	9,972,796	9,389,506	954,178	583,290
TOTAL ASSETS		9,928,048	10,925,033	10,049,213	996,985	875,820
LIABILITIES						
Current Liabilities						
Payables		112,033	160,503	129,395	48,470	31,108
Borrowings	16	211,929	176,137	165,772	(35,792)	10,365
Lease liabilities	17, N	-	3,228	-	3,228	3,228
Employee related provisions	18, O	31,938	41,408	37,344	9,470	4,064
Other provisions	19, P	8,866	3,944	1,949	(4,922)	1,995
Contract liabilities	20, Q	-	28,467	-	28,467	28,467
Other current liabilities		-	55	30	55	25
Deferred income operating lease		5,466	5,466	5,466	-	-
Derivative financial instruments		341	520	-	179	520
Total Current Liabilities		370,573	419,728	339,956	49,155	79,772
Non-Current Liabilities						
Borrowings		2,446,984	2,377,415	2,206,946	(69,569)	170,469
Lease liabilities	17, N	33,341	25,723	-	(7,618)	25,723
Employee related provisions	18	7,328	9,585	8,887	2,257	698
Other provisions		7,839	7,125	6,640	(714)	485
Contract liabilities	20, Q	-	1,884	-	1,884	1,884
Deferred income operating lease		160,062	160,062	165,528	-	(5,466)
Total Non-Current Liabilities		2,655,554	2,581,794	2,388,001	(73,760)	193,793
TOTAL LIABILITIES		3,026,127	3,001,522	2,727,957	(24,605)	273,565
NET ASSETS		6,901,921	7,923,511	7,321,256	1,021,590	602,255
EQUITY						
Contributed equity		6,102,588	5,674,906	5,047,297	(427,682)	627,609
Reserves	21	3,291,085	4,825,277	4,410,704	1,534,192	414,573
Accumulated deficit		(2,491,752)	(2,576,672)	(2,136,745)	(84,920)	(439,927)
TOTAL EQUITY		6,901,921	7,923,511	7,321,256	1,021,590	602,255

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

Major Estimate and Actual (2020) Variance Narratives

10. Inventories higher than estimated by \$5.2 million (31.8%) mainly due to extension and ageing of the rail network.
11. Other current assets higher than estimated by \$2.5 million (16%) mainly due to higher prepayments of Workers' Compensation premium and School Bus Services.
12. Amounts receivable for services higher than estimated by \$61.6 million (11.9%) due to deferral of projects funded by the holding account.
13. Non-current assets classified as held for sale lower than estimated by \$2.9 million mainly due to sale of land in Kenwick.
14. Right-of-use assets lower than estimated by \$4.2 million (12.5%) mainly due to derecognition of leases to short term.
15. Intangibles lower than estimated by \$5.6 million (31.2%) mainly due to lower software capitalisation.
16. Current borrowings was lower than estimated by \$35.8 million (16.9%) mainly due to deferral of works on several projects in the PTA's asset investment program.
17. Lease liabilities lower than estimated by \$4.4 million (13.2%) due to derecognition of leases to short term.
18. Employee related provisions higher than estimated by \$11.7 million (29.9%) mainly due to increased FTE's and employees not being able to clear their leave due to the Covid-19 pandemic.
19. Current other provisions lower than estimated by \$4.9 million (55.5%) mainly due to movement in contaminated sites provision.
20. Contract liabilities higher than estimated by \$30.4 million mainly due to deliverables yet to be performed for the METRONET-Yanchep Rail Extension project.
21. Reserves higher than estimated by \$1,534.2 million (46.6%) mainly due to revaluation in the current year, for the following asset cost profiles railway infrastructure and rolling stock and higher than expected revaluation in the prior year for the freight network infrastructure asset cost profile.

Major Actual (2020) and Comparative (2019) Variance Narratives

- I. Inventories increased by \$3.4 million (18.9%) mainly due to extension and ageing of the rail network.
- J. Other current assets increased by \$4.2 million (30%) mainly due to higher prepayments of Workers' Compensation premium and School Bus Services.
- K. Non-current assets classified as held for sale decreased by \$2.9 million mainly due to sale of land in Kenwick in 2019-20.
- L. Non-current amounts receivable for services, which reflects the holding account drawdown for asset replacement in the future decreased by \$80.4 million (15.5%) due to investment in radio systems and bus replacement projects.
- M. Right-of-use assets increased by \$29.6 million due to the first year implementation of lease accounting where eligible leased assets and corresponding lease liabilities are brought into the Statement of financial position.
- N. Lease liabilities increased by \$29.0 million due to the first year implementation of lease accounting where eligible leased assets and corresponding lease liabilities are brought into the Statement of financial position.
- O. Current employee related provisions increased by \$4.1 million (10.9%) mainly due to increased FTE's and employees not being able to clear their leave due to the Covid-19 pandemic.
- P. Other provisions increased by \$2.0 million (102.4%) mainly due to higher workers' compensation claims.
- Q. Contract liability increased by \$30.4 million mainly due to deliverables yet to be performed for the METRONET – Yanchep Rail Extension project.

10.12.3 Statement of cash flows variances

	Variance Note	Estimate 2020 \$'000	Actual 2020 \$'000	Actual 2019 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2020 and 2019 \$'000
CASH FLOWS FROM STATE GOVERNMENT						
Operating subsidy contributions		872,378	901,943	830,061	29,565	71,882
Capital appropriations	22, R	991,377	618,472	446,256	(372,905)	172,216
Perth Stadium account		739	-	-	(739)	-
Royalties for Regions Fund	23, S	17,941	7,551	509	(10,390)	7,042
Holding account drawdown	24, T	154,933	93,362	69,285	(61,571)	24,077
Net cash provided by State Government		2,037,368	1,621,328	1,346,111	(416,040)	275,217
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits		(214,718)	(202,949)	(195,207)	11,769	(7,742)
Supplies and services		(265,451)	(285,352)	(264,413)	(19,901)	(20,939)
Finance costs	25	(103,953)	(85,487)	(88,626)	18,466	3,139
Grants and subsidies		(567,083)	(546,187)	(534,984)	20,896	(11,203)
Receipts paid into consolidated account		(3,940)	(3,474)	(3,777)	466	303
GST payments on purchases	26, U	(204,588)	(144,437)	(118,411)	60,151	(26,026)
Other payments	V	(24,406)	(22,338)	(13,702)	2,068	(8,636)
Receipts						
User charges and fees	27, W	230,816	198,826	230,744	(31,990)	(31,918)
Commonwealth grants and contributions	28, X	-	4,720	1,000	4,720	3,720
Interest received	29	4,320	2,918	2,863	(1,402)	55
GST receipts on sales	30	30,034	25,148	27,630	(4,886)	(2,482)
GST receipts from taxation authority	31, Y	174,554	113,189	94,634	(61,365)	18,555
Other receipts	Z	88,360	85,354	48,815	(3,006)	36,539
Net cash used in operating activities		(856,055)	(860,069)	(813,434)	(4,014)	(46,635)
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current assets	32, AA	(1,169,372)	(642,488)	(416,636)	526,884	(225,852)
Receipts						
Proceeds from sale of non-current assets	33, AB	-	3,245	-	3,245	3,245
Net cash used in investing activities		(1,169,372)	(639,243)	(416,636)	530,129	(222,607)
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments						
Repayments of borrowings	34	(328,851)	(410,772)	(429,569)	(81,921)	18,797
Principal elements of lease payments	AC	(3,274)	(3,088)	-	186	(3,088)
Other repayments	35	(40,000)	-	-	40,000	-
Receipts						
Proceeds from borrowings		615,046	591,606	538,776	(23,440)	52,830
Net cash provided by financing activities		242,921	177,746	109,207	(65,175)	68,539
Net increase/(decrease) in cash and cash equivalents		254,862	299,762	225,248	44,900	74,514
Cash and cash equivalents at the beginning of the period		395,262	448,854	223,606	53,592	225,248
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		650,124	748,616	448,854	98,492	299,762
(including current and non-current restricted cash and cash equivalents)						

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

Major Estimate and Actual (2020) Variance Narratives

22. Capital appropriations lower than estimated by \$372.9 million (37.6%) mainly due to revised cashflows for METRONET provision for projects under development, Yanchep Rail Extension and Thornlie Cockburn Link and PTA's asset investment program and land sales re-cash flow.
23. Royalties for Regions Fund lower than estimated by \$10.4 million (57.9%) mainly due to the deferral of the Australind railcar replacement.
24. Holding account drawdowns lower than estimated by \$61.6 million (39.7%) mainly due to deferral of works on PTA's asset investment program funded by the holding account.
25. Finance costs lower than estimated by \$18.5 million (17.8%) mainly due to a reduction in interest rate and a deferral in borrowings for PTA's asset investment program attributable to projects deferral due to Covid-19 pandemic.
26. GST payment on purchases lower than estimated by \$60.2 million (29.4%) mainly due to revised cashflows for METRONET projects.
27. User charges and fees lower than estimated by \$32.0 million (13.9%) mainly due to lower fare revenue resulting from the impact of the Covid-19 pandemic.
28. Commonwealth grants and contributions higher than estimated by \$4.7 million due to Commonwealth contribution for the Karel avenue road over rail bridge.
29. Interest received lower than estimated by \$1.4 million (32.5%) mainly due to lower interest rates on bank balances from Commonwealth fund for METRONET in delivery.
30. GST receipts on sales lower than estimated by \$4.9 million (16.3%) mainly due to decreased fare revenue, special event –Optus Stadium and parking fees resulting from the impacts of the Covid-19 pandemic.
31. GST receipts from taxation authority lower than estimated by \$61.4 million (35.2%) mainly due to revised cashflows for METRONET projects.
32. Purchase of non-current assets lower than estimated by \$526.9 million (45.1%) mainly due to delay in PTA's asset investment program mainly Yanchep Rail Extension, Thornlie Cockburn Link, Forrestfield-Airport Link and railcar acquisition.
33. Proceeds from sale of non-current assets higher than estimated by \$3.2 million mainly due to sale of land in Kenwick.
34. Repayments of borrowings higher than estimated by \$81.9 million (24.9%) mainly due to repayment of the short term working capital facility and rollovers of Term Floating Rate borrowings from WATC.
35. Other repayments lower than estimated by \$40.0 million mainly due to revised cashflows for METRONET provision for projects under development.

Major Actual (2020) and Comparative (2019) Variance Narratives

- R. Capital appropriations increased by \$172.2 million (38.6%) mainly due to State and Commonwealth contribution for the METRONET and other transport projects and higher debt repayment.
- S. Royalties for Regions Fund increased by \$7.0 million (1383.5%) due to funding for projects and programs in WA regional areas mainly for Mandurah carpark and Australind train replacement.
- T. Holding account drawdowns increased by \$24.1 million (34.8%) mainly due to investment in radio systems and bus replacement projects.
- U. GST payments on purchases increased by \$26.0 million (22%) mainly due to higher operating and capital purchases.
- V. Other payments increased by \$8.6 million (63%) mainly due to increased worker's compensation insurance payments and a write off of construction in progress due to impairment. (Refer to note 5.1)
- W. User charges and fees decreased by \$31.9 million (13.8%) mainly due to lower fare revenue resulting from the impact of the Covid-19 pandemic.
- X. Commonwealth grants and contributions receipts increased by \$3.7 million (372%) mainly due

- to increased Commonwealth contribution for the Karel avenue road over rail bridge.
- Y. GST receipts from taxation authority increased by \$18.6 million (19.6%) mainly due to higher capital purchases.
 - Z. Other receipts increased by \$36.5 million (74.9%) mainly due to receipt from WAPC for land development as part of the METRONET-Yanchep Rail Extension project.
 - AA. Purchase of non-current assets increased by \$225.9 million (54.2%) mainly due to METRONET projects such as Forrestfield-Airport Link, railcar acquisition, Yanchep Rail Extension, Thornlie Cockburn Link and Bayswater station.
 - AB. Proceeds from sale of non-current assets increased by \$3.2 million mainly due to sale of land in Kenwick.
 - AC. Principal elements of lease payments increased by \$3.1 million mainly due the first year implementation of lease accounting where the portion of lease payments reduces the lease liabilities in the Statement of financial position (financing activity).

Glossary of terms

ACR	Annual corridor report
	Acceptable service level
ASL	(an hourly service during the day with at least three trips, i.e. at 20-minute intervals, in the peak flow direction in the morning and afternoon peaks).
CaLD	Culturally and linguistically diverse
CAT	Central area transit
Category A	Incident causing serious injury, death, or significant damage.
Category B	Incident that may have the potential to cause a serious accident.
CCTV	Closed-circuit television
Circle Route	A high-frequency bus service connecting major shopping centres, universities, schools and colleges.
CLA	Corridor lease agreement
CMR	Central monitoring room
CNG	Compressed natural gas
CRM	Composite rate model
DAIP	Disability Access and Inclusion Plan
DER	Department of Environmental Regulation
DoE	Department of Education
DoT	Department of Transport
DPI	Department of Planning and Infrastructure
DSMS	Dynamic Stand Management System
ECM	Evergreen contract model
EDRMS	Electronic document records management system
EMS	Environmental Management Systems
ES	Education Support
ESC	Education Support Centre
FAL	Forrestfield-Airport Link
Fare-paying boardings	Covers only those people, standard fare or concession, who pay (either by tagging on or by the purchase of a cash ticket) as they enter the system.
FTZ	Free Transit Zone
GPS	Global Positioning System
HSE	Health, safety and environment
IEC	Intensive English Centre
IFRS	Incident and Fault Reporting System
Initial boardings	Fare-paying boardings, plus free travel on passes, free travel on CAT services in Perth, Fremantle and Joondalup and free travel on services within the Perth FTZ.
IPLS	Infrastructure Planning and Land Services (PTA division)

KPI	Key performance indicator
KRA	Key Result Area
LDC	Language Development Centre
LDS	Language Development School
LTI	Lost time injury
MRWA	Main Roads WA
MP	Major Projects (PTA division)
N&I	Network and Infrastructure (PTA division)
OLE	Overhead line equipment
ORS	Office of Rail Safety
OSH	Occupational safety and health
OTR	On-time running
OMTID	Office of Major Transport Infrastructure Delivery
Passenger place kilometres	The average seat capacity multiplied by the kilometres travelled while in service.
PDP	Project definition plan
POD	People and Organisational Development (PTA division)
PPTA	Perth Public Transport Area
PSA	Property Street Addresses
PSM	Passenger Satisfaction Monitor
PTA	Public Transport Authority of Western Australia
PTC	Public Transport Centre
RAP	Reconciliation Action Plan
RTBS	Regional Town Bus Services (PTA branch)
RUS	Route Utilisation Strategy
SBS	School Bus Services (PTA branch)
Service kilometres	The kilometres travelled while in service.
SFBMS	Safety, Freight and Business Management Systems (PTA division)
SSMG	Strategic Safeworking Management Group
STAPF	Student Transport Assistance Policy Framework
STARRS	Stop Think Assess Respond Report System
Total boardings	Fare-paying boardings, plus free travel on passes, free travel on CAT services in Perth, Fremantle and Joondalup and free travel on services within the Perth FTZ, plus transfers between services.
TTO	Transperth Train Operations (PTA division)
WAGRC	Western Australian Government Railways Commission (PTA predecessor)



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