



Public Transport
Authority

WORLD-CLASS
PUBLIC
TRANSPORT. ■

Annual Report
2022-23



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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.

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.

PUBLIC TRANSPORT AUTHORITY ANNUAL REPORT 2022-23

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 2023. It has been prepared in accordance with the provisions of the Financial Management Act and any other relevant written law.

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 2022-23 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**.




Peter Woronzow
Chief Executive Officer
12 September 2023

DIRECTOR GENERAL'S MESSAGE.

I am pleased to present the Public Transport Authority's Annual Report for 2022-23.

The past year has marked a period of consolidation for us as the Western Australian economy steadily recovered after two challenging years of COVID-19-related disruptions and uncertainty.

I am proud to see the PTA, together with its portfolio partners – Main Roads and Department of Transport continuing to plan and implement transport solutions to empower a thriving Western Australian community. The Transport Portfolio remains unwavering in its commitment to connect people and places safely and effectively across our diverse state.

As the Director General, I take great satisfaction in sharing some of the year's remarkable highlights with you.

Establishing our Aboriginal Engagement Transport Portfolio unit has been a significant achievement for us, harnessing our agencies' strengths to foster Aboriginal economic participation and promoting cultural recognition across our own workplaces and into the wider community.

The Transport Portfolio has an ongoing and strong focus on local employment and Aboriginal engagement, with a five-year target to award \$700 million in contracts to Aboriginal businesses and facilitate Aboriginal workers to complete 3.5 million work hours through capital works, services and maintenance programs across the Portfolio.

In 2022-23, we awarded a total of 65 contracts to Aboriginal businesses, representing an investment of close to \$161 million. We also delivered more than 794,000 hours of employment for Aboriginal people.

In early 2023, the Kimberley region faced severe flooding caused by ex-Tropical Cyclone Ellie, leading to extensive damage to roads and bridges and isolating many communities in the region. We undertook urgent work to reconnect the east and west Kimberley, fast-tracking the procurement process to deliver a new river bridge at Fitzroy Crossing, condensing nine months' procurement work into a remarkable eight-week process. This project created dozens of new jobs for local people, and was delivered despite rising

costs, labour shortages, and material constraints that have significantly impacted the infrastructure and construction sector.

The Driving Access and Equity Program (DAEP) continued to be a success story for the Department of Transport. The Program has supported more than 1,000 disadvantaged drivers in 46 service locations across the Kimberley and Pilbara through the entire licensing process, with 241 getting their driver's licences during the 2022-23 year. DAEP has made a significant impact where social and geographic disadvantage would have otherwise been a barrier to obtaining a driver's licence. DAEP was expanded in 2022-23 to the Mid West, Gascoyne and Goldfields-Esperance regions.

Several of the State Government's METRONET program projects moved into delivery phase during the 2022-23 reporting period. The momentous \$1.86 billion Airport Line opened on October 9 2022, providing a new rail service to Perth Airport and the eastern suburbs of Perth, with three new stations. Both the Yanchep Rail Extension Project and the Morley-Ellenbrook Line saw the first tracks being laid and the new Lakelands Station on the Mandurah Line opened to the public on June 11 2023.

In March 2023, Westport unveiled its Noongar Opportunities Strategy, which aims to shape the port and trade network based on country and culture, benefiting Aboriginal peoples and the wider community. Additionally, the Supply Chain Integrated Design project commenced in October 2022, incorporating environmental considerations through Westport's 'Working with Nature' ethos.

To improve the state's agriculture supply chain's efficiency and lower freight costs from farm gate to port, the Agricultural Supply Chain Improvement program, with support from the State and Federal Government, allocated \$200 million to a series of projects on the grain rail network, working closely with industry and local government.

In 2022-23, we established the Transport Portfolio Land and Property Services branch, acting as a

centralised hub to coordinate commercial leasing activities, corporate buildings and facilities, and land administration services for all transport-related projects and infrastructure, encompassing road, rail and ports.

The State Government's unwavering support for the aviation sector has introduced new routes, enabling residents from regional Western Australia to travel more frequently and conveniently by air at reduced costs. A \$4 million investment over four years will develop the Inter-Regional Flight Network, with the introduction of the new Nexus Airlines extending the network to Geraldton.

Furthermore, the Regional Airfares Zone Cap Scheme made regional airfares more accessible to residents by capping the cost of one-way flights to and from Perth, resulting in over 100,000 capped airfares being sold throughout 2022-23.

Looking ahead, we are proud that the Regional Airports Development Scheme 2023-25 grants totalling \$3 million to 17 regional airports across WA will deliver necessary upgrades and improvements to their facilities.

Our principal shared paths are vital to encouraging people of all ages and abilities to give bike riding and walking a go. With an annual allocation of \$20 million, the Principal Shared Path Expansion Program continues to bridge critical gaps in Perth's aspirational Long-Term Cycle Network. The importance of promoting active transport was further recognised in 2022-23 with funding increased for the WA Bicycle Network Grants Program, from \$5 million to \$8 million per year, supporting local governments to enhance riding and walking experiences in their communities.

The Transport Portfolio plays a vital role in the State Government's infrastructure development plan by delivering connected, resilient, safe and sustainable transport solutions. The Transport Sector Emissions Reduction Strategy is essential in helping achieve the State Government's commitment under its Climate Policy.

The Department of Transport has led the development of this strategy over the past year covering all parts of the transport system operating in WA to assist with the State's overall economic assessment of greenhouse emissions. The Transport Portfolio agencies are also developing a net zero plan for emissions reduction that focuses on the Government's commitment to reduce public sector emissions by 80 per cent by 2030.

None of these achievements are possible without the commitment and support of all staff across our Portfolio agencies. I thank them for their hard work and dedication over the past 12 months.

Looking ahead, I anticipate another exciting and eventful year as we continue to serve the Western Australian community in 2023-24.



Peter Woronzow
Director General – Transport



MANAGING DIRECTOR'S OVERVIEW.

The core business of the Public Transport Authority is, as the name suggests, public transport – helping people get where they want to go ... to and from work, school and university; to the shops, movies, meetings and medical appointments; to interviews, events and assignments; or simply to catch up with friends.

We aim to do it effectively and efficiently; to ensure every journey is as pleasant and as safe as we can make it; and to make our services available to as many people as possible, including people with disabilities and mobility challenges.

Against this background, 2022-23 was a good year for us.

- We significantly increased the level of services on offer, particularly with the opening of the Airport Line.
- Patronage rose sharply, and prospects look good for further increases as we continue to bounce back after COVID.
- Passenger satisfaction remains very high, with a pleasing increase in feelings of personal safety and security.
- Some significant advances were made in the level of disability access to our services.

A rail line to the airport had been on Perth's wish-list for many years, so the opening of the Airport Line was a major highlight of the year. Prime Minister Anthony Albanese, (then) Premier Mark McGowan and Transport Minister Rita Saffioti officiated at the formal opening on Sunday October 9, with paid services starting the next day.

As well as ushering in a higher level of flexibility and connectivity, the introduction of the new line was the main factor behind an increase of 27 per cent in the number of timetabled weekly services at year's end.

Public transport is our core business, so what our passengers think of us is really important. To this end, Transperth has been conducting its annual Passenger Satisfaction Monitor (PSM) for 33 years.

The PSM is the biggest, most comprehensive, longest-running survey of its type in the country. Detailed face-to-face intercept interviews are conducted with more than 4300 people, all of them regular public transport users. Every train line and every bus contract area is

covered, as is the regular passenger and tourist sector on the ferry. Tracking the responses from year to year enables us to identify strengths and weaknesses, make tweaks where the survey indicates they are needed, and gauge the effectiveness of the changes the following year.

Again, very high satisfaction rates were recorded across all modes. Satisfaction with CAT bus services hit a new high, there were strong results for the new Airport Line and Purple CAT, perceived personal safety and security improved and, with a full year of capped-price fares, the value-for-money ratings were up.

We also continued to make good progress with our obligations under our Disability Access and Inclusion Plan (DAIP). In 2022-23, PTA initiatives in this area included:

- Active participation in various access and inclusion working groups at both State and national levels.
- Completion of DDA (Disability Discrimination Act) minor works at 13 lifts at nine train stations on the Mandurah and Joondalup Lines to improve accessibility.
- Upgrading the Mends Street jetty to meet DDA requirements, including a new pedestrian ramp connected to a floating boarding platform.
- Completing an audit and compliance plan of flange gaps at all pedestrian crossings providing access to stations, as required by the Australian Human Rights Commission.
- Continuing our Bus Stop Accessibility Works Program – as at June 30, more than 8600 stops (about 61 per cent of the combined metro-regional network) were completed. The work typically involves construction of a level concrete passenger

On opposite page: the PTA Executive (from left) Elwyn Gearon, Russell Taylor, Mark Wirski, Charlotte Hayes, Brian Appleby, Michael Parker, Tim Hirst, Tim Woolerson, Mark Burgess, Garry Taylor, Robyn Lamont, Martin White

- boarding area at correct kerb height, installation of tactile ground surface indicators and a short connection to the existing local footpath network.
- Delivering six accessibility guided tours of the new Airport Central Station before its official opening.
- Conducting cultural and disability awareness training for all new frontline, operational staff.

However, patronage is the ultimate benchmark against which all public transport providers can be judged.

Accordingly, I am pleased to report that our patronage this year rose 20.65 per cent to 123.308 million. This was the biggest year-on-year jump in total boardings on record, easily eclipsing the 18.4 per cent increase in 2008-09, when the Mandurah Line came fully on-stream.

The new Airport Line played a large part in this, as did the two-zone fare cap (introduced on January 1, 2022). However, the main factor was a strong recovery from the impact of the pandemic which, at one stage

in 2020 (and again in 2021) had patronage running at 10-11 per cent of pre-COVID levels. Based on daily SmartRider tags, patronage started the year at 76 per cent of pre-COVID, and finished at 98-99 per cent, having broken through the 100 per cent barrier on a couple of occasions in May.

Based on the fact that, in February 2020 (IE before COVID had really emerged), patronage was heading for a small increase on the previous year's 141.454m, this puts us on track for another big jump in total boardings in 2023-24.



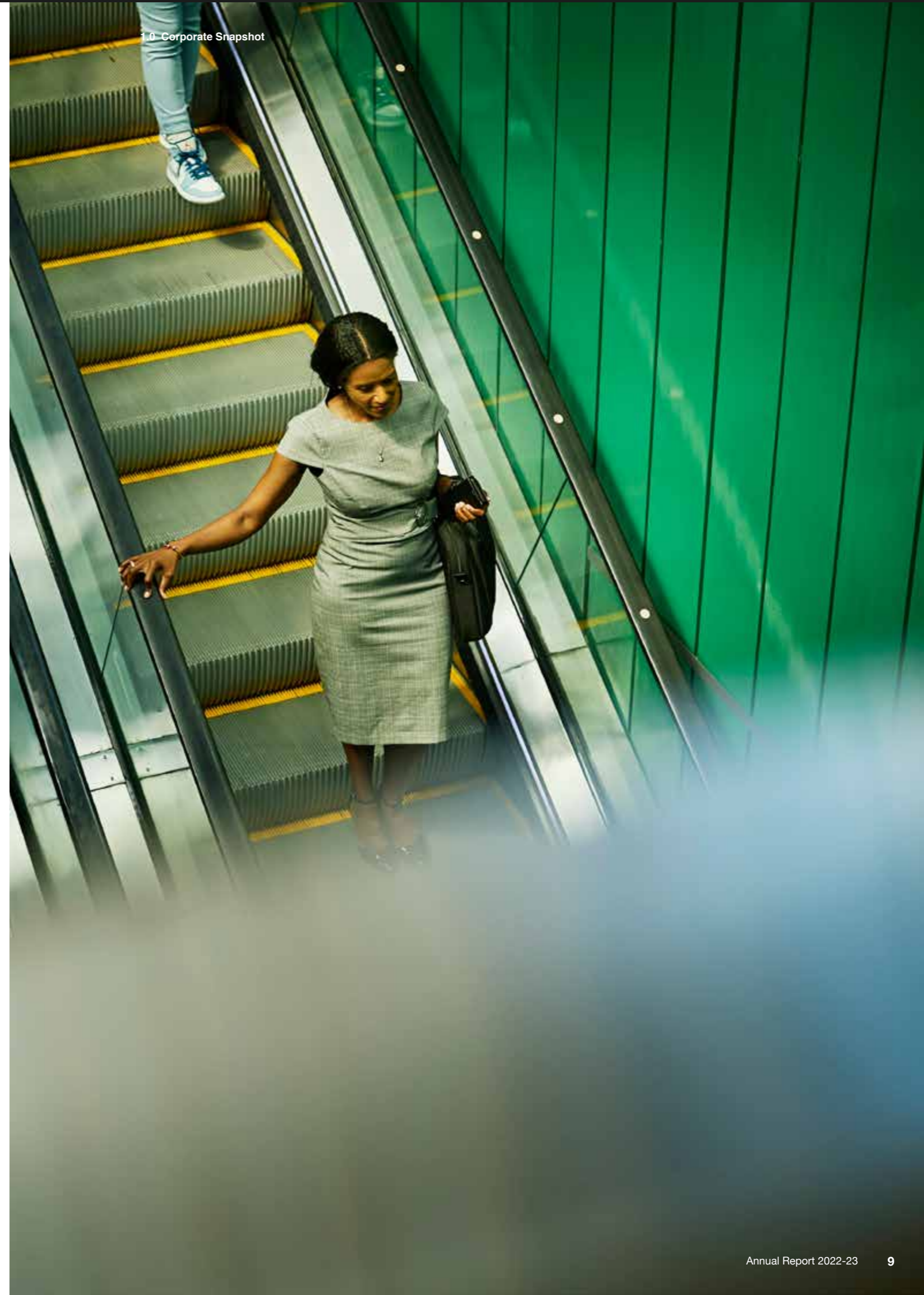
Mark Burgess
Managing Director



CORPORATE SNAPSHOT.

1.0

1.0 - Corporate Snapshot



1.1 ORGANISATIONAL PROFILE.

The PTA is responsible for the operation of all bus, train and ferry public transport services in the greater Perth metropolitan area under the Transperth brand. We operate public transport services in the State’s 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.

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
www.transwa.wa.gov.au
www.schoolbuses.wa.gov.au

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 economic, social and environmental impact of everything we do.

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.

1.2 ORGANISATIONAL STRUCTURE

SERVICE PROVISION

We provide four major, outward-facing service operations:

Transperth

The **Transperth** integrated public transport network is centrally controlled, planned, 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 and management of the urban rail passenger system, including security and railcar maintenance.

Transwa

The **Transwa** division operates four rail services (Australind, Prospector, MerredinLink and AvonLink) and a fleet of 25 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 15 major regional towns in rural WA.

School Bus Services

The **School Bus Services** (SBS) branch plans school bus services in WA and manages their delivery by contracted school bus operators. SBS manages 971 school bus services around WA.

INFRASTRUCTURE DELIVERY

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

Our **Network and Infrastructure** (N&I) division manages, maintains, and upgrades the metropolitan railway infrastructure, with the **Information Management and Operational Systems** (IMOS) division responsible for IT services and asset management and the management of PTA's information and technology needs.

SAFETY, FREIGHT, COMPLIANCE, PLANNING, BUILDING

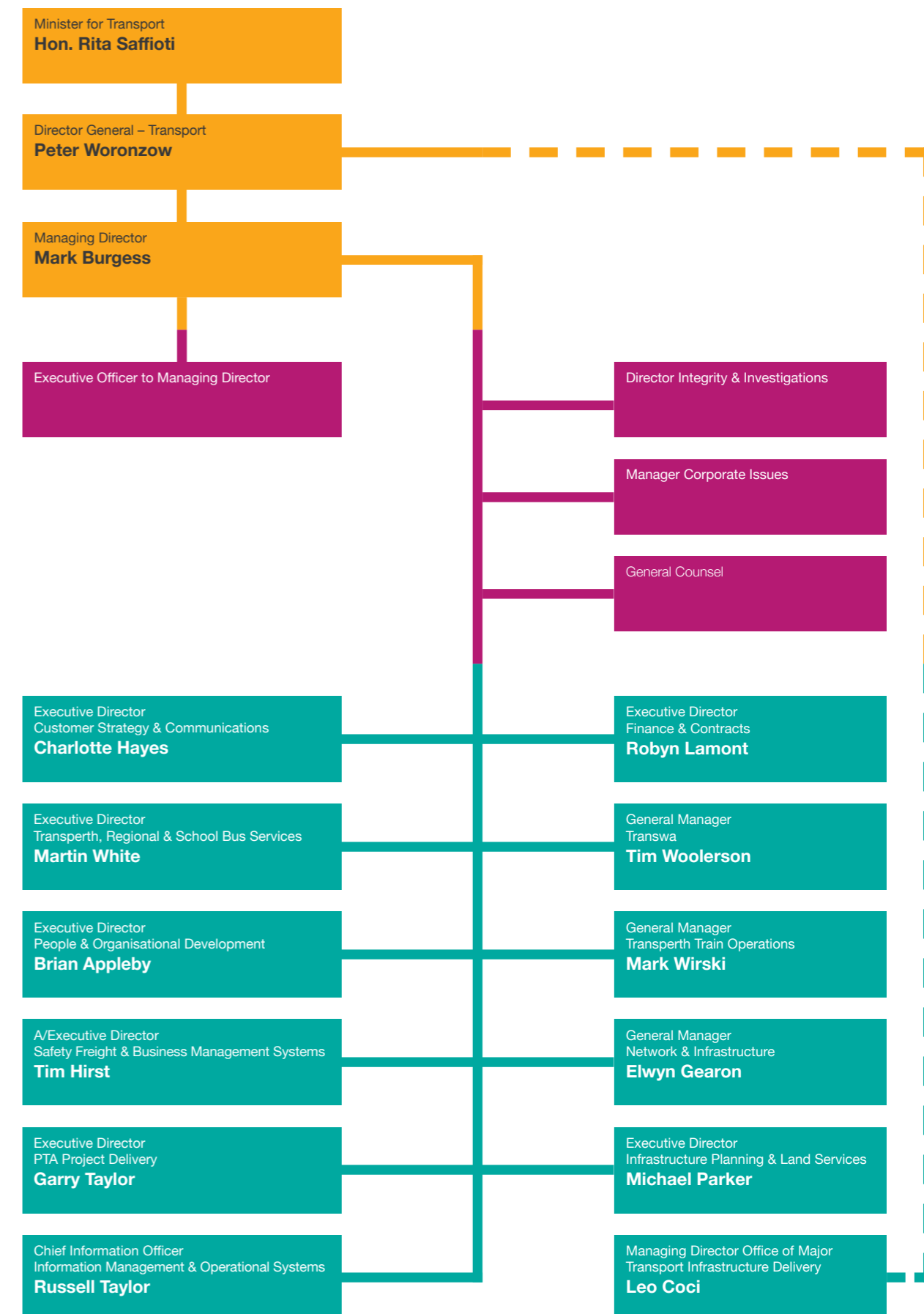
Our **Safety, Freight and Business Management Systems** (SFBMS) division is responsible for the organisation's rail safety accreditation, freight network lease obligations, enterprise risk and internal audit function, and ensures that the PTA complies with its legislative requirements. It also protects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

IPLS provides rail planning, engineering support and environmental management. Most major new infrastructure is planned by IPLS, with the actual construction carried out through our **PTA Projects Delivery** (PPD) division or Office of Major Transport Infrastructure Delivery (OMTID).

CORPORATE SERVICES

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

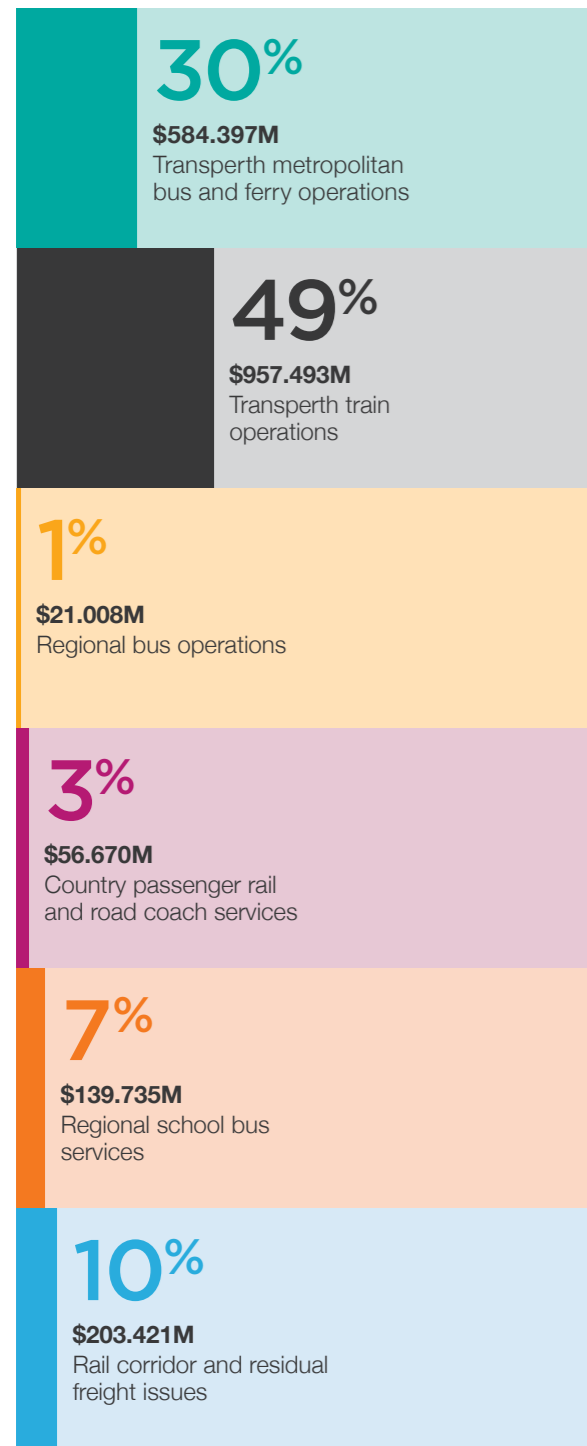
EXECUTIVE ORGANISATIONAL CHART.



1.3 FINANCIALS AT A GLANCE.

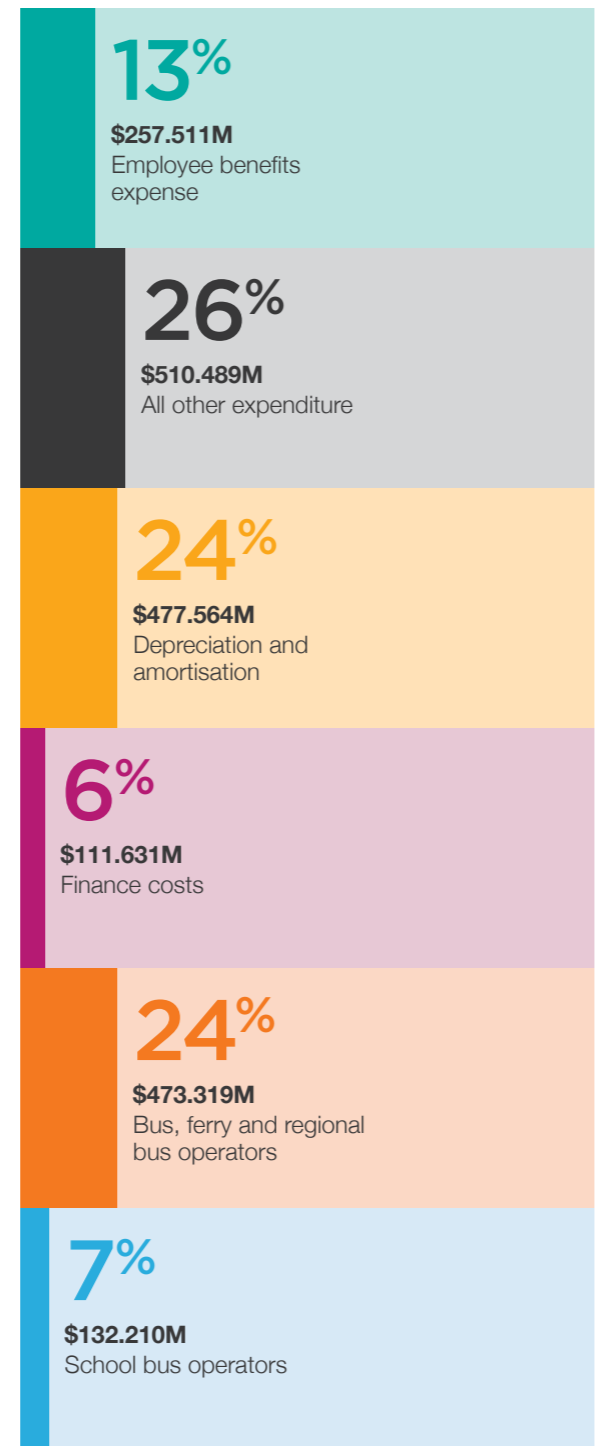
During the financial year 2022-23, we delivered public transport services to the people of Western Australia at a cost of \$1,963 million. The information below shows how these funds were spent across each service.

Expenditure by service \$ Million



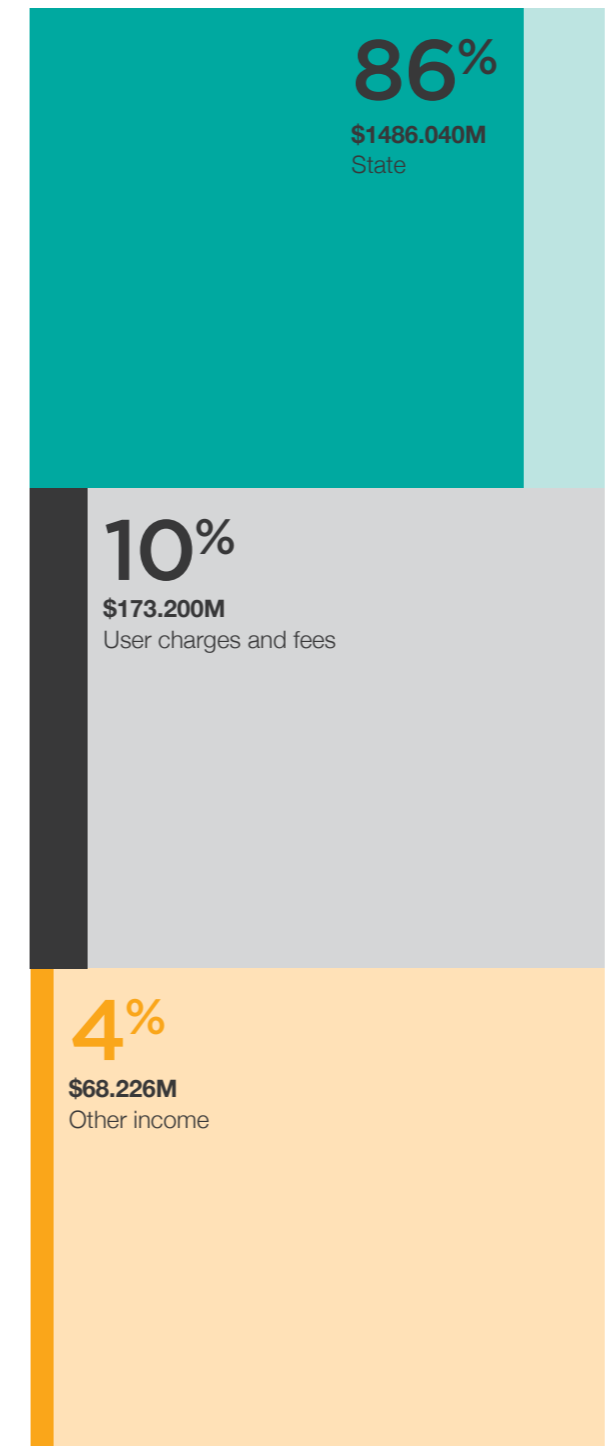
Totals \$1,962.724M

Expenditure by type \$ Million



Totals \$1,962.724M

Revenue and funding sources \$ Million



Totals \$1,727.466M

1.0 Corporate Snapshot

CASE STUDY 100 YEARS OF WOMEN IN THE PTA.

From a PTA perspective, the names Ida Kemshall, Madeleine Cole, Dolly Grey, Lil Gordon, Enid Piercy and May McDonald might have been forever lost in the annals of history if not for a defining moment in 1922.

On December 6 of that year, the six women clocked on to start their shifts at the railway. In doing so, they became the first women employed at the Western Australian Government Railways (WAGR) after the organisation abandoned its “men only” policy.

The group were pioneers who would pave the way for thousands of women to follow them into the rail industry over the next 100 years.

So much so that in December 2022, more than 600 women were employed at the PTA, representing 27 per cent of the workforce in what had traditionally been a male-dominated industry.

One hundred years of women at the PTA, and its predecessor organisation was celebrated in December with a special morning tea attended by Transport Minister Rita Saffioti and a cohort of current female employees.

Fittingly, a new milestone was reached in the centenary year – the first time in PTA history that two women sat on the executive team at the same time.

Robyn Lamont, who became Executive Director Finance and Contracts in 2021, was joined by Executive Director Customer Strategy and Communications Charlotte Hayes in October last year.

Both Robyn and Charlotte agree that it is extremely important for any organisation to have female representation at the highest level.

“A good portion of our workforce is women; without someone representing their workplace experience, you are hearing only one side of the story,” Robyn said. “Also, it’s really important to show that a path for women leaders exists within the organisation.”

On opposite page: (above) Executive Director Finance and Contracts, Robyn Lamont and Executive Director Customer Strategy and Communications, Charlotte Hayes.

1.0 Corporate Snapshot



OPERATIONAL REPORT.

2.0

2.0 Operational Report



2.1 OUR SERVICES.

A summary of our performance in providing safe, customer-focussed, integrated and efficient transport services in 2022-23.

27%

Increase in scheduled timetabled weekly train services with the opening of the Airport Line



Patronage continued to recover post-COVID with weekly boardings averaging close to 100 per cent of 2019 levels during the second half of the financial year

23%

Increase in Transwa train and rail coach patronage

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.

Passenger information is provided through our Transperth InfoCentres, InfoLine and Customer Feedback services provided under contract by Serco.

2.1.1. METRO (TRANSPERTH)

Fleet

Trains

TTO is a major operating division of the PTA and has a contract-like service agreement with Transperth.

The train fleet consists of 330 railcars (48 two-car A-Series and 78 three-car B-Series railcar sets) that can operate as two, three, four or six-car trains.

Over the six lines, the average number of weekly timetabled services in 2022-23 was 8938 – the Armadale/Thornlie Line (1827), Fremantle (2035), Joondalup (1512), Midland (1028), Mandurah (1517) and Airport (1019). This was up from an average of 7012 timetabled services per week before the opening of the Airport line in October 2022.

Buses

At year's end, Transperth was operating 1573 buses, consisting of 1210 diesel buses, 359 CNG (compressed natural gas) buses and four battery-electric buses. The number of diesel buses increased by 8.4 per cent, while CNG bus numbers fell by 11 per cent. The existing Volvo bus supply contract will deliver up to 900 new buses, including 130 electric buses over a 10-year period.

Of the total 1573 buses, 1211 buses (77 per cent) conform to Euro5 and Euro6 exhaust emission standards, with 358 (22.7 per cent) conforming to Euro4. The four battery-electric buses have zero tailpipe emissions.

Transperth buses serviced 283 standard timetabled bus routes, 233 school routes and 10 CAT (central area transit) routes. On a typical weekday, this involves

16,878 standard trips, 233 school service trips and 1277 CAT trips.

During Optus Stadium events, up to ten additional special-event routes are activated, delivering 612 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 Pental* 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, reflecting reduced tourism and general usage during winter. The summer timetable provides 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 provides 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*.

* Free travel on SmartRider refers to free travel by WA seniors, aged and disability pensioners, and their 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.

2.0 Operational Report

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.

Categories	2021-22	2022-23	Change
Total boardings	102.203m	123.308m	20.65%
Total initial boardings	71.096m	85.712m	20.56%
Cash and SmartRider initial boardings	61.178m	72.744m	18.90%
Fare-paying boardings	56.579m	67.865m	19.95%

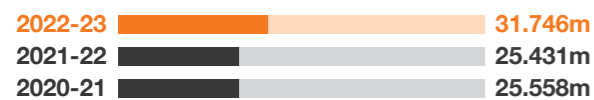
Patronage improved over the course of the year from 76 per cent (of pre-COVID levels) to 98 per cent by year-end. The opening of the Airport Line (October 2022) and ongoing uplift from the introduction of the two-zone fare cap (in January 2022) contributed to the increase. Five of the final eight months of the year had at least 91 per cent of pre-COVID patronage with March and June recording 99 per cent and 98 per cent respectively. The full-year result was 86.5 per cent of 2018-19 (pre-pandemic) boardings – a significant improvement in performance from the past three years.

Trains

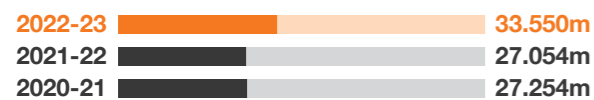
Total boardings on trains rose 24.4 per cent, compared with a 0.5 per cent downturn the previous year. Cash and SmartRider initial boardings rose 24 per cent, and fare-paying boardings rose 24.8 per cent.

Transperth train patronage (millions)

Fare-paying boardings



Cash and SmartRider initial boardings



Total boardings



On a per-service kilometre basis, total train boardings rose to 4.3.

Total boardings by line were:

Line	2021-22	2022-23	Change
Airport Line	n/a	2.871m	n/a
Armadale Line	5.630m	6.627m	17.7%
Fremantle Line	5.217m	5.256m	0.7%
Joondalup Line	11.753m	14.046m	19.5%
Mandurah Line	14.358m	17.67m	23.1%
Midland Line	4.244m	3.889m	-8.4%
Total	41.201m	50.359m	22.2%

Note: This 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.

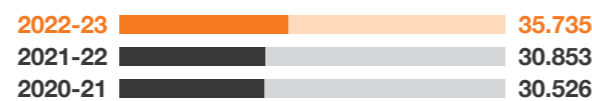
The diminishing impacts of COVID benefited most lines. However, the opening of the Airport Line (October 2022) reduced the benefit for Fremantle and Midland Lines due to some of their patronage moving to Airport Line services. The Airport Line overlaps the Fremantle Line between Claremont and Perth Stations and the Midland Line between Bayswater and Perth Stations. The two longest lines (Joondalup and Mandurah) continue to benefit the most from the two-zone fare cap with long-distance travel receiving the greatest savings.

Buses

Total boardings increased 17.8 per cent, compared with a modest increase of 0.3 per cent in 2021-22. Cash and SmartRider initial boardings increased 14.7 per cent, and fare-paying boardings increased 15.8 per cent.

Transperth bus patronage (millions)

Fare-paying boardings



Cash and SmartRider initial boardings



Total boardings



2.0 Operational Report

Bus total boardings per service kilometre rose 15.1 per cent to 0.97.

Total boardings by contract area were:

Contract area	2021-22	2022-23	Change
Kalamunda	5.194m	5.902m	13.6%
Morley	8.025m	9.164m	14.2%
Canning	5.788m	6.528m	12.8%
Claremont	3.063m	3.266m	6.6%
Joondalup	5.093m	5.95m	16.8%
Marmion	5.362m	6.497m	21.2%
Midland	2.080m	2.891m	39.0%
Southern River	2.877m	3.378m	17.4%
Fremantle	6.539m	7.653m	17.0%
Rockingham	4.942m	5.19m	5.0%
Total	48.963m	56.419m	15.2%

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

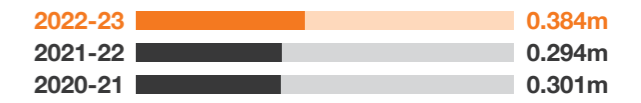
Bus contract areas recovered from COVID to varying degrees because of their differing passenger groups. Rockingham for example, where school students represent more than 40 per cent of travel, showed the smallest increase as students had the least behavioural change during the pandemic. The greatest increase was seen in the Midland contract area which also benefited significantly from service changes to support train services on the Airport Line (opened October 2022).

Ferries

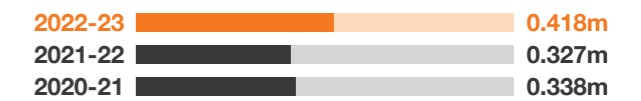
The ferry service represents a small proportion (0.6 per cent) of Transperth system patronage. Fluctuations in the tourism market have a significant impact on ferry boardings with tourists accounting for about half of all trips.

Transperth ferry patronage (millions)

Fare-paying boardings



Cash and SmartRider initial boardings



Total boardings



Ferry total boardings per service kilometre increased 31.7 per cent to 12.79 – caused entirely by higher boardings.

Reliability

Buses surpassed their 2022-23 target at 91.92 per cent while trains and ferries were both slightly under target at 94.38 per cent and 96.95 per cent respectively.

For the complete data, refer to 3.10 Audited KPI report section 3.

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 increased 6.8 per cent with train capacity increasing nine per cent, bus increasing 2.9 per cent, and ferry unchanged. The opening of the Airport Line resulted in the increased train capacity with a flow-on impact to buses, as service delivery was enhanced to support the new train line. Bus capacity was also increased to ensure sufficient support for train replacement activity required for METRONET construction projects.

Key activities

Transperth System

- The final design of an upgrade to our ticketing system and readers to allow the acceptance of credit and debit cards, mobile phones and other bank-approved payment devices, such as wearables was approved last year.

2.0 Operational Report

- In July 2022, comprehensive testing of the new SmartRider ticket machines was carried out in the supplier's test facility in Britain. More than 1700 tests were conducted and a pass rate better than 95 per cent was achieved.
- In May 2023, on-site testing of the new SmartRider readers and back-office systems on the Transperth network and servers was conducted. Work is now under way to correct some defects before entering a public pilot.

Trains

- Successful start of rail operations on the Airport Line in October 2022.
- Started dynamic testing of C-Series railcars.
- Successful opening of Lakelands Station (Mandurah Line).

Buses

- Delivery of 112 new buses including nine articulated buses.
- Successful operation and monitoring of Transperth battery-electric buses to allow further deployment of e-vehicles and associated EV infrastructure requirements.
- Ongoing mid-life refurbishment of existing buses with 96 buses refurbished by local companies.
- The construction of the new Jandakot North bus depot is progressing; scheduled for completion in late October 2023.
- Completed major upgrades of the Wangara and Rockingham bus depots and Morley Bus Station.
- Awarded a contract for the construction of the Alkimos bus depot.
- Acquired land to construct the Forrestfield bus depot.

Ferry

- Completed a major upgrade of the Mends Street jetty to achieve DDA (Disability Discrimination Act) compliance.

Looking ahead

Transperth system

- In late 2023-early 2024, new SmartRider readers will be installed on buses, ferries and at rail stations. The new readers will allow customers to tag on and off using credit and debit cards, mobile phones and other bank approved payment devices.
- A limited public pilot of the new readers is planned to start in late 2023, to confirm their functionality and ease of use.
- New SmartRider top-up machines (AVMs or add-value machines) will be installed in the first half of 2024 after testing of the new readers has started. These machines will allow cardholders to top up their balance as well as buy a new card.

- After a period of fault-free operation, Transperth plans to upgrade the software in the new readers to allow tagging on and off and using bank-approved payments such as credit cards and mobile phones. Pilot testing with credit cards will begin in 2024.

Trains

- Start rail operations on the Yanchep Rail Extension (YRE) in 2024.
- Award tender for Bellevue Stage 2 and progress to construction.
- Entry into service of the first C-Series railcars.
- Develop rollingstock strategy for ongoing management of B-Series railcars and integration of C-Series, and develop plan for retirement of A-Series.
- Continue to increase front-line employee numbers (railcar drivers, network control officers, transit officers, security personnel and customer service staff) for network expansion, and continue to review branch structures to ensure high-quality level of service delivery is maintained.
- Trial of body-worn cameras (BWCs) for transit officers.

Buses

- Complete upgrades to the Mandurah, Malaga and Bayswater depots.
- Complete the upgrade of Elizabeth Quay Bus Station to accept electric buses from July 2024.
- Develop new depots in Forrestfield, Alkimos and Whiteman Park.
- Complete design work for the redevelopment of the Claisebrook bus depot as a full electric bus depot.
- Jandakot depot completed in order to accommodate train replacement bus services to be used for the Level Crossing Removal (LXR) projects.

Ferry

- Construct a new storage facility on Elizabeth Quay jetty as a replacement for the Barrack Street jetty storage facility.

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.

Transwa manages six inter-town commercial bus/coach contracts – two in the Pilbara and one each in the Kimberley, Gascoyne, Mid West and Goldfields regions.

2.0 Operational Report

Fleet

Trains

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

- **The Prospector** – daily service (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 Mondays, Wednesdays and Fridays (except public holidays) for a total of six services a week.

All onboard services are provided by 31 Transwa staff.

Road coaches

Transwa operates 132 road coach services each week, employing 40 road coach operators.

The fleet consists of 25 Volvo/Irizar five-star, luxury road coaches of which 23 are in their seventh year of service with two new road coaches delivered in January 2022. 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

Transwa train and road coach patronage increased this year because of a better-than-expected recovery from the COVID pandemic (note that Transwa still encourages patrons to maintain social distancing where possible).

Transwa patronage by mode

Train

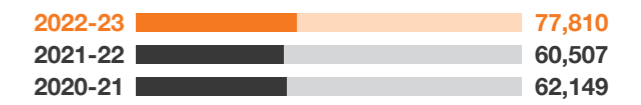


Road coach

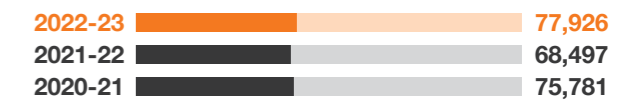


Transwa train patronage by service

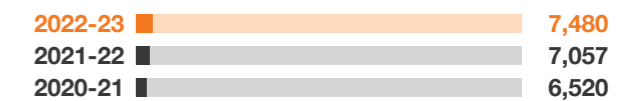
Australind



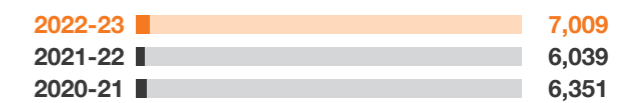
Prospector



AvonLink

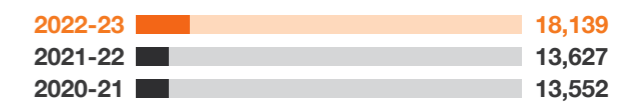


MerredinLink



Transwa inter-town services patronage

Inter-town



Reliability

The Prospector's on-time running (OTR) improved slightly from the previous year and is about 34 per cent short of the target of 80 per cent. Delays are attributed to crossings and a number of track-related, signalling and mechanical issues.

The AvonLink achieved its OTR target, but the MerredinLink failed to meet its target for the same reasons as the Prospector. The Prospector, MerredinLink and the AvonLink share the Eastern Goldfields Railway (EGR) between Midland and Merredin so all three are affected by the third-party management and maintenance arrangements.

The Australind reached 85 per cent OTR, below the target of 90 per cent, because of a high number of mechanical issues associated with ageing railcars, crossing and track-related issues.

At about 97 per cent, our road coach services exceeded the OTR targets.

For the complete data, refer to 3.10 Audited KPI report section 3.

2.0 Operational Report

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). Due to an increase in patronage, the rail, road coach and inter-town coach passenger per service kilometre metric exceeded the target and the 2021-22 results.

For the complete data, refer to 3.10 Audited KPI report section 1.

Key activities

- The most significant achievement was the recovery in patronage in the wake of the pandemic, with about 64,000 more passengers this year.
- Achieved full Payment Card Industry Data Security Standard (PCI DSS) compliance for credit card payments.
- Trialling wi-fi technology on the Prospector between Perth and Kalgoorlie.
- Refurbishment of the 126-year-old heritage-listed Kalgoorlie Station and the operations office at East Perth.

Looking ahead

- Commission the second high-level platform at Merredin.
- Complete refurbishment of the East Perth commercial office, and the Geraldton and Northam booking offices.
- Operate the Australind service with road coach replacements for the duration of the Armadale Line shutdown for the level crossing removal program and the Byford Rail Extension (BRE).
- Complete the Prospector service wi-fi trial.

2.1.3 REGIONAL (TRANSREGIONAL)

The Regional Town Bus Services (RTBS) branch manages the Trans-branded school and town bus services in 15 major regional towns in WA - Albany, Bridgetown, Broome, Bunbury, Busselton, Carnarvon, Collie, Esperance, Geraldton, Kalgoorlie, Karratha, Kununurra, Manjimup, Narrogin and Port Hedland.

Fleet

RTBS has a fleet of 165 low-floor accessible buses, all of them owned by the PTA. The PTA has been progressively updating and improving the RTBS fleet, which consists of Mercedes and Volvo buses.

Patronage

TransRegional total boardings fell 3.5 per cent to 2.049m and total fare-paying boardings fell five per cent to 1.715m.

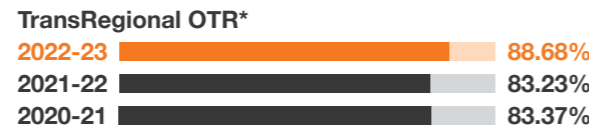
Regional Town Bus Services	2021-22	2022-23	Change
Total boardings (millions)	2.123*	2.049	-3.5%
Fare-paying boardings (millions)	1.806*	1.715	-5.0%

* The 2021-22 figures shown in last year's annual report for total boardings (2.194m) and fare-paying boardings (1.871m) were revised to reflect the detection of an error relating to the July 2021 SmartRider figures.

Reliability

In RTBS towns where the SmartRider system is in use, RTBS uses SmartRider-based GPS information to measure OTR. In the year under review, OTR was better than 88 per cent – the best result since we started capturing this data.

For towns such as Bridgetown, Broome, Carnarvon, Collie, Kununurra, Manjimup and Narrogin, that do not have the SmartRider system installed, OTR is based on customer feedback reports of late running. In 2022-2023, no late running reports were received.



* SmartRider towns only

Capacity

In 2022-2023, TransRegional operated 185,492 trips covering 3,326,743m kilometres.

2.0 Operational Report

Key activities

- RTBS is trialling a public town bus service in Esperance. The trial service started on July 4 2022 and was intended to operate for 12 months. After a mid-term review in January 2023, some minor route changes were made and, based on patronage, the trial was extended for a further 12 months.
- Review of the regional fleet profile to determine which ageing buses will be replaced, and which will be refurbished. Both initiatives are expected to be completed by 2025.
- The new TransRegional website, including journey planner functionality, is approaching completion and will be launched in late 2023.
- TransRegional customers can now use the Transperth App which has real-time-tracking for those buses using the SmartRider system.
- Significant bus stop infrastructure programs completed in Kalgoorlie and Busselton; 50 stops were upgraded to fully accessible in Kalgoorlie and 10 stops in Busselton.

Looking ahead

- A review of the bus service network connecting to Maitland Park (Geraldton) has started. RTBS is a key stakeholder and will have a significant contribution to this project.
- A review of bus services in Albany, Busselton and Karratha will be undertaken in light of recent growth in these towns.
- The bus stop upgrade program will continue in various TransRegional towns including major upgrades for some stops in Bunbury and Busselton.
- In 2023-24, RTBS will prepare and release tenders for the renewal of the bus service contracts in Broome, Bunbury and Busselton.

2.1.4 SCHOOL BUS SERVICES

The SBS branch manages the policy and entitlement framework, delivers system support and administers the contracted delivery of 922 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” contracted school buses, there are four cluster contracts made up of 49 contract school buses that are funded by the Department of Education (DoE) and administered by SBS. These

services do not form part of the 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 privately transporting their children to the nearest appropriate school.

Fleet

In 2022-2023, the SBS network consisted of 799 contracted school buses transporting students to mainstream schools and 172 services to special education facilities. All contracted school buses are operated by private contractors under the following contract arrangements:

Evergreen Contract Model contracts (five-year term) – 664 contracts providing 664 services.

Composite Rate Model contracts (remaining balance of 20-to-30-year contract term) – one contract providing one service.

Fixed-term contracts (one-year to 15-year tendered term) – 136 contracts providing 136 services.

Regional school bus cluster contracts (15-year term) – five contracts providing 38 services.

Tendered Cluster Contract Model school bus contracts (12 to 17-year term) – one contract providing 20 services.

Tendered Contract Model school bus contracts (12 to 17-year term) – 63 contracts providing 63 services.

DoE-funded cluster contracts (10-year term) – four contracts providing 49 services.

The table on page 29 shows the new and ceased contracts by region and service name.

2.0 Operational Report



2.0 Operational Report

Region	2022-23 new contract services
Goldfields-Esperance	Esperance Barook Rd Salmon Gums South
Metropolitan	Beechboro PS LDC Caversham Beechboro PS LDC Hubs Byford Secondary ESF Armadale Cannington ESC Maddington Chidlow Eastern Hills Coastal Lakes ESF Fremantle LDC Bull Creek Canning Vale Gwynne Park ESC Byford Koorana ESC Baldivis Lakeland SHS ESC South Lancelin Clarkson Leda Education Support Central Merriwa Quinns Beach North Merriwa Quinns Beach South Peel LDS Baldivis North Rockingham SHS ESC Central Rockingham SHS ESC Town Roseworth ESC Central Two Rocks Alkimos Two Rocks Eglinton West Coast LDC Poseidon PS
Mid West	Geraldton Dongara 3 Geraldton Dongara 2 Geraldton Moonyoonooka East Geraldton Park Falls Geraldton White Peak Holland Street North Education Support Meekatharra Karalundi Meekatharra Karalundi School Bus Service
Peel	Coastal Lakes ESF Central
Pilbara	Karratha Wickham 6 Tom Price Paraburdoo Tom Price Paraburdoo 2
South West	Busselton Yallingup Margaret River Cowaramup Margaret River North Margaret River South 2 Margaret River West 2 Nyabing North Yallingup Steiner Busselton Yallingup Steiner Eagle Bay
Wheatbelt	Hyden Karlgarin Temporary School Bus Service Kellerberrin North Narrogin Pingelly Overflow

This was offset by the cessation of the following contracts:

Region	2022-23 ceased contract services
Goldfields-Esperance	Munglinup East
Great Southern	Katanning Kwobrup Nyabing North
Kimberley	Wyndham Nine Mile
Metropolitan	Beechboro PS LDC Ellenbrook Coastal Lakes ESF Eastern Hills Chidlow Eddystone IEC Bus 3 Ledge Point St James Merriwa ESC Mindarie Lancelin Peel LDS Rockingham Lakes Rockingham Rockingham SHS ESC Town West Coast LDC West
Mid West	Carnamah North East Geraldton Cape Burney Geraldton Dongara 2 Geraldton Dongara 3 Geraldton Park Falls Geraldton White Peak Holland Street North Meekatharra Karalundi
Pilbara	Karratha Wickham 6
South West	Busselton Yallingup Collie Allanson Margaret River Cowaramup Margaret River North Margaret River South 2 Margaret River West 2 Yallingup Steiner Busselton Yallingup Steiner Eagle Bay
Wheatbelt	Hyden Karlgarin Kellerberrin North Lake Grace North

Patronage

On average, services were accessed by 25,802 students around the State on each school day (marginally higher than in 2021-2022).

The number of eligible students receiving school bus transport assistance are divided into two distinct groups.

Core business – an average of 24,957 students accessed school bus transport assistance on each school day (down 0.2 per cent on 2021-2022).

2.0 Operational Report

DoE-funded – the number of students who qualify for assistance through the Intensive English Centres and/or other language-support programs is influenced by metrics such as the immigration intake quotas and federal funding provisions. As such, the total number of students accessing assistance was affected by government immigration policy decisions with an average of 845 students accessing these services on each school day (up 47 per cent from 2021-2022).

The following table breaks down the 2022-2023 student patronage by region and business group:

Region	Core business service patronage	DoE-funded service patronage	Total
Gascoyne	129	-	129
Goldfields-Esperance	1,188	109	1,297
Great Southern	3,087	-	3,087
Kimberley	832	-	832
Metropolitan	4,230	681	4,911
Mid West	1,532	-	1,532
Peel	2,084	-	2,084
Pilbara	439	-	439
South West	6,832	55	6,887
Wheatbelt	4,604	-	4,604
Total	24,957	845	25,802

Reliability

The reliability target requires the bus to arrive at least 10 minutes before school starts and depart within 10 minutes of school finishing. The 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.

It aims to ensure that service delivery meets community expectations by operating to the timetable-frequency, and that performance improvements are implemented for services that fail to meet requirements.

The SBS internet portal enables parents and schools to report breaches of on-time arrivals and departures. The number of complaints recorded through the online portal determines the level of satisfaction for the service reliability.

For 2022-2023, the level of satisfaction with school bus availability at arrival and departure time was 99.65 per cent, 0.3 points lower than target and 0.2 points below the 2021-2022 result.

SBS aims to achieve a high level of customer satisfaction and continues to engage with its stakeholders to ensure that school bus service reliability is at target levels.

For the complete data refer to 3.10 Audited KPI report section 4.

Capacity

Around WA, school bus services covered an average of 168,430km each school day, totalling 32.5m contract service kilometres for the year.

School bus average daily service kilometres (thousands)



The annual service kilometres for each region are:

Region	2021-22 Total service km	2022-23 Total service km	Change
Gascoyne	132,425	128,674	-2.8%
Goldfields-Esperance	1,820,647	1,851,351	1.7%
Great Southern	3,894,079	3,773,109	-3.1%
Kimberley	926,010	895,844	-3.3%
Metropolitan	5,791,414	5,763,493	-0.5%
Mid West	2,489,822	2,330,758	-6.4%
Peel	2,038,952	1,990,586	-2.4%
Pilbara	472,580	531,140	12.4%
South West	6,474,026	6,299,828	-2.7%
Wheatbelt	8,943,665	8,942,282	0.0%
Total	32,983,620	32,507,065	-1.4%

Contract school bus service kilometres fell 1.4 per cent from the 2021-2022 level, noting that there were four fewer service days in the year. Service kilometres decreased across most regions due to the service day reductions.

2.0 Operational Report

The daily average service kilometre data for each region are:

Region	2021-22 Average daily service km	2022-23 Average daily service km	Change
Gascoyne	672	667	-0.8%
Goldfields-Esperance	9,242	9,592	3.8%
Great Southern	19,767	19,550	-1.1%
Kimberley	4,701	4,642	-1.3%
Metropolitan	29,398	29,863	1.6%
Mid West	12,639	12,076	-4.4%
Peel	10,350	10,314	-0.3%
Pilbara	2,399	2,752	14.7%
South West	32,863	32,642	-0.7%
Wheatbelt	45,399	46,333	2.1%
Total	167,430	168,430	0.6%

The average daily contract school bus service kilometres increased by 0.6 per cent.

Key Activities

- Approximately 540 schools serviced across the State each day over a total annual network coverage of 32.5m kilometres.
- There were 9.96m school bus service trips performed over the year involving an average of 168,430 service kilometres per day. On average, 25,802 regional and special education students were carried each school day.

Looking Ahead

The Public Accounts Committee: “Bus Fair Report” – The report of the inquiry into the Student Transport Assistance Policy framework

The Parliamentary Public Accounts Committee tabled their *Bus Fair* report on August 18 2022 following an extensive consultation period which involved more than 200 written submissions, 25 hearings, and visits to Wagin, Narrogin, Dumbleyung and Jarrahdale. The report contained 40 recommendations covering the overarching principles of the Student Transport Assistance Policy – student eligibility criteria, forms of transport assistance, processes and response times, local engagement, contractual matters and student behaviour management roles and responsibilities.

The Government tabled its response to the report on December 22. It accepted all the recommendations in principle but noted that several recommendations required further work and/or consultation with stakeholders by the PTA before they could be implemented. The PTA has started implementing the review outcomes with a focus on a rewrite of the policy framework to incorporate the recommended policy changes, and a review of the network to ensure services conform with eligibility changes for the 2024 school year. All other recommendations are being progressed concurrently to be finalised by the end of 2024.

2.2 FARES AND OTHER REVENUE.

19.7%

Increase in total system revenue

↓ 9.5%

Decrease in total cost per passenger

\$210m

Total Transperth system revenue

2.2.1 METRO

Transperth

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

Passengers travelling within a zone pay a one-zone fare, while those travelling over multiple zones pay a capped two-zone fare. A short distance fare is available for trips of up to 3.2km (two sections). School students pay a flat fare for weekday travel during the school year, and there are multi-trip tickets for individuals (DayRider) and groups (FamilyRider).

Passengers can 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 on all buses and ferries, and ticket-vending machines at all train stations and ferry jetties.

Transperth cash fares schedule

The following fare schedule was in place during 2022-23, reflecting a 2.5 per cent increase on the prior year.

Category	Standard	Concession
2 Sections	\$2.30	\$1.00
1 Zone	\$3.30	\$1.40
2 Zones	\$5.00	\$2.20
DayRider	\$10.00	\$4.40
FamilyRider	\$10.00	–

Note: The flat fare for school students (70c) is available only through a Student SmartRider card. The 70c student fare is valid for travel on all Transperth services 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 and SmartParker

Discounts on cash fares are provided through the SmartRider system and are based on the reload method used. A 20 per cent discount is available to passengers choosing Autoload (direct debit or credit card), and 10 per cent for those who choose other reload methods (BPAY, add-value machines, on board

buses and ferries, and at retail sales outlets and Transperth InfoCentres).

SmartRider provides a complete and accurate record of all boardings because users are required to tag-on/tag-off for each leg of their journey. This year, SmartRider was used for 77.6 per cent of all fare-paying boardings (79 per cent in 2021-22) with the slight decrease due to the return of infrequent travellers as COVID impacts lessened.

Customers who have pre-registered their vehicle can use SmartParker to pay for parking, or use Pay-by-Plate machines which allow number-plate entry, and payment by either SmartRider or cash. In 2022-23, SmartRider was used for 94 per cent of parking transactions.

Patronage profile

Total boardings category distribution remained stable. Fare-paying boardings accounted for 55 per cent of travel (53.7 per cent in 2021-22), of which 95.7 (previously 97.1) per cent used SmartRider and cash tickets, with the other 4.3 per cent (2.9) relating to public transport travel associated with joint-ticketed events.

Transfers were the second largest category, accounting for a steady 30.1 per cent for the past two years, followed by travel within the Perth free transit zone and on CAT buses at 10.2 per cent (9.5). SmartRider-based free off-peak travel – offered to seniors, pensioners and carers – accounted for four per cent (4.4) with the remainder (0.7 per cent) covering miscellaneous travel categories.

Of the fare-paying (excluding joint-ticketed) boardings, standard fare passengers accounted for 52.5 per cent (50.1), concession passengers 28.9 per cent (29.3) and school students 15.8 per cent (18.8). Boardings on FamilyRider tickets contributed 2.8 per cent (1.8).

SmartRider users accounted for 83.6 per cent of total transfers during the year (84.5 per cent in 2021-22).

Cost per passenger kilometre

The total cost of providing Transperth's bus, train and ferry services increased 12.1 per cent in the year under review while passenger kilometres increased 23.9 per cent, meaning the cost per passenger kilometre (including annual capital charges) decreased by 9.5 per cent.

Passenger kilometres represent the combination of average trip length and passenger boardings and amounted to 1231m. For the complete data refer to 3.10 Audited KPI report section 7.

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Revenue and expenditure

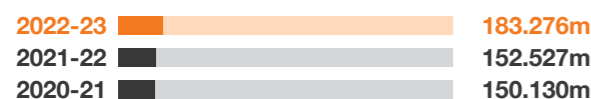
Total system revenue, which includes income from fares, parking, advertising, rent, infringements and miscellaneous items, rose 19.7 per cent. The material increase was largely due to increased fare revenue.

Transperth system revenue (\$ millions)

Total revenue



Fare revenue



Fare revenue increased by 20.2 per cent as patronage gradually returned to pre-COVID levels.

Transperth system expenditure (\$ millions)

Total expenditure



Operating expenditure



Total expenditure on the Transperth system (including annual capital charges) increased 12.1 per cent, while operating expenditure (excluding annual capital charges) rose 8.4 per cent.

Total expenditure on train services increased 14.8 per cent with annual capital charges increasing 24.6 per cent. Train total operating expenditure (direct operating costs and transfer expenses) rose 8.6 per cent.

Total expenditure on bus services increased 8.7 per cent with annual capital charges increasing 12.6 per cent and operating expenditure increasing by 8.1 per cent, largely due to increased fuel costs and other cost inflation.

2.2.2 REGIONAL

Transwa

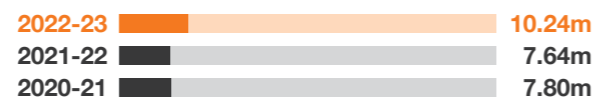
Cost per passenger kilometre

The cost per passenger kilometre for road coaches was \$0.42 in 2022-23, down from \$0.49 for the previous financial year. The figure for rail also decreased, from \$0.65 to \$0.61.

This is due, in both cases, to an increase in both patronage and operating costs including contract labour, fuel and maintenance costs.

Revenue and expenditure

Transwa system revenue (\$ million)



A total of \$10.24m revenue from cash fares was received. This is higher than expected and can be attributed to the increase in patronage.

Transwa system expenditure (\$ million)

Expenditure Actual



Expenditure Budget



Expenditure was \$56.67m, an increase of 10.9 per cent from the previous financial year, due to maintenance and increased fuel costs.

TransRegional

Cost of service

The cost of operating regional town bus services was \$24.9 million, up six per cent from \$23.5 million in 2021-22. The increase was due mainly to a significant increase in the price of fuel, and the need to meet substantial bus maintenance and refurbishment costs.

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2.3 PTA IN THE COMMUNITY.



95.2%

Customer satisfaction across all Transperth services

99%

Customer satisfaction with CAT bus services

>97%

Of customers feel safe aboard Transperth services

2.3.1 CUSTOMER SATISFACTION

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

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

Level of overall customer satisfaction across all Transperth services (per cent)



On our trains, overall passenger satisfaction was 95 per cent, the seventh successive year of 94-plus ratings. Only one per cent of customers were dissatisfied.

Overall bus passenger satisfaction was 91 per cent, with only four per cent of customers dissatisfied; overall CAT passenger satisfaction was an all-time high 99 per cent, with less than one per cent of customers dissatisfied; and overall ferry satisfaction was 96 per cent.

For a detailed breakdown refer to 3.10 Audited KPI report section 4.

SmartRider

SmartRider has consistently attracted a high degree of user satisfaction across all modes. The 2023 result continued this trend with satisfaction for bus passengers rated at 98 per cent (97 per cent in 2022) and satisfaction for train passengers stable at 95 per cent, while ferry passenger satisfaction went from 98 to 100 per cent.

Transwa

Level of overall customer satisfaction across all Transwa services (per cent)



PSM results showed 90 per cent of passengers were satisfied with regional train and road coach services, unchanged from 2021-22.

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2.3.2 PASSENGER SAFETY
AND SECURITY

Transperth

Customer perception of safety

The PSM assesses Transperth 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 nine years.

Night time ratings improved for trains and buses. Ferries remained consistent with a rating of 100 per cent for both waiting for and on-board services. For complete data, refer to 3.10 Audited KPI report section 5.

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 always feel safe 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 staffed 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 10 full-colour cameras.

An average of 77.3 per cent of trains had a security presence after 7pm. This figure was impacted by the difficult labour market in 2022, meaning less than the desired number of security personnel was available, but has rebounded strongly in 2023.

A fleet of 33 patrol cars (11 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.

Dash-mounted duress alarms have been installed on all buses, integrating with both the new bus digital radio system and the SmartRider ticketing system to provide GPS tracking of any bus involved in an incident. Buses with an active duress alarm are tracked in real time by the depot and CMR, improving the on-road safety of our bus drivers and customers.

The PTA undertakes a regular monthly meeting with representatives from the Office of the National Rail Safety Regulator (ONRSR) to discuss rail safety incidents and provide an opportunity to discuss improvements to assist both parties.

The PTA is continuing to increase its transit officer recruitment and training. A lighting and facilities upgrade

project continues across the network with a focus on crime prevention through environmental design.

2.3.3 ACCESSIBLE SERVICES

Proximity to metropolitan services

More than 86.31 per cent of Perth homes have ready access to public transport. This metric has remained steady for the past 12 years and is a benchmark for future service planning.

For the complete data refer to 3.10 Audited KPI report section 2.

Diversity, access and inclusion

The PTA provides services to WA's diverse community in a fair and non-discriminatory manner. With our Transport Portfolio partners Main Roads and the Department of Transport, we developed a portfolio Disability Access and Inclusion Plan (DAIP) for 2022-2027. The DAIP aims to ensure that people with a disability have the same opportunity as other people to access PTA public transport services, information, and facilities. The PTA has also developed a **DAIP implementation plan**, which demonstrates our commitment to providing a high level of independence for all passengers.

In 2022-23 we continued to implement strategies to improve access to public transport for all customers, including people with a disability and those with culturally and linguistically diverse (CaLD) backgrounds. These include:

- 124,113 accessibility bulletin emails sent to recipients registered with Transperth Accessible Services and related services to advise of system changes, upgrades and other accessibility issues.
- 139 calls to Translating and Interpreting Service (TIS) at InfoCentres and InfoLine, accessing 37 languages.
- 36 assistance dogs were approved to travel on public transport – this is in addition to approved blind and hearing guide dogs.
- RTBS partnered with disability services provider APM to offer public transport open days for people with disabilities, as an opportunity to attend the local depots in Albany, Busselton and Bunbury, and experience the services.
- Implemented a public communication campaign to promote Special Assistance at train stations.

Working Groups

In 2022-23, the PTA actively participated in the following working groups:

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- The METRONET Access and Inclusion Reference Group (AIRG), which included advising designers of universal design features for new fixed infrastructure and the new C-Series railcars, and advising construction teams of accessibility impacts during construction.
- 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 (DSAPT).
- The Transport Portfolio Access and Inclusion Group which supported the International Day of People with Disability, by publishing articles on achievements and solutions for managing level crossings.

Transport and infrastructure
accessibility improvements

In 2022-23, we continued to implement strategies to improve access to public transport for all customers, including people with a disability and those from CaLD backgrounds.

- Completed DDA minor works on 13 lifts at nine train stations on the Mandurah and Joondalup Lines.
- Carried out works to upgrade Mends Street Jetty to meet DDA requirements including a new pedestrian ramp connected to a floating boarding platform.
- Completed an audit and compliance plan of flange gaps at all pedestrian crossings providing access to stations on the metropolitan and regional rail network, as required by the Australian Human Rights Commission.
- Finalised a project to upgrade bus stops to include QR codes to provide real-time bus tracking and service interruption information.
- Used lift-escalator operational performance data to provide real-time information on their availability and service disruptions to enable passengers to plan their journeys.
- All conveyances operated on the Transwa network are accessible.
- We continued work on the second high-level platform at Merredin Station to help with accessibility for the Prospector and MerredinLink train services.

Community Education

Transperth's Community Education (CE) program aims to increase patronage, safety awareness and access to the network for passengers with high public transport needs. In collaboration with Transperth train, ferry and bus operators, the program delivers a high public transport conversion rate for diverse users. This is achieved through face-to-face engagements including school excursion group travel, community workshops,

events and training programs, school incursions and network tours as well as the provision of online resources.

In the year under review, the CE team continued to provide programs, resources and engagement strategies for diverse and vulnerable users, helping to increase patronage and safe accessible travel on Transperth services.

- 70,000 participants from high-needs groups were supported to access public transport through the delivery of 1220 programs and strategies.
- 1987 trips (93,585 boardings) taken on Transperth timetabled services through coordination of School Group Travel.
- 90 per cent of secondary schools serviced by Transperth in the metropolitan area participated in a campaign helping parents and students transition to independent travel to high school.
- Delivered a series of Right Track sessions for youth offenders in Banksia Hill Detention Centre alongside transit officers and a muralist, culminating in the completion of a mural in the centre.
- Delivered six accessibility guided tours to Airport Central for more than 100 people with disabilities, showing them how to navigate the new infrastructure, connect with the airport and understand accessible features.
- Distributed 10,000 resources and provided 500 direct assists during the openings of the new Airport Line and Lakelands Station.
- 1004 programs delivered to more than 3500 students with diverse needs in Alternative Education schools, Ed Support centres, Intensive English centres, TAFEs and tertiary institutions.
- Supported 11 Local Government Associations deliver age-friendly community initiatives and events.
- Partnered with the Red Cross Humanitarian Settlement Program to deliver public transport education sessions in translated settings to more than 270 newly-arrived migrants from 27 language groups.
- Actively participated in multicultural and community advisory forums, the METRONET Access and Inclusion Reference Group, WA Road Safety Education Committee; liaised with national transport agency education providers and lead agencies in the disability and CaLD sectors.
- Continued to offer a free e-learning module to support workers in the disability and community sectors to safely and effectively mentor people with additional needs to use public transport.
- Reached 225,000 people through digital communication platforms (website and social media).

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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

- Implemented marketing campaigns for services to Optus Stadium and other large events around Perth, including Ed Sheeran and Red Hot Chili Peppers concerts, AFL, BBL and Anzac Day Dawn Service.
- Launched the Airport Line in October 2022 with a major advertising campaign themed *Ready for take-off*.
- PTA volunteers turned out for the 28th Annual Uniform Free Day, raising more than \$60,000 in passenger donation for Radio Lollipop.
- Ongoing digital and social media marketing to our customers, including the launch of a targeted campaign to promote bus Route 980, which resulted in an immediate increase in patronage.
- Frequent and up-to-date messaging across the Transperth network and online to keep passengers moving and informed during shutdowns of the Mandurah, Midland and Airport Lines.
- Promoted free public transport to patrons to celebrate events including WA Day weekend and Lakelands Station opening.

Regional activities

- Continued to promote annual events through advertising campaigns.
- Transwa maintained a social media strategy developed to connect with more customers.
- Targeted campaign around registering for the Pensioner Free Travel scheme to make it simpler for pensioners to book and travel using their free travel allocation.
- The SMS messaging to alert passengers of disruptions or major delays that will affect the customers travel is effective and well appreciated by passengers.

2.3.5 ENVIRONMENT
AND SUSTAINABILITY

The PTA continues to identify opportunities to reduce our impact on the environment and to maximise sustainability in the delivery of public transport services.

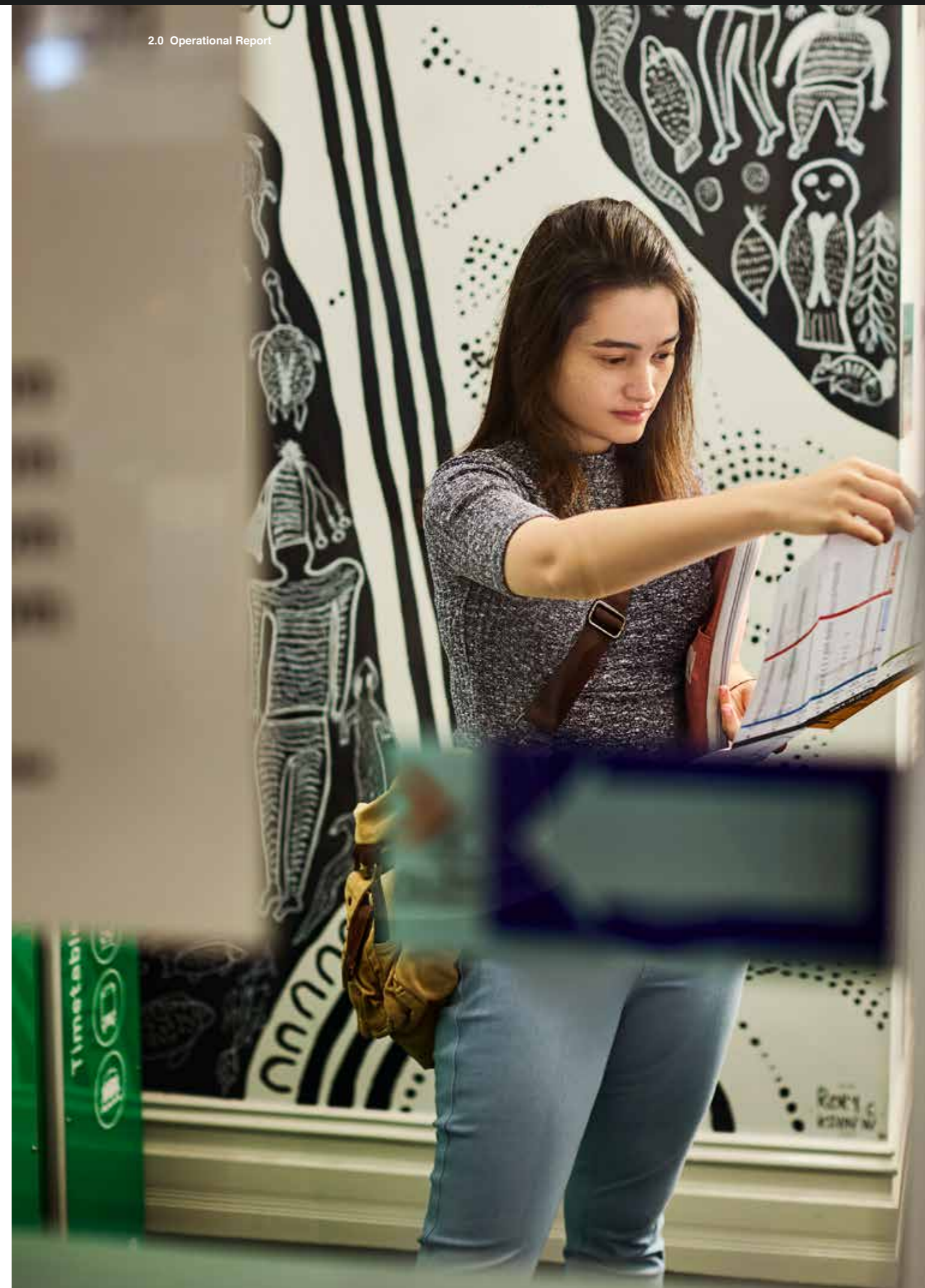
In 2022-23, we:

- Continued to roll-out installation of photo-voltaic (PV) cells to bus and train stations, with a total of 20

existing stations, including Murdoch, Warnbro, Bull Creek, Rockingham, Butler, Victoria Park, and East Perth train stations.

- 2.3 million units of electricity generated to date from installed PV panels.
- Installed larger PV systems at Joondalup and Malaga bus depots and continued to identify future bus depots for PV. Completed the commissioning of four battery-electric buses for the Joondalup CAT bus service.
- It is estimated that the four-bus EV trial in Joondalup has carried more than 250,000 passengers more than 140,000km in the first 12 months and foregone 230 tonnes in carbon dioxide emissions. Following the success in Joondalup, some of the buses have been reallocated to the Perth CBD as part of the trial.
- Future-proofed the new Jandakot bus depot by designing the conduit requirements for a future conversion as an electric bus depot.
- Submitted Western Power applications for the supply of increased electric power requirements at selected bus depots for electric bus charging requirements.
- Following the installation of bi-directional meters and an agreement for a feed-in tariff, the PTA received its first credit for regenerative braking on Transperth railcars.
- Incorporated key requirements from the METRONET Sustainability Strategy into project contracts with clear targets set for water, materials, and greenhouse and energy emissions.
- Completed life-cycle assessments for new stations and infrastructure to identify opportunities to reduce environmental impacts over the lifespan of the projects.
- Achieved Five-Star GreenStar for Design for Ellenbrook and Malaga stations.
- Implemented quarterly sustainability reporting to track progress across all METRONET projects.
- Progressed strategic initiatives within the sustainability strategy to look at material reuse and resource efficiency, and resilience risk across all METRONET projects.
- Continue to roll out the centralised waste management system at the Public Transport Centre, OMTID office and Claisebrook Depot to include co-mingle recycling and the segregation of organics and batteries from the waste stream.
- Contributed to the WA Construction and Demolition Working Group.

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CASE STUDY ED SHEERAN MARKETING CAMPAIGN.

When huge music acts bring their international concert tours to Optus Stadium, Transperth plays a pivotal role in transporting the majority of the attendees to and from the show.



Campaign posters displayed across the Transperth network.

Ed Sheeran, whose sold-out Mathematics tour came to Perth in March 2023 – setting a new attendance record for Optus Stadium in the process - was no different, and the logistics behind coordinating travel for as many as 70,000 fans is a well-oiled joint effort between many different divisions of the PTA.

Planning for events of this scale begin well in advance, but it's not only the day-of operations that the PTA need to coordinate.

For the marketing and communications team, the focus is all about enticing concert-goers to choose public transport when considering how they get to and from the event.

The Ed Sheeran marketing campaign got more traction than most thanks to an attention-grabbing tagline (*Redheads travel free to Ed Sheeran*) and some large guerrilla-style stencil stickers strategically placed on orange walls along the Mandurah Line.

As well as the stickers, the campaign encompassed several different mediums such as traditional posters on the network, paid digital and social media across various platforms, and interest from major news outlets.

The result was almost one million impressions. More than 45,000 (about 61 per cent) of the Sheeran fans at the concert used public transport on the night – 33,500 on the train and 11,500 via special event buses.

Marketing and communications coordinator Bethany Sawyer said it was encouraging to see the campaign get so much traction with the public.

"We needed a campaign that was going to stand out from the noise, grab peoples' attention when on our services, and encourage them to use public transport to the concert," she said.

"The bold campaign featuring a simple headline was all it took to get that attention, by seemingly inviting redheads to travel free."

The campaign recently won Best of the Year for Out of Home at the Campaign Brief awards.

1M

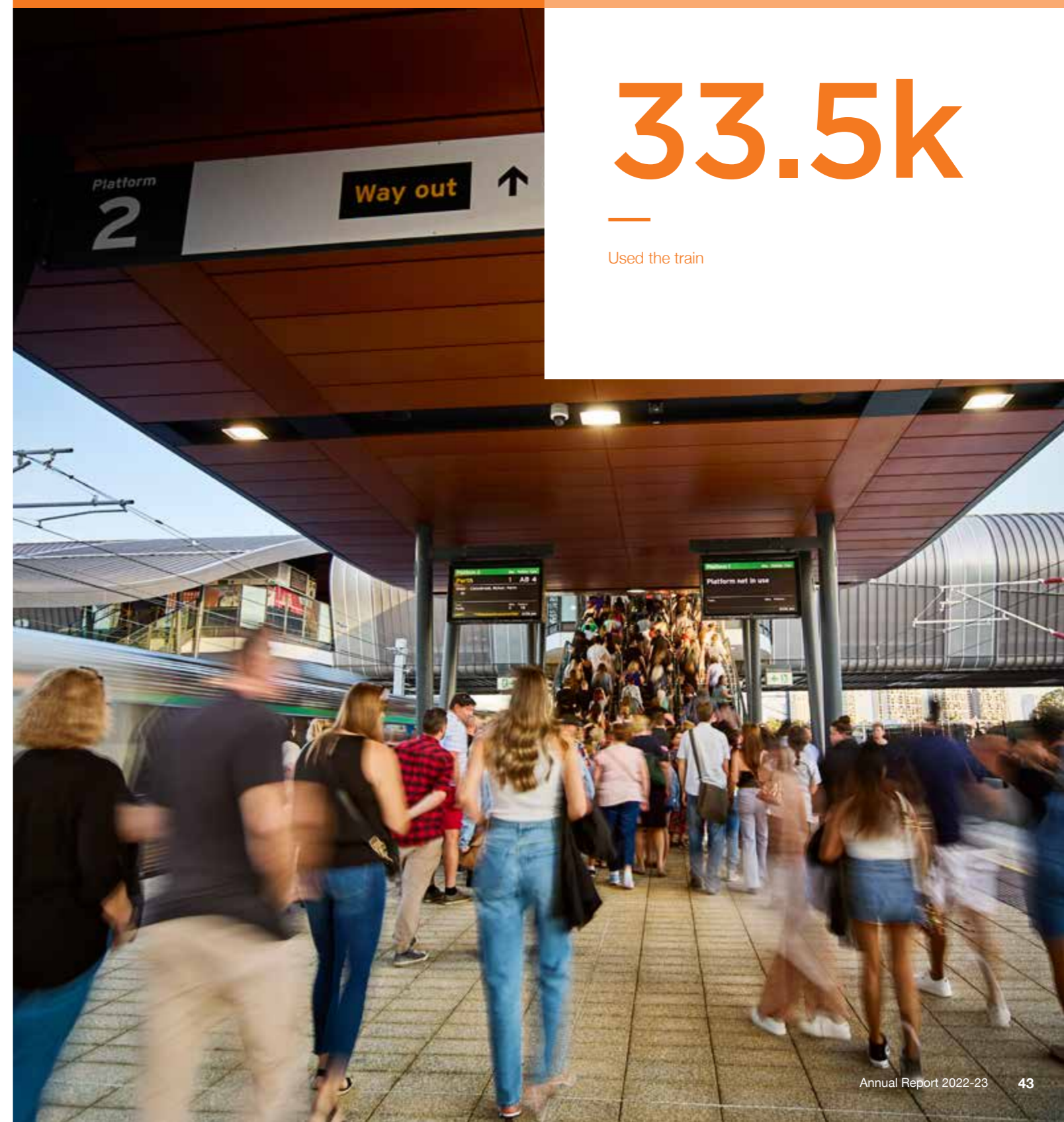
Almost one million impressions from the campaign

45k

Ed Sheeran fans used public transport on the night

33.5k

Used the train



2.4 INFRASTRUCTURE DELIVERY

As well as providing world-class public transport services, we strategically plan and manage our land and physical assets and plan 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

IPLS develops and maintains the PTA's long-term vision and strategy for the urban passenger rail network and undertakes the investigations and operational analysis necessary to ensure the network can meet future community needs. This provides a basis for investment proposals and strategic advice to aid decision-making across the portfolio and State Government with respect to future asset investment, as well as the PTA's engagement with key external stakeholders and other third parties around improving public transport services and utilisation.

The IPLS team has expertise in strategic and operational planning, economic analysis, engineering, freight, sustainability and environmental management. These skills come together, in collaboration with other Government agencies including the Transport Portfolio Land and Property Services office, to ensure feasible design solutions meet passenger needs, legal requirements, standards and project objectives, while delivering value-for-money outcomes for the State.

This year, IPLS' focus on the planning and development of future public transport initiatives included the following key activities:

- Progression of the Platform Signalling Upgrade Program (PSUP) to inform the project definition plan (PDP), including development of concept designs for Victoria Park, Burswood, Mt Lawley, Meltham, Maylands, Perth, McIver and Claisebrook stations.

- Substantial progress on long-term corridor protection studies, including completion of options shortlisting for the Bunbury Faster Rail (BFR) project and completion of the North East Rapid Transit Feasibility Study.
- Provided strategic advice and statutory planning services to support the METRONET / OMTID teams, including gaining development approval for Midland Station, ongoing support for the Level Crossing Removal (LXR), and Byford Rail Extension (BRE) projects.
- Completion of the Swanbourne Station upgrade concept design, enabling coordinated works with Main Roads' Congdon Street bridge replacement, as well as informing a master planning exercise for the area around Swanbourne Station.
- Continued to support delivery teams with design for major bus interchange upgrades at Stirling and Canning Bridge.
- Substantial progress on a Mid-Tier Transit Plan.

Rail planning activities

In addition to progressing major funded initiatives including PSUP and BFR, the Rail Planning team also:

- Developed an investment planning framework to identify, prioritise and program strategic initiatives and project development activities in line with business needs.
- Undertook strategic planning for expansion of bus and station access infrastructure at high-patronage stations on the Mandurah Line, including Bull Creek, Murdoch and Cockburn Central.

2

WA-made C-Series trains were delivered and testing and commissioning started on the network

4.8m

Removal of the Bayswater bridge to make way for a 4.8m bridge that will form part of the new station

Opening of Lakelands Station:

50

50-minute journey to the CBD

400

More than 400 car bays

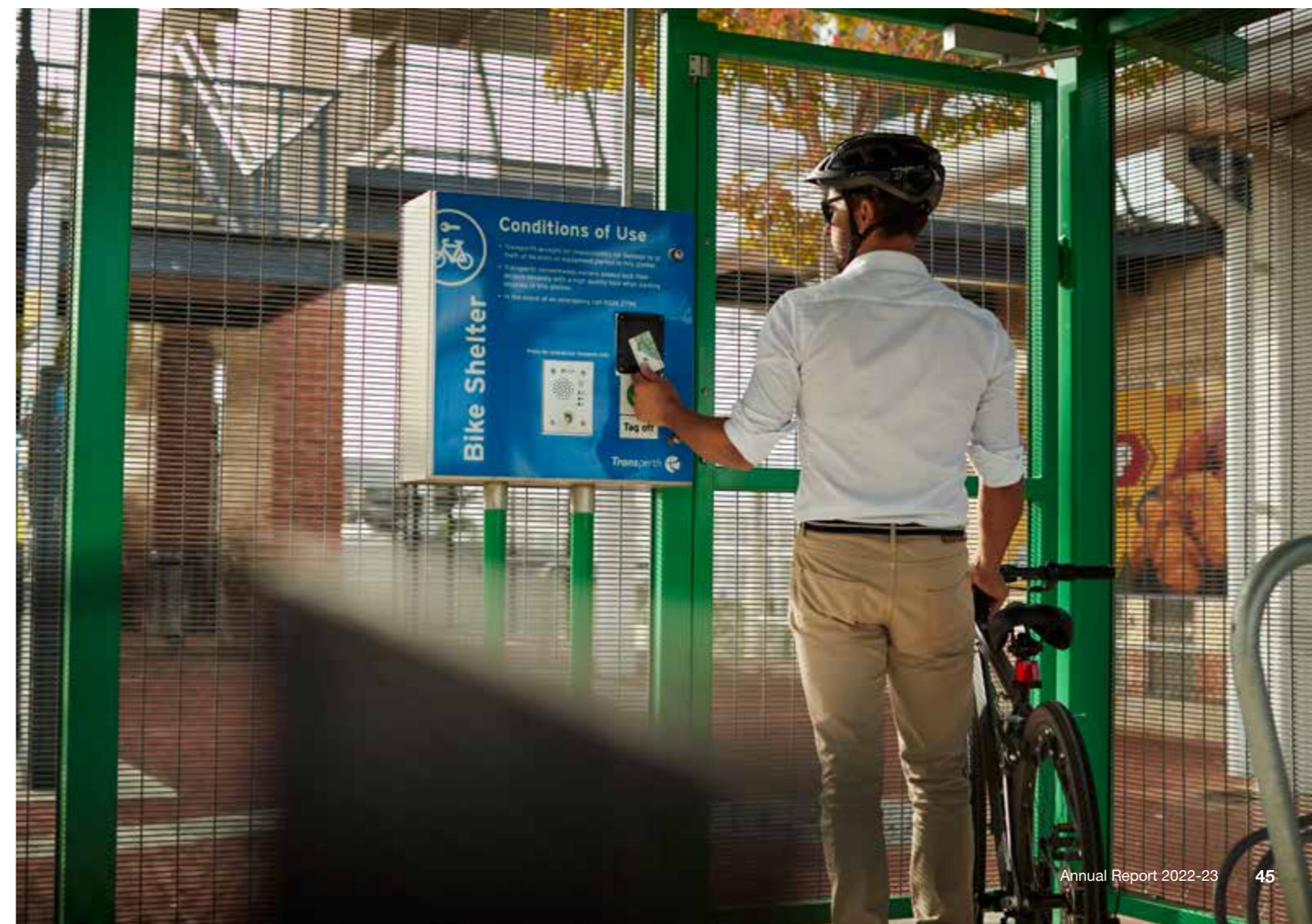
96

Two secure bike shelters, providing storage for 96 bikes

5

Five extended bus routes to service the new station

Designed and built to complement the surrounding natural environment, featuring a neutral colour palette, sculptural concrete forms and a distinctive overhanging steel roof



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- Supported the delivery teams through provision of statutory planning, strategic planning and operational planning services.
- Started integrated planning for the Sutherland Street Bridge and City West Station upgrade project.

Rail engineering activities

- Delivery of the Swanbourne Station upgrade concept design.
- Provision of rail engineering expertise for the Westport program during the planning investigation study phases.
- Provided engineering assurance and in-house design services across a range of PTA projects to ensure compliance with the PTA's Engineering Management for Projects procedure.
- Provided ongoing engineering support and service provision to PTA divisions and government agencies including N&I, PPD, OMTID, MRWA, DoT and Transperth.

**Land and property management activities
(Transferred to Transport Portfolio Land and Property Services in July 2022)**

- Processed more than 375 third-party applications for works and access into the freight corridor.
- Entered into a private parking agreement with the City of Fremantle to control parking and camping on PTA land at South Beach.
- Successful negotiation and acquisition of required land for the Byford Rail Extension project.
- Started work on station activation at Bayswater, High Wycombe, Lakelands and others.
- Successfully acquired land required for the Canning Bridge Project.
- Finalised the transfer of the last rail depots under the 2000 Agreement for Sale of Business to Aurizon.

Environmental management activities

- Continued to grow SpatialPTA and the division's geospatial capability, including the first concept designs being integrated into SpatialPTA and digitising PTA's Asbestos and Contaminated Sites registers.
- Development and implementation of the BRE environmental offset program, including partnering with Curtin University and submission of offset documentation to State and Commonwealth environmental regulators.
- Provided environmental management advice to support start of construction of Midland Station and Jandakot Bus Depot, and the completion of the Forrestfield Airport Link.

Looking ahead**Rail planning**

- Continue to progress the development of PSUP PDPs.
- Finalise the BFR strategic business case.
- Continue to progress the PTA's long-term planning outcomes from the Rail Growth Plan and Station Access Strategies, planning for further level crossing removals, and corridor protection for current and future lines.

Rail engineering

- Prepare an early feasibility strategic plan for the future maintenance facilities required by N&I to sustain the network after the completion of current projects.
- Deliver technical advisory services to Westport and all other projects associated with the expansive freight network in WA.
- Provide engineering expertise and design services to support N&I, PPD, and METRONET projects, as well as rail growth plan projects, asset planning, and corridor protection initiatives.

Environmental management

- Review the PTA's environmental policy.
- Implementation of the PTA's contaminated sites and asbestos remediation program
- Support deployment of the PTA's new Health, Safety, Environment, Risk, Incident & Audit Software.
- Provide environmental and Aboriginal cultural heritage management advice to support PTA projects and initiatives.

2.4.2 PTA PROJECT DELIVERY

The PTA Project Delivery (PPD) division manages the delivery of asset renewal/replacement projects and high-value, high-risk complex public transport infrastructure projects. The division works closely with other divisions and external stakeholders in the planning, delivery and commissioning of public transport infrastructure.

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THE TABLE BELOW SUMMARISES SOME OF OUR MAJOR PROJECTS.

PROJECT	THE VISION	PROGRESS IN 2022-23	NEXT STEPS
Disability Discrimination Act (DDA) station upgrade program.	To continually improve compliance of rail stations to DDA standards.	Lifts at 13 stations modified to be fully compliant.	Develop minor works packages to improve hand rails and grab rails across rail stations. Design a new universal accessible toilet facility for Fremantle Station.
PV installations at railway stations.	To promote alternative energy sources.	Installation completed at 18 stations.	Installation planned to be completed on a further four stations.
Tunnel condition monitoring system.	To install a remote in-tunnel condition monitoring system within active rail and bus tunnels and underground structures across the PTA network.	Systems installed in six tunnels.	Installation of remaining five tunnels.
Mandurah Depot Drivers Sign-on Building.	Build a facility to support the operational growth of the expanded rail network.	Design completed, construction started.	Facility completed and fully operational.
Midland Station.	Station to be moved closer to the heart of the Midland town centre. The new location will improve connections to Midland Gate Shopping Centre and Midland Health Campus, while maintaining the railway's central role to enhance work opportunities and community life in the area.	Undertaking utilities enabling works and completing design works.	Construction starting.
Lakelands Station.	The new station takes pressure off nearby Mandurah and Warnbro stations, reduces road congestion, and provides passengers with a 50-minute commute to the CBD.	Construction works completed and station opened.	N/A
Public Transport Operations Control Centre (PTOCC).	A state-of-the-art facility to house the infrastructure and personnel needed to manage the daily operations of Perth's expanding public transport network.	Superstructure works completed, internal fitout works progressing.	Construction completion and administrative areas occupied.
Radio Systems Replacement (RSR) project.	RSR will replace the PTA's ageing analogue radio with a digital system to provide additional capacity and data capability to support new systems such as the High-Capacity Signalling (HCS).	Preliminary system design completed. Contract awarded for civil and electrical works. This package will deliver the monopoles and related physical infrastructure required.	Construction planned to start in late-2023. Contracts for electrical service upgrades and fitout of radio equipment on trains to be awarded. The new system is planned to be introduced in late-2025.
High Capacity Signalling Project.	Replace the ageing train control infrastructure to maintain safe and reliable high capacity rail services for Perth's growing network.	Engagement with potential suppliers through a competitive open tender process and evaluation of initial technical responses.	Conclude competitive tender process and contract a preferred supplier for the new system.

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CASE STUDY AIRPORT LINE OPENING.

Perth's first new train line in 15 years was officially opened on October 9, 2022.

The Forrestfield-Airport Link project – which added 8.5km of double track to the Transperth train network and three new stations at High Wycombe, Airport Central and Redcliffe – began construction in 2016 and included several engineering feats never before seen in Perth, such as tunnelling under the Swan River.

Months of planning by several PTA divisions, including PPD, CSAC, N&I, Transperth and TTO, went into ensuring all aspects of the opening of the Airport Line (FAL's operating name) went smoothly.

This included an official ceremony attended by Prime Minister Anthony Albanese, (then) Premier Mark McGowan, Transport Minister Rita Saffioti and a raft of other State, Federal, business and rail industry representatives, a chance to take part in the inaugural Airport Line train journey, and a public open day.

Thousands of community members attended the open day celebrations held at Redcliffe and High Wycombe stations, with carnival rides, show bags, food trucks, musicians and community stalls offering a fun day out for all involved.

An estimated 24,000 Airport Line boardings were made between noon and 6pm on the day, and 12,000 attendees enjoyed the celebrations at High Wycombe and Redcliffe.

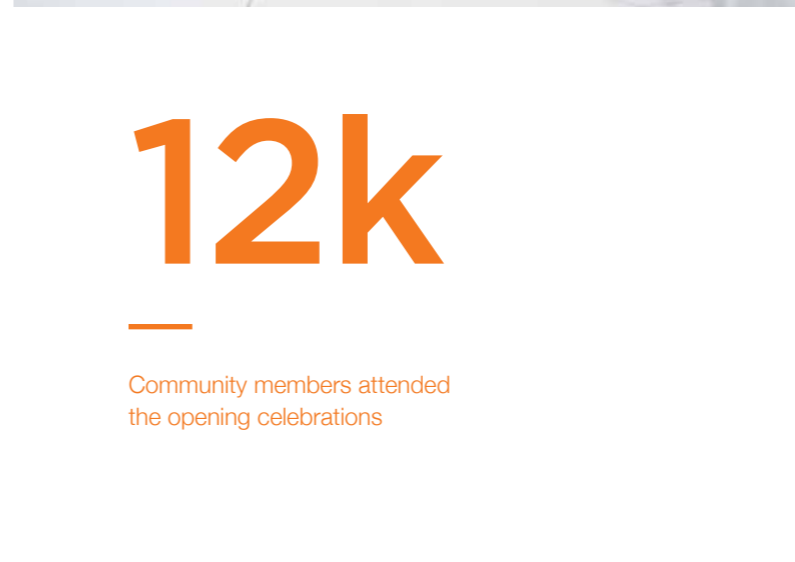
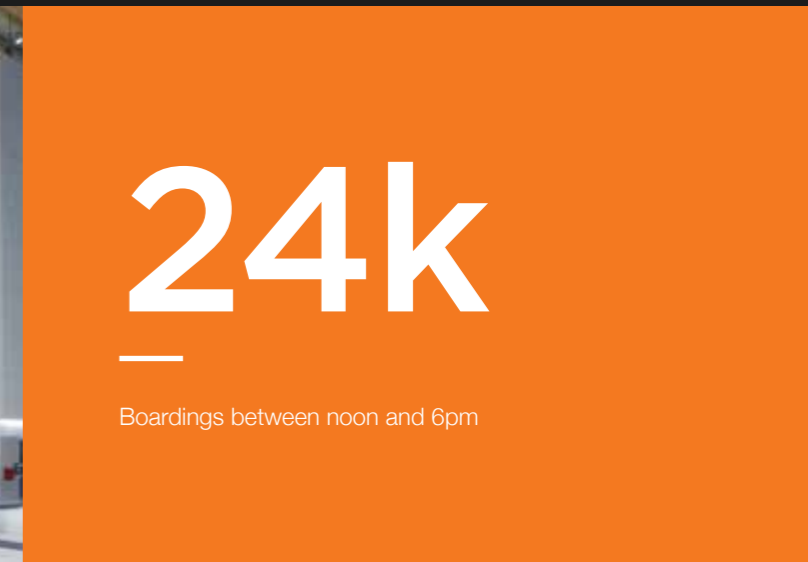
FAL project director Dave Thomas often said throughout the project that it was a marathon, not a sprint, and getting the project to the point of opening was no different.

"There were no shortage of challenges in the final stages, but it was an extremely complex project that none of us had seen before in Perth," he said.

"The credit goes to the team behind the project, who overcame several hurdles to get the line ready for opening, all while maintaining a positive attitude.

"The final product is one of high quality and shows that the effort put in by everyone on the project was worthwhile.

"I think everyone involved with the project and the opening event was proud to be at the opening to see how all their hard work had come together."



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**2.4.3 OFFICE OF MAJOR TRANSPORT
INFRASTRUCTURE DELIVERY**

OMTID is responsible for delivering major transport infrastructure projects valued at more than \$100 million.

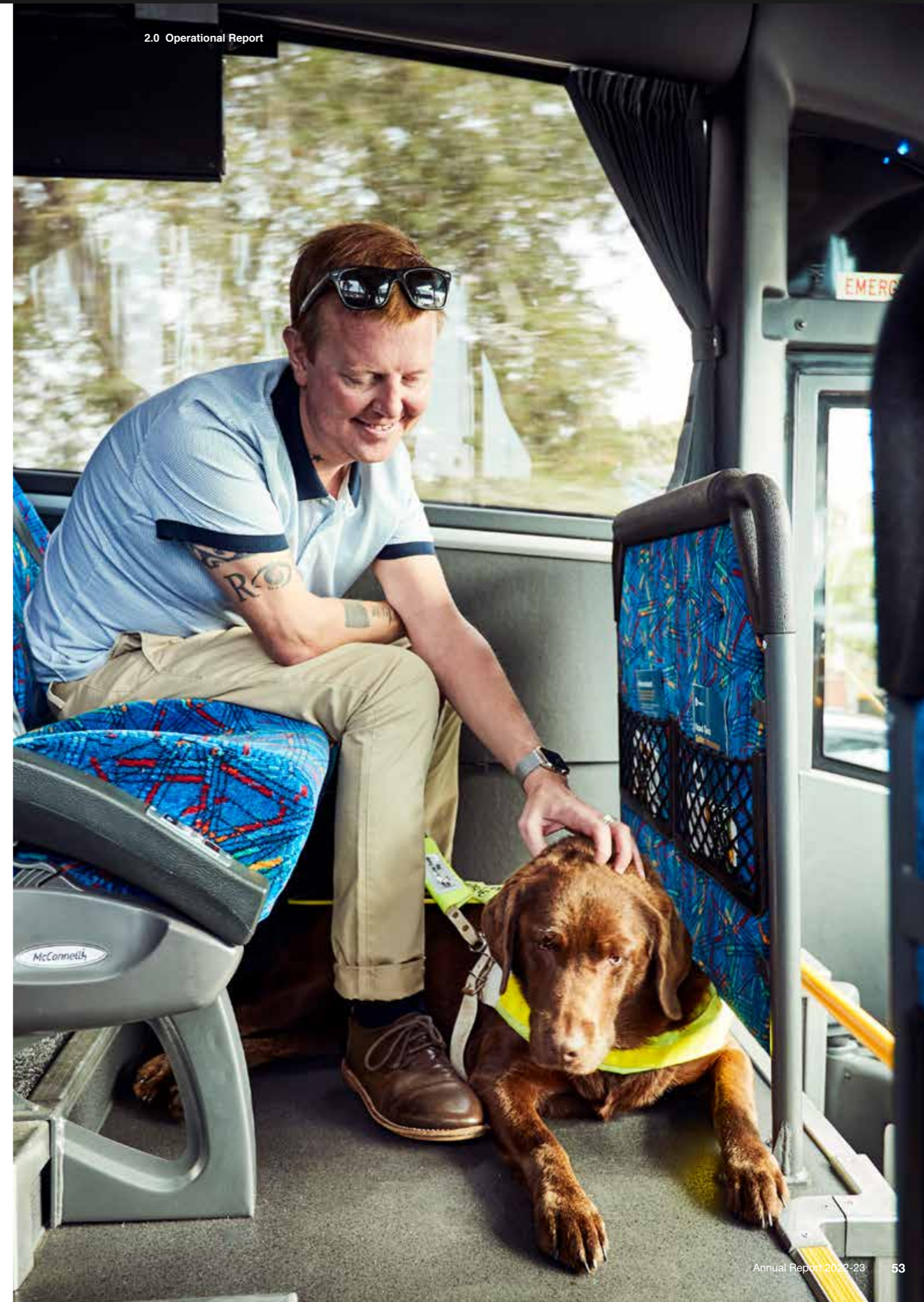
The strategic formation of OMTID as a central office puts project management expertise from both the PTA and Main Roads into a single, major infrastructure delivery focussed group. This enables a faster, more streamlined rollout, to inject stimulus, create jobs and drive sustainability outcomes.

OMTID projects include the Thornlie-Cockburn Link (TCL), Yanchep Rail Extension, Morley-Ellenbrook Line (MEL), the new Bayswater Station, the Victoria Park-Canning Level Crossing Removal Project (VPC LXR) and Byford Rail Extension.

Looking ahead

- Opening of Bayswater Station.
- Yanchep Rail Extension entry into service in 2024.
- Shutdown of the Armadale Line to enable start of VPC LXR, the Byford Rail Extension and to tie in the Thornlie-Cockburn Link.
- Completion of the Morley-Ellenbrook Line expected by end of 2024.

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THE TABLE BELOW SUMMARISES SOME OF OUR MAJOR PROJECTS.

PROJECT	THE VISION	PROGRESS IN 2022-23	NEXT STEPS
Byford Rail Extension.	Extend the Armadale Line about 8km south to a new at-grade station in Byford, with elevated rail through Armadale including an elevated Armadale Station. Address other level crossings between Armadale and Byford.	Enabling works continue; development application for the viaduct released for public comment; construction of temporary bus interchange at Armadale in preparation for the 18-month Armadale Line shutdown.	18-month shutdown of Armadale Line begins late-2023.
Morley-Ellenbrook Line.	A new service to Perth's north-eastern suburbs with 21km of rail and new stations at Ellenbrook, Whiteman Park, Malaga, Noranda and Morley.	First tracks laid in March 2023; Ellenbrook Christian College underpass completed and opened; Tonkin Highway northern and southern dive completed.	Major works continue on the five stations, with the line expected to be complete by end-2024.
New Bayswater Station.	Improve connections across the line, allowing more bus services to the station, improving cycling and pedestrian movements and creating a rail bridge and station that complements the town centre. Provide connections for the Midland, FAL and MEL lines.	Old Bayswater Bridge removed during major works in April, including 28-day shut of Midland and Airport Lines; Baysie Bridge community event on April 30. Stage 2 work under way.	New Bayswater Station southern platform opens.
Thornlie-Cockburn Link.	Connection of the Mandurah Line to the Thornlie Line.	Complete BP Kewdale White Oil line relocation; start of Ranford Road Station bus interchange and car park foundation works; start of Canning River Bridge works; first tracks laid for the new Arc Infrastructure freight rail; major track works completed between Cockburn Central and Glen Iris Tunnel during eight-day Mandurah Line shutdown.	Ranford Road Bridge completed; Arc Infrastructure freight rail line switches to the new rail formation; start the new PTA rail installation.
Victoria Park-Canning Level Crossing Removal.	Remove six level crossings on the Armadale Line to improve road and pedestrian safety, reduce congestion, modernise stations and create public spaces.	Additional scope announced with the removal of William Street level crossing and a new elevated Beckenham Station; DAs for the public space design released for public comment (Victoria Park); Construction of temporary bus interchanges at Victoria Park, Cannington and Armadale in preparation for the 18-month Armadale Line shutdown; 75 per cent of the target number of 500 L-beams produced, ahead of schedule.	18-month shutdown of Armadale Line begins late-2023.
Yanchep Rail Extension.	Extension of the Joondalup Line to emerging population growth areas.	Pipidinny Road Bridge and Santorini Promenade Bridge open for use; Romeo Road Bridge completed, handed over to MRWA for the Mitchell Freeway extension; first tracks laid in May 2023; retaining wall construction.	Noise wall installation; completion of all road-over-rail bridges; completion of Alkimos, Eglinton and Yanchep stations; completion of rail infrastructure; run test trains; complete driver training. Start rail operations in 2024.

2.0 Operational Report

2.4.4 NETWORK MAINTENANCE AND UPGRADES

Our N&I division manages our metropolitan rail infrastructure. Routine maintenance is carefully planned on our network so that our infrastructure is safe and reliable for passengers and employees. Specific activities include:

- Signal and level crossing maintenance and replacement.
- Track maintenance including rail grinding and replacement.
- Maintenance of bridges, tunnels and embankments on the rail network.
- Upgrading and maintaining the passenger information systems such as displays and messaging systems.
- Overhead line maintenance and upgrades.
- Maintenance and upgrades of station facilities.

Most of the work undertaken in this area remains unseen by the public and is typically completed in the hours between last service and the start of services the following morning. However, if the infrastructure fails, the impact on our customers is significant, so it remains a key focus.

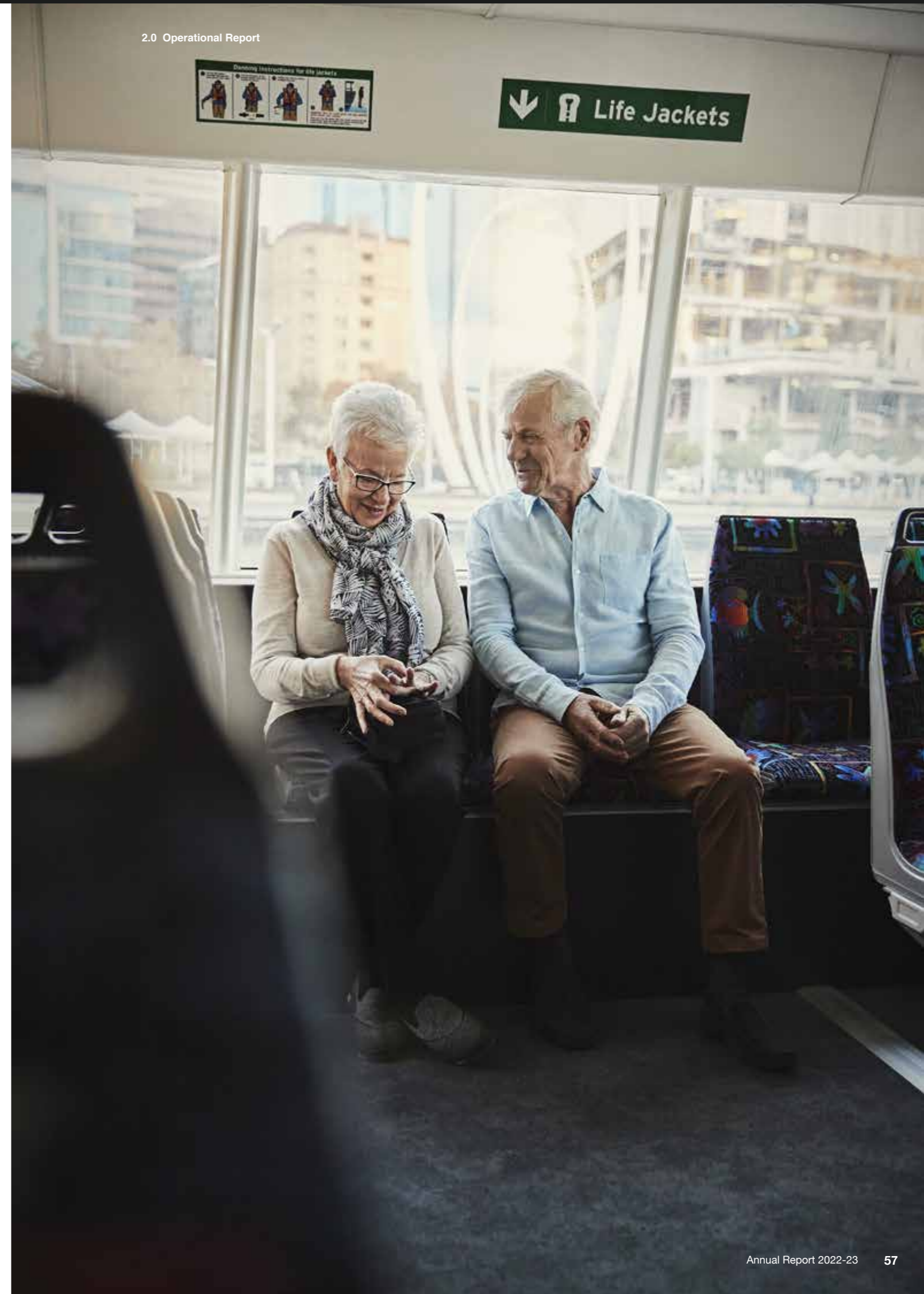
Key activities

- Airport Line opening and integration into the existing network.
- Perth Station forecourt rejuvenation works.
- Lakelands Station opening.
- Bayswater Line shut and bridge replacement, continued station works.
- Facilitating projects as they interface to our current network.

Looking ahead

- Continued support to projects as they grow our network.
- Coordinate the constrained network access to conduct maintenance activities and allow projects to deliver our expanded network in an efficient manner.
- Coordinate the fit-out and occupation of the new PTOCC, which will house the infrastructure and personnel needed to manage the day-to-day operations of our network.
- Use the Armadale Line 18-month shut to complete a major revitalisation of the section of rail unaffected by planned project work.

2.0 Operational Report



THE TABLE BELOW SUMMARISES SOME OF OUR KEY UPGRADE PROJECTS.

PROJECT	THE VISION	PROGRESS IN 2022-23	NEXT STEPS
Kalgoorlie Station refurbishment.	Renew the station facilities to comply with PTA standards and conserve the building which is of significant cultural and heritage importance.	Replacement of the roof and extension works to the existing veranda structure.	Project completed.
Inner Midland and inner Fremantle Line signalling upgrade.	Deliver modifications to signalling infrastructure from Claremont to Bayswater to enable commissioning of MEL.	Works on Fremantle Line completed.	Complete works in the city and on the Midland Line.
Enhancements to critical points infrastructure.	Improve reliability and enhancement of points assets to improve resilience on the metropolitan rail network.	The majority of design and installation work is completed.	Further work will be progressed to replace 61 point machines in the next three years.
Rail Revitalisation Program.	To replace life-expired assets on the current network with renewal work built to a high standard and capable of meeting the demands of the network.	Planning and surveying works completed.	Armadale Line delivery works to be progressed.
Alkimos Bus Depot.	Construct a bus depot to support YRE.	Contract awarded for the construction of the bus depot.	Construct and commission the bus depot.
Jandakot Bus Depot.	Construct a bus depot to support TCL and LXR.	Construction in progress with completion expected in October 2023.	Complete construction and commission the depot.
Forrestfield Bus Depot.	Construct a bus depot to support FAL.	Acquired land for the construction of the bus depot.	Complete designs, obtain design approvals and start construction.
Upgrade Malaga and Bayswater depots.	Upgrade bus depots to accept electric buses.	Started design work.	Complete design work and upgrade depots.
Whiteman Park Bus Depot.	Construct an electric bus depot to support MEL.	Identified site, started process to obtain design approvals and to secure tenure to the site from WAPC.	Secure tenure to the site from WAPC, obtain design approvals and start construction.
Upgrade Claisebrook Bus Depot.	Upgrade bus depot to accept electric buses.	Started design work.	Complete design work and obtain approvals.
Railcar acquisition.	<p>The program will deliver 246 railcars needed for projects and to replace the A-Series trains, and six new diesel railcars to replace the existing Australind trains.</p> <p>Additional railcar facilities will be built at Bellevue. These include an assembly and heavy maintenance facility, separate diesel multiple unit (DMU) and electric multiple unit (EMU) maintenance facilities and stabling for up to 18 x six-car sets.</p>	<ul style="list-style-type: none"> Three C-Series trains manufactured, with a further two in production at Bellevue. Dynamic testing and commissioning activities started on the first two, including testing on the PTA network. Alstom reported that they had achieved the 50.06 per cent local content target in the reporting period to December 2022, recording 50.13 per cent by the end of the supply term. Solution agreed for the design of the Australind DMU bogie. Tender close and evaluation of the submissions for the additional railcar facilities at Bellevue. 	<ul style="list-style-type: none"> Dynamic testing and commissioning on the PTA network completed. The first C-Series railcar to enter passenger service in late 2023. Award contract for additional railcar facilities at Bellevue. Completion of the Australind DMU Design. Alstom to start the maintenance phase. Completion of the design, and construction of the Traction Feeder Substation.

2.0 Operational Report

2.5 OUR PEOPLE.

2.0 Operational Report

27.6%

Of our workforce are women

25.1%

Of our employees come from a culturally-diverse background

61

Volunteer peer supporters

26%

55 YEARS AND OLDER

19%

35 YEARS AND UNDER

50%

EMPLOYED OVER 5 YEARS

90%

EMPLOYEE RETENTION

Our aim is to attract, develop and maintain a workforce with the right capabilities and attitudes. As the PTA continues to grow its network and service offering to the WA community, we continue to rely upon the skill and commitment of our employees and supporting private sector contributors.

2,506

TOTAL EMPLOYEES

493

NEW EMPLOYEES THIS YEAR

8 YEARS

AVERAGE SERVICE

OCCUPATIONAL GROUPINGS.

57%

Employed in operations which involve looking after the day-to-day processes of delivering our public transport system.

26%

Employed in infrastructure which relates to construction and maintenance of tracks, signals, stations and other facilities which allow services to operate.

17%

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.

Our 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, ticketing and customer service staff. In addition, POD manages the PTA's graduate, vacation students and trainee programs along with the contract management of the Employee Assistance Program.

375

transit officers

305

train drivers

279

customer and ticketing service staff

121

construction project managers

135

engineers

60

contract administrators

37

road coach operators

20

signal technicians

29

linespersons (electrical overhead)

28

railway track maintainers

34

train controllers

2.0 Operational Report

Key activities**Strategic people management**

The year under review saw the PTA focus on two key people strategies:

1. Recruitment and training to ensure the current workforce is ready to implement new train and bus services as the network expands.
2. Detailed workforce planning focussing on critical occupations needed to deliver services for the long term. Like most transport organisations around the world, the PTA is subject to changing demographics and increasing digital skills requirements.

The PTA has had to pivot quickly to deliver on our commitments while ensuring that staff burnout and fatigue are managed appropriately. A competitive labour market continues to impact our ability to attract, recruit and train sufficient employees to deliver our services. The growth of the urban network has resulted in an increase in recruitment. For specific critical skill sets and technical requirements, we continue to focus on developing our own workforce.

POD is working with all the PTA divisions to deliver on the key strategic people management goals of:

- Creating and sustaining a respectful and inclusive workforce and work environment.
- Working to resolve critical skill needs.
- Exercising more agile people management through improved use of HR and supporting technology.

With the changes introduced to health, safety and industrial laws in relation to psychosocial hazards, and mindful of the issues occurring in other industries relating to diversity and sexual harassment, the PTA has continued to deliver its Respectful Workplace Program. It aims to foster respect for diversity; different perspectives; and the impact behaviors have on others. Made up of information and training, the program is designed to educate PTA management and employees about their obligations and rights with respect to acceptable behaviors at work.

We have continued to remain active in skills and training development at both national and state levels. This includes ongoing work with North Metropolitan TAFE METRONET Trade Training Centre and working with the National Transport Commission and the Commonwealth Government to develop a National Rail Action Plan.

Leadership and development

As public transport infrastructure continues to grow, and a range of social and demographic factors impact our workforce, our frontline operational, technical, and office-based leaders are responsible for navigating and managing these complexities in a rapidly changing business environment.

Our 2020–2023 Leadership and Management (L&M) program has continued to be very popular and supports people, teams, managers, and leaders to learn and develop continuously.

The program:

- Develops emerging, current, and future leaders.
- Increases consistency of leadership behaviours.
- Strengthens how leaders support their staff as they attract, recruit, onboard, grow and transition into leadership roles.

Workplace learning has become a key lever for success as well as developing new mindsets and capabilities. Training and ongoing professional development tools and resources to build these capabilities include:

- Opportunities for employees to learn from their work and others every day.
- Shared responsibility for learning between individuals, managers, and leaders.
- Workshops aligned to PTA values, behaviours contemporary leadership and management hot topics.
- 90deg self-awareness emotional intelligence tool.
- 360deg feedback using the PTA's endorsed Human Synergetics LSI 1&2.
- Professional coaching program.

Labour relations

The Labour Relations branch concluded bargaining for five industrial agreements covering more than 1500 employees.

- PTA/ARTBIU (Network and Infrastructure) Industrial Agreement.
- PTA Salaried Officers Industrial Agreement.
- PTA/ARTBIU (Transwa) Industrial Agreement.
- PTA/ARTBIU Railway Employees (Transperth Train Operations) Industrial Agreement.
- PTA/ARTBIU (Transit Officers) Industrial Agreement.

Bargaining for the PTA/ARTBIU (Transperth Train Operations Rail Car Drivers) industrial agreement is concluding and a replacement of the PTA/ARTBIU (Transit Officers) Industrial Agreement is starting.

Pay increases received by employees under a new State Government Public Sector Wages Policy introduced in October 2022 comprised a one-off cost-of-living payment, and wage increases of three per cent or \$60 per week (whichever was greater).

2.0 Operational Report

Diversity and equal opportunity

The PTA has continued implementation of our Diversity and Inclusion (D&I) Framework 2021-2025. The framework, which is overseen by the PTA Executive People Committee, recognises all diversity groups as stakeholders.

The goal is to increase the workforce representation of diversity groups and the sense of belonging experienced by our employees. Inclusive practices encourage the participation of employees and the community in building safe spaces that everyone can enjoy.

To further this vision, the PTA's Diversity and Inclusion Working Group (D&IWG) was established in 2023. It will support the PTA Executive Group's implementation, evaluation and review of framework strategies. The D&IWG represents all diversity groups and will facilitate consultation and two-way communication between our Executive and our workforce.

A fundamental part of our commitment to diversity and inclusion is building a more respectful and inclusive workplace through our respectful workplace program (RWP). The RWP has introduced a new procedure, policies and training to ensure all employees have the knowledge and skills required to meet the standard of behaviour expected, and recognise and deal with unacceptable workplace behaviours if they do occur.

Group	Representation
Women	27.6%
Employees of Aboriginal or Torres Strait Islander origin	0.9%
Employees with a disability	0.5%
Employees from a culturally-diverse background	25.1%

The Reconciliation Action Plan (RAP) committee has been formed to guide our Aboriginal engagement activity and development of a new RAP. The group supports the PTA's goal to build strong, respectful and authentic relationships with Aboriginal and Torres Strait Islander communities, to enable improved economic participation with First Nations peoples.

WA Multicultural Policy Framework

To achieve and sustain consistently high standards and provide excellent customer service, the PTA relies on its ability to attract and retain a skilled and experienced workforce.

Of its total workforce, the PTA is fortunate to have 25.1 per cent with culturally and linguistically diverse backgrounds. We continue implementation of our Multicultural Action Plan 2021-2024 to increase diversity and inclusion in our workforce and better serve our diverse stakeholders.

People with disability

People with disability (PWD) are represented in the D&I Framework and also the PTA and wider portfolio Disability Access and Inclusion Plan. The DAIP principally addresses the PTA's responsibilities to ensure equitable access to facilities and services for customers and community. However, we also act to meet our responsibilities to provide PWD with the same opportunities as others to obtain and maintain employment. Attraction and recruitment initiatives aim to increase the representation of PWD, while other strategies address issues of accessibility which can hinder employees' ability to perform at their best and/or reduce employee engagement and retention.

Health and lifestyle

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

This year the program again included free flu vaccines as well as skin checks for operational staff, an onsite massage service (fee for service) and introduction of the Fitness Passport – a discounted workplace health and fitness program giving staff and their families access to a wide choice of gyms and pools for one membership fee. This offer was taken up by 120 employees and their families.

Our long-running and highly-respected Peer Support Program is fundamental to our drive to provide a respectful and physically and psychologically safe work environment for all. The program offers targeted practical and non-judgmental support to employees experiencing professional or personal pressure. The program continued to expand this year, with the highest number of volunteers joining up since 2004. The PTA now has 61 volunteer peer supporters across its divisions and locations. All new peer supporters undertake the basic peer support training and a 12-hour standard mental health first aid course.



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, three awards recognising 50 years of service were presented, and three recognising 30 years of service. The recipients were:

50-year service awards

Philip Rakich	Manager corporate issues
Spasoje (Ned) Nedeljkovic	Railcar driver
Warren DePrazer	Administration & contract support officer

30-year service awards

Craig Willett	Network control officer
Suzanne Matthews	Coordinator L&OD Operations
George Messiha	Customer service assistant – Joondalup

Looking ahead

The upcoming year will see further positioning to meet project development and the introduction into operation of the PTOCC. As the PTA seeks to address its strategic people challenges, key priorities will remain focussed on:

- Supporting management in delivering on commitments associated with the PTA's Respectful Workplace Program to support a respectful and inclusive workplace environment.
- Expanding development programs for identified critical occupations to grow our own workforce.
- Introducing more agile people services through the expansion of Skills Central – the PTA's new Learning Management System and Recruitment Onboarding system to improve customer experience for applicants and existing employees.
- Continuing the process to consider and identify what our future workforce will look like in light of changes in worldwide employment demographics.

2.0 Operational Report

CASE STUDY PRIDE PARADE PARTICIPATION A SHINING SUCCESS.

For the first time in the event's history, Transport Portfolio employees – including PTA staff – participated in Pride WA's parade in November 2022.

PTA employees were among a group of about 40 portfolio representatives who joined thousands of others in the annual parade through Northbridge – the first time the parade had returned to the city centre since the pandemic.

A Transperth bus decked out in pride decals featured prominently alongside staff, who wore shirts sporting a specially-made transport-inspired pride logo.

The pride bus, operated by Transperth contractor Swan Transit, was even used on the regular passenger network for a time before and after the event, and was very well received by patrons.

As always with big events, our trains and buses played a key role in getting thousands of patrons to and from the city, with attendees urged to “Ride with Pride” with Transperth.

Former PTA employee James Waterhouse, who played a key role in organising the portfolio's involvement in the parade, said it was a history-making event for staff.

“It was fantastic to see the bus in the parade and the attention it got from the crowd - everyone was so impressed to see our ‘Ride with Pride’ Transperth bus,” he said.

“I hope to see the PTA's continued support and participation in PrideWA events in future years. This achievement has shown that it is possible and is supported by key leaders within the Transport Portfolio and PTA.”

Inclusiveness and diversity are key pillars for any workplace, and the PTA is always striving to best reflect the community we serve.

Participation in events such as PrideWA's parade is a good way for us to show our support for our LGBTQIA+ staff and customers.

On opposite page (top): Entertainer Dean Misdale with the Transperth Pride Bus.

On opposite page (bottom): Main Roads' Allan Colegate and PTA's James Waterhouse with the Transperth Pride Bus.



GOVERNANCE & COMPLIANCE.

3.0



3.0 Governance & compliance



3.0 Governance & compliance

3.1 BUS SAFETY.

A schedule of health, safety and environment (HSE) audits has been developed and implemented for all bus contractors. The audits align with ISO45001, ISO9001 and ISO14001, and examine the internal compliance processes at all facilities to ensure the safety and environmental legislative requirements are being consistently applied. Where improvement is identified, corrective actions are provided and tracked to ensure close out.

An independent formal risk assessment to establish the degree of risk associated with machine guarding was undertaken at all mechanical workshops to determine if the controls currently in place meet the required standards.

The assessment revealed that machine guarding did not meet the legislative requirements, and a program has been put in place to retrofit or replace redundant machinery to effectively eliminate and/or mitigate the current risk.

Twelve safety and environmental compliance audits were completed in 2023. This meets the 2023 YTD target that is on track to achieve a total of 29 audits by December 2023.

ISO re-certification occurred in 2023 and all contractors are fully compliant with ISO45001, ISO9001 and ISO1400.

3.2 RAIL SAFETY.

We promote, manage, and improve rail safety operations for our employees, contractors, stakeholders, and the public. Our rail safety management system is monitored through audit and inspection by a dedicated resource.

Under the *Rail Safety National Law (WA) Act 2015*, certain railway safety incidents must be reported to the Office of the National Rail Safety Regulator (ONRSR). These incidents are referred to as Category A (causing death, serious injury or significant property damage) or Category B (having the potential to cause a serious accident or incident).

From July 1 2022, the defining parameters were changed, resulting in an increase in the number of those occurrences now reportable as Cat As, and a decrease in those reportable as Cat Bs. Also, a third category C (relating to breaches of work practices) was introduced.

For complete details, including metrics quoting the number of Cat As and Bs against passenger boardings and train kilometres, refer to 3.10 Audited KPI report section 6.

Rail safety initiatives

Rail safety is critical for several reasons:

- **Human lives:** The foremost priority of rail safety is to safeguard human lives.
- **Preventing accidents:** Rail accidents can have devastating consequences, including loss of life, injuries, property damage, and disruption of services. Emphasising rail safety helps minimise accidents and their subsequent impact.
- **Public confidence:** A safe rail system fosters public trust and confidence, encouraging more people to use rail services. This, in turn, can contribute to reducing road congestion and environmental pollution.
- **Economic implications:** Rail accidents can have significant economic repercussions, resulting in financial losses for the rail industry, affected businesses, and the wider economy. By prioritising rail safety, these adverse effects can be mitigated.

Strategies to reduce trespass

- Ongoing review of reported trespass incidents with coordinated approach across all TTO branches to identify key indicators such as location and times of day.
- Implementation of detection systems on Fremantle Bridge and Barrack Street Bridge.

12

Safety and compliance audits completed in the first six months of 2023

\$22m

In funding agreements to deliver four rail siding extensions for agricultural supply chain improvements

\$2.3b

Total purchase order value for 2022/23

136%

Increase in the value of Aboriginal business contracts

3.0 Governance & compliance

- Radar detectors, the most suitable solutions for bigger open areas, are installed at Nowergup Depot to detect unwanted entry which could result in severe incidents.
- Ongoing education programs addressing the dangers of trespass.

Strategies to reduce slip-trip-fall incidents

- Ongoing review of incidents to identify trends.
- Request for trial of staff members off work due to injury to help at identified escalator congestion areas across the network as part of their Return To Work Programs (RTWPs).
- Staff training to help luggage-carrying customers use lifts rather than escalators when moving through Perth and other interchange locations.

Strategies to reduce level crossing incidents

- Ongoing education campaign on level crossing safety awareness.

Strategies to reduce suspected/attempted suicides

- Refresher training for CMR operators in identifying people who may be at risk, and strategies to provide further assistance.
- Consultation with other networks across Australia and Europe regarding their approaches with regards to reduction/prevention of suspected/attempted suicides (trackSAFE)

Strategies to enhance rail safety

- Greater consultation with health and safety representatives (HSRs) with regard to involvement in projects. HSRs are being equipped with PPE to regularly attend during construction phases. This also provides the project team with input from an operational perspective.
- Extensive training programs for train drivers, transit officers, rail infrastructure maintenance workers, network control officers and station staff to acquire the necessary skills and knowledge for safe operations.
- Routine inspections and maintenance of rail infrastructure. Rail safety officer numbers increased to conduct thorough reviews and provide better support to our rail maintenance workers with coaching and mentoring.
- StaySafe App which is used to monitor worker access 24/7 was upgraded. This upgrade enabled the creation of comprehensive reports, analysis, and risk identification.

3.0 Governance & compliance

3.3 OCCUPATIONAL SAFETY, HEALTH, & INJURY MANAGEMENT.

WHS performance

KPIs: OSH

Measures	2019-20	2020-21	2021-22	2022-23	Target	Level of achievement
Lost-time injury/disease (LTI/D incidence rate)	5.26	7.53	4.10	7.97	Zero, or 10% improvement on the previous three years	Desired results not achieved – taking action
Lost time injury severity rate*	30.47	18.24	45.69	21.43	Zero, or 10% improvement on the previous three years	Desired results achieved
% of injured workers returned to work within					Greater than or equal to 80% return to work within 26 weeks	Desired results not achieved – taking action
(i) 13 weeks and	62.36%	41.09%	36.79%	49.1%		
(ii) 26 weeks	82.79%	68.49%	62.26%	69.1%		
Number of fatalities (employees/contractors)	0	0	0	0	0	Met target

* Severe incidents are occurrences where a worker takes 60 days or more time away from work.

Organisational commitment to health and safety

The PTA is committed to providing a safe and healthy working environment for its staff and a safe and efficient transport system for our passengers and neighbours. We have adapted to the changes in legislation that were introduced with the new Work Health and Safety (General) Regulations 2022 and have introduced new reporting regimes to comply with the new requirements.

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*.

There were 167 workers compensation claims recorded during the 2022-23 financial year, compared with 93 in 2021-22.

The 2022-23 return-to-work rate was 69.1 per cent which was an improvement on the previous year. We remain committed to improving our performance to achieve our target of returning 80 per cent of injured workers to work within 26 weeks. To achieve this, we engage vocational rehabilitation providers as early as possible, have early communication with treating medical providers to ascertain appropriate return to work goals/timeframes and continue to work with all PTA divisions to facilitate meaningful and medically appropriate return to work plans.

HSE management systems

We are replacing our incident reporting systems with a modern system that will collate data from operational incidents, WHS incidents, audits, inspections, risk, and environmental incidents. The new system will improve the quality of data, and the holistic nature of the system will enable improved data capture and analysis from which continual improvement to WHS processes can be identified and supported.

As part of the PTA's commitment to provide a safe and inclusive workplace, a new Inappropriate Workplace Behaviour form was developed. When informal resolution is unsuccessful or not a viable option, an employee or manager can submit a complaint online using the IWB form. This streamlined reporting system provides a safe and accessible platform for employees and ensures reports are properly documented, go to the appropriate channels and are addressed promptly and discreetly.



3.0 Governance & compliance

3.4 INTERNAL AUDIT & 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.

Since May 2020, Julie De Jong, Executive Director, Strategic Business Innovation Group at the Department of Mines, Industry, Regulation and Safety, has served as the independent Chair of the Committee. In addition to the Chair, independent members of the Audit Committee include:

- An external independent member.
- The Executive Director, Finance and Commercial Services, Main Roads as the cross-Portfolio representative.

The PTA Executive committee participate as guests and observers.

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 Internal Audit team provides independent and objective assurance to improve the PTA's systems, processes, and business operations. The team is led by the Manager of Audit and Risk and delivers a risk based internal audit program, reporting to the Audit Committee.

In addition to the annually approved audit plan, the team have developed enhanced data analytics capabilities.

Risk Management

Risk management is fundamental to achieving the PTA's purpose of providing safe, customer-focussed, integrated, and efficient transport services. The PTA's Executive and senior management are committed to ensuring that risk management is 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.

Our focus in 2022-23:

- Prioritised the development of the SAI360 risk module to ensure continued effective management and governance of risk. The module will enable integrated management and reporting of the PTA's management of risks in relation to compliance obligations, inspections, audits, and incidents, and will enhance the planning and decision-making around risk and business priorities and resources. This is particularly significant to manage the potential for increased frequency and levels of disruption from cyber-attacks, and other evolving digital information risks.
- Aligned our approach to, and was guided by, the international standards for risk management systems (ISO31000) which provide structure to plan, develop, review, and improve our system for risk management.
- Engaged external risk advisory services to leverage learnings from across the sector in the development of an organisational risk appetite statement, and to facilitate the reassessment of our strategic risks.
- Development of an enterprise risk management framework and corporate information system directed by Executive-defined corporate priorities and further informed by operational requirements identified from engagement of internal stakeholders and users across the PTA's business functions and services. Implemented Multi-Factor Authentication (MFA) on our public-facing websites to enhance security for our customers.



3.0 Governance & compliance

3.5 FREIGHT CORRIDOR LEASE AGREEMENT COMPLIANCE.

Management of the long-term lease of the State's rail freight infrastructure is undertaken by Arc Infrastructure (previously known as Brookfield Rail and WestNet Rail). Arc manages and operates the rail freight infrastructure under the terms of the leases. Arc is the 'accredited owner' of the infrastructure as defined in the Rail Safety National Law (WA) Act 2015.

Appropriate oversight of Arc's management of the rail corridor and railway infrastructure is critical to detect any breach of obligations in relation to the leases.

Arc engages an independent expert on a five-yearly basis, to review compliance to performance standards as defined in the leases.

To comply with corridor lease obligations, quarterly and monthly meetings are held between senior management of Arc and the PTA. Topics discussed include:

- Agricultural Supply Chain Improvement (ASCI) Projects – ASCI projects are jointly funded by the Commonwealth and State Governments. This funding targets infrastructure developments to a maximum value of \$200m. The PTA is managing the fund allocation and milestone payments while DoT is responsible for the project delivery.
- The PTA has been analysing and evaluating Arc's proposed amendments to Schedule 4 listing initial performance standards within the lease. These

amendments accommodate key deliverables of project agreements between the PTA and Arc.

- The Kenwick site is now operational, and Arc has moved in to continue their flash-butt welding operations. After finalisation of practical completion, the Kenwick site will be transferred on to the network lease. With State Government co-investment, a segment of the Kenwick site has been identified for potential development as an intermodal terminal for handling export and import containers linking the Fremantle port operations.

Additionally, Arc provides an annual Corridor Minister's Report that details:

- 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.
- Director's certification of compliance pursuant to clause 15 of the leases.

The PTA measures the effectiveness of the agreement by reviewing the Minister's report, the five-yearly inspection report from the independent expert and the five-yearly maintenance plan provided by Arc.

3.6 OTHER LEGAL & POLICY REQUIREMENTS.

Information and Records Management

In compliance with the *State Records Act 2000*, the PTA continues to monitor, review, and improve the efficiency and effectiveness of its recordkeeping system and the broader information management ecosystem. To help drive this, the Corporate Information Branch was formed as part of the Information Management and Operational Services division (IMOS).

In 2022-23:

- 840 staff completed the Information Management Awareness Training (IMAT) online course, including refresher completions.
- 463 staff completed the Electronic Document and Records Management System (EDRMS) online course.
- More than 2.7m emails and documents registered to the EDRMS.
- More than 9200 files created in the EDRMS.
- More than 1200 files destroyed as part of the destruction program.
- Drawings migrated from the EDRMS to a dedicated drawing management system.

The EDRMS now contains more than 11.8m emails and documents, and more than 372,000 files.

Compliance with public sector standards

Our commitment to promoting the highest standards of corporate governance, professional conduct and ethical behaviour continued through ensuring our practices complied with relevant obligations, such as Public Sector Standards in Human Resource Management, the Code of Conduct requirements in the WA government sector and the PTA's own Code of Conduct and policy requirements.

A HR officer sits as a member of most selection panels as an ongoing support and compliance function with respect to recruitment. We continued selection panel training to ensure all our recruitment processes and employment decisions were conducted in accordance with the Public Sector Commissioner's Instructions: Employment Standard and Filling a Public Sector Vacancy. A HR officer or relevant labour relations officer is allocated to support management and monitor compliance with relevant standards in relation to performance management and grievance management. This ensures high compliance with our obligations.

We managed Breach of Standard claims as required by the Public Sector Management (Breaches of Public Sector Standards) Regulations 2005 (WA). We completed one Breach of Standard claim which did not require referral to the Public Sector Commission against the Employment Standard. We supported staff and maintained compliance by reviewing the Breach of Standard claim and continue to identify any practice improvements through such process.

In 2022-23, we led several initiatives to help foster a culture of integrity and provide assurance in the governance of the PTA. These included:

- Continued work on a PTA-wide integrity framework, aligned to the Integrity Strategy for WA Public Authorities 2020-2023.
- Monitored and responded to trends through discussion of integrity as a standing item on the agenda of the monthly corporate executive meeting.
- Updated the PTA's strategic risks to explore proactive identification and treatment of emerging risks.
- Established regular internal audit plan to provide insight to the effectiveness and compliance of the PTA.
- Ensured mandatory Accountable and Ethical Decision-Making training was provided to all staff.
- Development of online learning modules to support the code of conduct and unconscious bias.
- Regularly publishing articles and information for employees to assist in developing and reminding them of their obligations in relation to compliance with relevant codes and standards.

Compliance with relevant written law

Enabling legislation

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

Legislation impacting on the PTA's activities

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

Financial Management Act 2006; Electoral Act 1907; Equal Opportunity Act 1984; State Superannuation Act 2000; Heritage Act 2018; Aboriginal Heritage Act 1972; Public Works Act 1902; Interpretation Act 1984; Superannuation and Family Benefit Act 1938; Workers' Compensation and Injury Management Act 1981; Land Administration Act 1997; Freedom of Information Act 1992; Public Sector Management Act 1994; Western Australian Jobs Act 2017; Disability Services Act 1993 (C'wealth); Rail Safety National Law (WA) Act 2015; Railways (Access) Act 1998; Industrial Relations Act 1979; State Trading Concerns Act 1916; Work Health and Safety Act 2020; Environmental Protection Act 1986; Contaminated Sites Act 2003; Auditor General Act 2006; State Records Act 2000; Salaries and Allowances Act 1975; Procurement Act 2020; 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.

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.

	2022-23 \$
Expenditure with Advertising Agencies	
Ad Capital Advertising Pty Ltd	8,116
Advance Press	378,855
Adzuna Australia	1,990
Brandconnect (WA)	10,320
Definition Pty Ltd	5,738
Environmental Jobs Net	330
Grad Connection Pty Ltd	21,285
Initiative Media Australia Pty Ltd	99,722
JCDecaux Australia Trading Pty Ltd	16,757
LinkedIn	583
Prosple Pty Ltd	2,901
Australian Institute of Traffic Planning and Management Ltd	90
Total	546,686
Expenditure with Market Research Agencies	
Painted Dog Research	265,350
Total	265,350


Peter Woronzow
 Accountable Authority
 12 September 2023


Robyn Lamont
 Chief Finance Officer
 12 September 2023

3.0 Governance & compliance

	2022-23 \$
Expenditure with Polling Agencies	
Total	Nil
Expenditure with Direct Mail Agencies	
The Pamphleteers	32,558
Total	32,558
	2022-23 \$
Expenditure with Media Advertising Agencies	
Ad Capital Advertising Pty Ltd	38,457
Advance Press	24,890
Agorapulse Sas	2,377
Australias Coral Coast	254
Australias South West	747
Birdhouse Media Pty Ltd	40,638
Coghlán Nankivell Pty Ltd	697,781
Destination Perth	245
Facebook	190,460
Google	23,285
Initiative Media Australia Pty Ltd	422,293
Iyke Zachariah Photography	2,765
Mall Managers WA Pty	660
Mixed Ink Pty Ltd	4,275
Rare Creativethinking	989,325
Sitevisuals Ivizmedia	7,383
Tik Tok Ads	1,881
Vanguard Press	2,465
Visual Publications	2,727
Total	2,452,908
Total Expenditure	3,297,502

3.7 OTHER GOVERNANCE & FINANCIAL DISCLOSURES.

Pricing policy

Government continued to maintain public transport fares at an affordable level. The Transperth two-zone capped fare was introduced on January 1 2022.

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

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

Workers Compensation

There were 167 workers compensation claims recorded in the 2022-23 financial year, compared with 93 in 2021-22.

Indemnification of Directors and Officers

The Authority provides a statutory indemnity for directors and its officers, and we also maintain 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 cardholder being reminded of their obligations annually under the PTA credit card policy, there were ten instances where a WA Government Purchasing Card was 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.

	2023 \$
Aggregate amount of personal use expenditure for the reporting period	243
Aggregate amount of personal use expenditure settled by the due date (within five working days)	243
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

3.0 Governance & compliance

Explanations of major capital expenditure variations

(a) Budgeted estimates and actual results for 2022-23

	Budget* \$000	Actual \$000	Variation \$000	Comments
Morley-Ellenbrook Line	448,287	471,428	(23,141)	Project scheduling
Yanchep Rail Extension	351,564	342,698	8,866	Project scheduling
Thornlie-Cockburn Link	235,980	225,497	10,483	Project scheduling
Victoria Park-Canning Level Crossing Removal	168,621	207,866	(39,245)	Project scheduling
Rail Infrastructure in Progress	147,072	86,245	60,827	Project scheduling
Byford Rail Extension	137,006	119,512	17,494	Project scheduling
Bayswater Station (Morley-Ellenbrook Line) Forward Works	126,463	153,287	(26,824)	Project scheduling
Forrestfield-Airport Link	122,642	54,287	68,355	Project scheduling
High Capacity Signalling – Program of Works	121,249	99,758	21,491	Project scheduling
Bus Replacement Program – New Bus Replacement Program	75,552	71,136	4,416	Project scheduling
Railcar Acquisition	43,007	28,970	14,037	Project scheduling
Midland Station	40,435	39,028	1,407	Project scheduling
Railcar Replacement	26,378	17,309	9,069	Project scheduling
Electric Buses (E Buses) and Depot Modifications	-	-	-	Project scheduling
Other	183,199	128,463	54,736	Project scheduling
Grand Total	2,227,455	2,045,484	181,971	

* The Budget is reflective of the Public Transport Authority's published Asset Investment Program as at 30 June 2023. The Budget is part of what was approved in the 2023-24 Budget Process.

(b) Major Works in progress and completed

Description of work	2022-23 Estimated total cost \$000	Estimated cost to complete \$000	Total cost of project actual \$000	Expected year of completion
Forrestfield-Airport Link	1,841,000	89,897	1,751,103	2023/24
Morley-Ellenbrook Line	1,651,296	945,775	705,521	2024/25
Thornlie-Cockburn Link	1,123,950	414,713	709,237	2024/25
Victoria Park-Canning Level Crossing Removal	1,047,001	779,619	267,382	2024/25
Yanchep Rail Extension	982,374	327,394	654,980	2023/24
Railcar Replacement	871,818	598,191	273,627	2029/30
Byford Rail Extension	797,008	670,925	126,083	2024/25
High Capacity Signalling - Program of Works	577,028	421,015	156,013	2026/27
Rail Infrastructure in Progress	573,075	281,778	291,297	2025/26
Bus Replacement Program - New Bus Replacement Program	569,688	366,865	202,823	2029/30
Railcar Acquisition	461,259	297,542	163,717	2029/30
Bayswater Station (Morley-Ellenbrook Line) Forward Works	334,568	76,890	257,678	2024/25
Electric Buses (E Buses) and Depot Modifications	250,000	250,000	-	2027/28
Midland Station	239,483	195,018	44,465	2024/25

3.8 INDEPENDENT AUDITOR'S OPINION 2023.

Public Transport Authority of Western Australia

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Public Transport Authority of Western Australia (Authority) which comprise:

- the Statement of Financial Position at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- 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 2023 and the financial position at the end of that period
- 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 responsibilities for the audit of the financial statements section of my report.

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

Responsibilities of the Chief Executive Officer for the financial statements

The Chief Executive Officer is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it 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
- 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 responsibilities 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

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

Report on the audit of 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 Chief Executive Officer are those policies and procedures established 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 the State's financial reporting framework (the overall control objectives).

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 the State's financial reporting framework during the year ended 30 June 2023.

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 investments 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 Engagement 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 involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an 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 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 audit of 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 2023. 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 Authority's performance and fairly represent indicated performance for the year ended 30 June 2023.

The Chief Executive Officer's responsibilities 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 controls 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 responsibilities

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 management relating to the report on financial statements, 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 ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Chief Executive Officer is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

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

The 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 2023 included in the annual report 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, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. 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.



Caroline Spencer
Auditor General for Western Australia
Perth, Western Australia
12 September 2023

3.0 Governance & compliance

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
Investing in WA's Future: Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities	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.

	2023 Target ⁽¹⁾ \$000	2023 Actual \$000	Variation \$000	Notes
Total cost of services (expense limit) (sourced from Statement of comprehensive income)	2,011,690	1,962,724	(48,966)	(a)
Net cost of services (sourced from Statement of comprehensive income)	1,778,940	1,721,347	(57,593)	(b)
Total equity (sourced from Statement of financial position)	9,409,424	10,682,424	1,273,000	(c)
Approved salary expense level	244,497	234,970	(9,527)	(d)
Executive Salary Expense Level	905	935	30	
Agreed borrowing limit (where applicable)	3,434,415	3,434,415	0	

(a) Total cost of services is below target by \$49.0 million. The variance is mainly due to scheduling on various METRONET projects.

(b) Net cost of services is below target by \$57.6 million. The variance is mainly due to the underspend on external works and increased revenue from fares.

(c) Total equity is above target by \$1,273 million due to revaluation increment on assets.

(d) Approved salary expense is below target by \$9.5 million due to vacant positions currently filled by contractors.

Working cash targets	2023 Agreed limit \$000	2023 Actual \$000	Variation \$000	Notes
Agreed working cash limit	95,979	43,848	(52,131)	(a)

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

3.0 Governance & compliance

Summary of Key Performance Indicators

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.

	2022-23 Target	2022-23 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)	0.91	0.97	0.054
Metropolitan train services	4.38	4.30	-0.074
Metropolitan ferry services (b)	10.96	12.79	1.830
Intra-town regional bus services (c)	0.675	0.610	-0.065
Country passenger rail services	0.163	0.168	0.005
Country passenger road coach services (d)	0.050	0.053	0.003
Inter-town country bus services (e)	0.013	0.015	0.002
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%	86%	1%
Metropolitan and regional passenger services reliability			
Bus services within four minutes of scheduled time (f)	87%	92%	5%
Train arriving within four minutes of scheduled time	95%	94%	-1%
Ferries arriving within four minutes of scheduled time	98%	97%	-1%
Country passenger rail and road coach services reliability			
Prospector arriving within 15 minutes of scheduled time (g)	80%	46%	-34%
Australind arriving within 10 minutes of scheduled time (h)	90%	85%	-5%
MerredinLink arriving within 10 minutes of scheduled time (i)	90%	69%	-21%
AvonLink arriving within 10 minutes of scheduled time	90%	91%	1%
Road Coaches arriving within 10 minutes of scheduled time	95%	97%	2%
School Bus availability at arrival/departure time:			
Satisfaction with School Bus availability at arrival/departure time	100.00%	99.65%	-0.35%
Level of overall customer satisfaction – customer satisfaction index			
Metropolitan bus services	92%	91%	-1%
Metropolitan train services	92%	95%	3%
Metropolitan ferry services	99%	96%	-3%
Country passenger rail and road coach services	90%	90%	0%
Customer perception of safety – independent external surveys:			
Train station – daytime	96%	98%	2%
On-board train – daytime	97%	97%	0%
Train station – night-time (j)	70%	78%	8%
On-board train – night-time (k)	76%	80%	4%
Bus station – daytime	98%	99%	1%
On-board bus – daytime	99%	99%	0%
Bus station – night-time	78%	83%	5%
On-board bus – night-time	84%	85%	1%
Level of notifiable safety occurrences – notifiable occurrences:			
Category A: occurrences per million passenger boardings (l)	0.40	0.96	0.56
Category A: occurrences per million train kilometres (m)	1.70	3.63	1.93
Category B: occurrences per million passenger boardings (n)	24.00	6.22	-17.78
Category B: occurrences per million train kilometres (o)	104.00	23.66	-80.34
Regional school bus services: notifiable occurrences (accidents) reported each school year (p)	19	8	-11
Return on Construction Expenditure	1.7	1.7	0.0
Outcome 2: Protection of the long-term functionality of the rail corridor and railway infrastructure			
Number of lease breaches	Nil	Nil	Nil

3.0 Governance & compliance

	2022-23 Target	2022-23 Actual	Variation
Key Efficiency Indicators			
Service 1: Metropolitan and Regional Passenger Services			
Average cost per passenger kilometre			
Transperth bus operations	\$1.63	\$1.62	-\$0.01
Transperth train operations	\$0.88	\$0.90	\$0.02
Transperth ferry operations (q)	\$1.77	\$1.90	\$0.13
Average cost per 1,000 place kilometres			
Intra-town regional bus services (r)	\$85.58	\$90.96	\$5.38
Service 2: Country Passenger Rail and Road Coach Services			
Average cost per passenger kilometre			
Transwa rail (s)	\$0.65	\$0.61	-\$0.03
Transwa road coaches (t)	\$0.46	\$0.42	-\$0.04
Average cost per 1,000 place kilometres			
Inter-town country bus services (u)	\$16.30	\$20.21	\$3.91
Service 3: Regional School Bus Services			
Average cost per contracted kilometre: School bus services (v)	\$3.98	\$4.25	\$0.27
Service 4: Rail Corridor and Residual Freight Issues			
Total cost of managing the rail freight corridor and residual freight issues	\$209,256	\$203,421	-\$5,835

- a) The 2022-23 result was above the target due to higher than expected patronage (+5.6 per cent), particularly during the second half of the year with patronage returning to close to pre-COVID levels from December.
- b) The 2022-23 result was above the target due to higher-than-expected patronage (+16.8 per cent). Patronage during summer was especially strong and likely driven by increased tourism and recreational usage. Service kilometres were in line with the target.
- c) The 2022-23 result was below the target due to slower-than-expected patronage recovery from the impact of COVID-19.
- d) The 2022-23 result was higher than the target due to higher than expected patronage combined with lower than expected service kilometres relating to public holiday alignment between financial years.
- e) The 2022-23 result was higher than the target due to higher than expected patronage.
- f) The 2022-23 result was 5 per cent above target resulting from continued optimisation of bus timetables and a focus on bus priority measures.
- g) The OTR of Prospector was 34 per cent below the target due to delays associated with crossings, track and signals issues as a result of maintenance work undertaken by Arc Infrastructure.
- h) The OTR of Australind was 5 per cent below the target due to delays associated with crossings, track related issues and mechanical issues.
- i) The OTR of MerredinLink was 21 per cent below the target due to delays associated with crossings, track related issues and mechanical issues
- j) The 2022-23 result was 8 per cent above target resulting from increased security measures.
- k) The 2022-23 result was 4 per cent above target resulting from increased security measures.
- l) The 2022-23 result exceeded the target by 138.79 per cent. There is a change in the reporting requirement criteria set by the Office of National Rail Safety Regulator which broadened the scope of Category A occurrence classification.
- m) The 2022-23 result exceeded the target by 113.78 per cent. There is a change in the reporting requirement criteria set by the Office of National Rail Safety Regulator which broadened the scope of Category A occurrence classification.
- n) The 2022-23 result was below the target by 74.09 per cent. There is a change in the reporting requirement criteria set by the Office of National Rail Safety Regulator which narrowed the scope of Category B occurrence classification.

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- o) The 2022-23 result was below the target by 77.25 per cent. There is a change in the reporting requirement criteria set by the Office of National Rail Safety Regulator which narrowed the scope of Category B occurrence classification.
- p) The number of notifiable incidents for 2022-23 was 57.9 per cent below the 2022-23 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 data shows that 8 accidents were recorded, comprising of 1 major and 7 minor accidents. It was also noted that 63 per cent of the accident cases occurred through no fault of the driver and more importantly, no fatalities or serious injuries were recorded.
- q) The 2022-23 result was 7.58 per cent above the target largely due to unexpected costs to upgrade Mends Street jetty.
- r) The 2022-23 result was 6.28 per cent above the target largely due to substantial increase in fuel price in regional areas and other inflationary cost pressures.
- s) The 2022-23 result was 5.29 per cent below the target largely due to the percentage increase in passenger kilometres was higher than the percentage increase in costs.
- t) The 2022-23 result was 8.34 per cent below the target largely due to the percentage increase in passenger kilometres was higher than the percentage increase in costs.
- u) The 2022-23 result was 23.99 per cent above the target largely due to higher than expected costs in fuel and other inflationary cost pressures.
- v) The 2022-23 result is 6.78 per cent higher than the target mainly due to increased costs from inflationary cost pressures

**Certification of KPIs
For the year ended 30 June 2023**

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 2023.



Peter Woronzow
Accountable Authority
12 September 2023

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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



Passengers per service kilometre

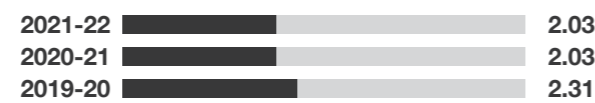
The 2022-23 result was above the target due to higher than expected patronage (+5.6 per cent), particularly

during the second half of the year with patronage returning to close to pre-COVID levels from December. The 2022-23 result was materially higher than the prior year due to COVID-19 patronage impacts, lowering patronage, in the second half of 2021-22 when COVID-19 was spreading widely in the WA community for the first time.

Transperth Train Services



Post-service kilometre definition charge



Pre-service kilometre definition charge

Passengers per service kilometre

The 2022-23 result was below the target partly due to service disruptions to facilitate METRONET construction with patronage and service kilometres both below target (-5.5 per cent and -3.9 per cent respectively).

In 2022-23 the PTA has changed the definition of service kilometres to align to ONRSR requirements (i.e. measured as overall train instead of per car set).

Intra-town Regional Bus Services

Intra-town services operate within rural town boundaries.



Passengers per service kilometre

The 2022-23 actual result was 9.6 per cent less than the target of 0.675 for the year and 10.0 per cent less than 2021-22 actual result mainly due to the slower patronage recovery from the impact of COVID-19 than expected.

Transperth Ferry Services



Passengers per service kilometre

The 2022-23 result was above the target due to higher-than-expected patronage (+16.8 per cent). Patronage during summer was especially strong and likely driven by increased tourism and recreational usage. Service kilometres were in line with the target and the prior year.

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This year's result was substantially higher than the prior year due to patronage being close to pre-COVID levels in 2022-23 while it was materially suppressed the prior year due to COVID-19 related impacts.

Transwa Rail Services

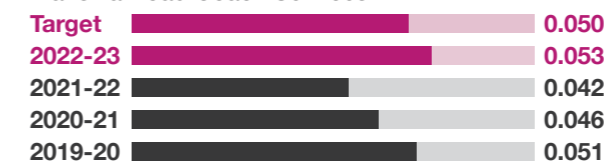


Passengers per service kilometre

The 2022-23 result was greater than the 2022-23 target due to a 19.79 per cent increase in patronage (28,125 patrons).

Service kilometres were 1,015,302 and were (3,582 kilometres) lower than the target of 1,018,884 due to a mix of public holiday alignment over financial years and special event trains.

Transwa Road Coach Services



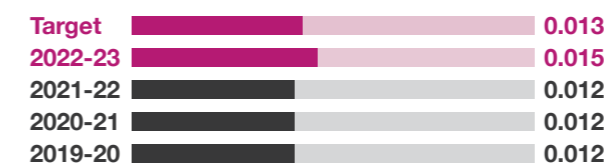
Passengers per service kilometre

The 2022-23 result was greater than the 2022-23 target and the 2021-22 result, due to a significant increase in patronage.

Service kilometres were 3,177,809 and were (149 kilometres) slightly lower than the target of 3,177,958 due to public holiday alignment between financial years.

Inter-town Country Bus Services

Inter-town services run between regional centres.



Passengers per service kilometre

The 2022-23 result was more than the 2022-23 target and the 2021-22 actuals, as a result of an increase in patronage.

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.



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

The 2022-23 result exceeded the target and prior year result to set a new all-time high. The result indicates that 1,000,484 PSAs in the PPTA, out of 1,159,196 have ready access to an Acceptable Service Level.

Since 2008-09, the total number of PSAs within PPTA has increased by 37.88 per cent to cater for Perth's growing population. The total number of PSAs within 500 metres of an ASL stop also increased by 46.70 per cent 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.

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).

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

Metropolitan and Regional Passenger Services

Operation	'OTR' parameter
Transperth Trains	4 minutes
Transperth Buses	4 minutes
Transperth Ferries	4 minutes

Country Passenger Rail and Road Coach Services

Operation	'OTR' parameter
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.

Transperth Train Services



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

The OTR of Transperth trains was 94.38 per cent, which is slightly below target but an improvement on the previous years result.

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

In 2022-23 the PTA has changed the OTR parameter from three minutes to four minutes of scheduled time and the measurement methodology for the OTR of Transperth bus services from 10 per cent sampling to 100 per cent.

The 2022-23 result is based on 21.191 million timing measurements with performance monitored at all timing points for all service trips. The result is 5.65 per cent above target resulting from continued optimisation of bus timetables and a focus on bus priority measures.

Transperth Ferry Services



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

In 2022-23 the PTA has changed the measurement methodology for the OTR of Transperth ferry services from 10 per cent sampling to 100 per cent.

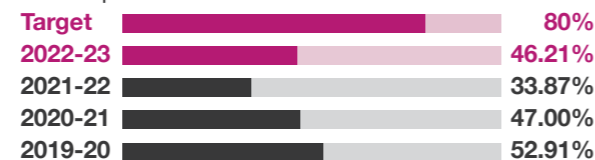
The result was an improvement on the 2021-22 result but remains below the target.

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 annual result was an improvement on the 2021-22 result, but remains well below the target. This is due to a number of delays relating to crossings (672 instances – 73 per cent) and track-related issues (87 instances – 9 per cent) as a result of maintenance work undertaken by Arc Infrastructure. This is largely outside of the control of the PTA.

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b. Australind



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

The annual result was an improvement over the 2021-22 result, however remains below the target result. This is primarily due to a number of delays relating to crossings (465 instances – 59 per cent); mechanical-related issues (84 instances – 11 per cent) and track related issues (48 instances – 6 per cent). These delays are largely outside of the control of the PTA.

c. AvonLink



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

The annual result was above the 2021-22 result and the target due to a decrease in the number of delays. Delays associated with crossings and track-related issues have decreased compared to 2021-22.

d. MerredinLink



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

The annual result was an improvement on the 2021-22 result, however remains below the target result. Delays associated with crossings and track-related issues have decreased compared to 2021-22.

Transwa Road Coach Services



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

The on-time running of road coach services exceeded the 2022-23 target but was lower than the 2021-22 result. Transwa Road Coach operations continue to

plan operations so as to minimise delays to passengers as much as possible.

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.



Satisfaction with School Bus availability at arrival/departure time

Satisfaction with School Bus availability at arrival and departure time reached 99.65 per cent in 2022-23, marginally lower than both the 2021-22 result and the 2022-23 target.

In 2022-23, the number of stakeholder reports of dissatisfaction was thirteen.

The 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.

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Transperth Train Services



% of respondents either 'very satisfied' or 'satisfied'

For the 2023 Transperth train PSM, a total of 1,200 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.

Overall the customer satisfaction result of 95 per cent for 2022-23 was a one per cent drop from the all-time high result of 96 per cent in 2021-22, but brings it more in line with pre-COVID results, and is better than the target measure.

Transperth Bus Services



% of respondents either 'very satisfied' or 'satisfied'

For the Transperth bus PSM, a total of 2,908 bus patrons were surveyed including CAT buses (2,203 regular bus patrons, 705 CAT bus patrons). The sample 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.
- A portion of CAT patrons were non-resident to Perth (25 per cent of Perth and Fremantle CAT interviews tourists – resulting in 588 Perth residents, and 117 visitors for CAT overall).

The overall Transperth bus customer satisfaction result for 2022-23 of 91 per cent, is lower than the 2021-22 result, but brings it more in line with pre-COVID results, and slightly below target.

Transperth Ferry Services



% of respondents either 'very satisfied' or 'satisfied'

For the Transperth ferry PSM, a total of 201 ferry patrons were surveyed (101 Perth residents, 100 visitors). The overall sample comprised of:

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

In 2022-23, 96 per cent of ferry users expressed overall satisfaction. This was a decrease of three per cent on the 2021-22 result, but there was no increase in express dissatisfaction, which was still at zero per cent.

Transwa Train and Road Coach Services

An independent passenger satisfaction survey is undertaken annually for each service: Australind, Prospector, AvonLink, MerredinLink and Road Coach.

Due to COVID-19 restrictions, the customer satisfaction survey could not be conducted in April and May 2020, and as a result the 2019-20 results were not available. The PTA received exemption from the Under Treasurer for reporting of these KPIs.



% of respondents either 'very satisfied' or 'satisfied'

In 2022-23, a total of 1,190 country services patrons were surveyed via a self-completion questionnaire.

The overall customer satisfaction level across country services patrons remained high at 90 per cent for 2022-23, which is consistent with the 2021-22 result and current year target. The satisfaction level across all modes continued to remain strong.

Overall, the total dissatisfaction level was two per cent which was low and an improvement of the 2021-22 result of 3 per cent.

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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 – Day-time

On-board trains



Customer perception of safety – Day-time

Train stations

Overall, patrons feel safe at train stations during the day, with 98 per cent stating that they usually or always feel safe. This is consistent with the prior year result and better than the current year target.

On-board trains

There was a slight drop of 1 per cent of patrons feeling safe onboard trains during the day from the prior year, but the result is consistent with the target and remains high at 97 per cent.

Stations



Customer perception of safety – Night-time

On-board trains



Customer perception of safety – Night-time

Train stations

There was a rebound of patrons feeling safe at a station at night, with an all time high of 78 per cent stating that they do, up from 73 per cent from the previous year.

On-board trains

The perception of passengers feeling safe at night onboard trains increased over the prior and remain better than the current year target.

The 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 the PTA targeted operations and enhanced security coverage at stations and on late evening trains.

At the conclusion of the 2022-23 financial year, the PTA has a total of 375.5 transit officers employed (inclusive of trainees). There are 301 active transit officers and additional security staff providing visible security and greater support across the network. A fleet of 11 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 an average of 77.3 per cent of trains operating after 7pm have transit officers on board.

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Transperth Bus Services

At bus stations/interchanges



Customer perception of safety – Day-time

On-board buses



Customer perception of safety – Day-time

At bus stations/interchanges

The 2022-23 result increased by 1 per cent to 99 per cent from the previous year.

On-board buses

The 2022-23 result, like the station measure, increased by 1 per cent to 99 per cent from the previous year.

At bus stations/interchanges



Customer perception of safety – Night-time

On-board buses



Customer perception of safety – Night-time

At bus stations/interchanges

The 2022-23 result increased significantly from the previous year to 83 per cent, an all-time high result.

On-board buses

The 2022-23 result improved from the previous year, and remains above target.

Improvements have been made over the past couple of years to minimise night-time fare evasion and enhance anti-social behaviour management on the bus network. On-bus duress alarms combined with the use of additional business intelligence allow for enhanced night-time security presence and support which leads

to quicker incident response times to on-bus incidents. Improved management of on-bus incidents also flows through to stations and interchanges reducing incident numbers.

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'. The 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].

During 2021, ONRSR partnered with the Australia Railway Association (ARA) and industry stakeholders to develop the National Rail Safety Data Scheme and Strategy with the vision of having "consistent, quality, and accurate national rail safety data" that would be readily available to stakeholders for making decisions relating to rail safety. The purpose was to screen incidents and bring focus to serious incidents that needed immediate action. A consultation paper was developed and stakeholder input sought for proposed changes to support this vision. The process resulted in the National Rail Safety Data Scheme Framework and Guidelines for Notifiable Occurrence Reporting Requirements applicable from July 2022.

The resulting new agreed data set and reporting requirements included a review of notifiable occurrence types and changes to the definition of Category A and Category B occurrences.

Previously there were 21 occurrence types with 127 sub-categories. The 21 occurrence types have been consolidated into 16 new occurrences types and all sub-categories have now been removed. Notifiable occurrences that are reportable as Category A or B occurrences are now defined within each occurrence type, depending on the circumstances of the occurrence.

Category 'A' occurrences are those resulting in serious injury, death, or significant damage or requiring immediate action by ONRSR or other stakeholders.

Category 'B' occurrences are occurrences that do not result in serious injury or fatality.

A new category, Category C has also been created to capture eleven specific occurrence types with a focus on breaches of work scheduling practices and

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procedures within a rail transport operator's fatigue risk management program.

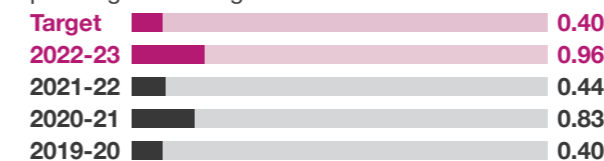
The reporting timeframes for Category A and B occurrences have been updated, with Category C occurrences requiring only annual reporting to ONRSR on or before the 31st of December each year aligned with the financial year.

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

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.

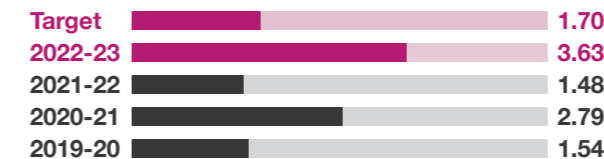
The benchmark values for Category 'A' and Category 'B' incidents are calculated on the projected estimations of the number of future passenger boardings and train kilometres.

Category A occurrences per million passenger boardings



Notifiable occurrences – Rail safety

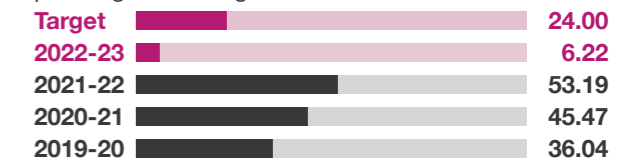
Category A occurrences per million train kilometres



Notifiable occurrences – Rail safety

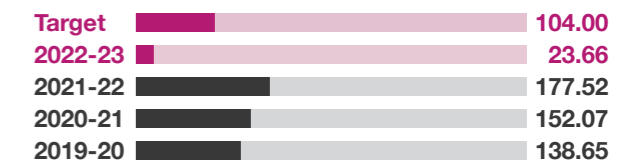
The upward trajectory reflects the increase in Category A occurrences due to the change in the reporting requirement criteria set by the Office of National Rail Safety Regulator. There were 51 occurrences classified as Category A in 2022-23, as opposed to 19 in 2021-22 financial year. The reason behind this increase is due to the broadened scope of what is classified as a Category A occurrence.

Category B occurrences per million passenger boardings



Notifiable occurrences – Rail safety

Category B occurrences per million train kilometres



Notifiable occurrences – Rail safety

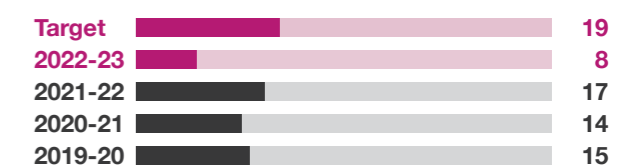
The downward trajectory reflects the change in the reporting requirement criteria set by the Office of National Rail Safety Regulator and the narrowed scope of what is classified as a Category B occurrence.

The number of Category B occurrences is 332 in 2022-23, in comparison to 2,277 in 2021-22 financial year, largely due to the change in scope.

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 number of notifiable incidents for 2022-23 was 57.9 per cent below the 2022-23 target.

The data shows that 8 accidents were recorded, comprising of 1 major and 7 minor accidents. 4 accidents occurred in regional Western Australia, with the remaining 4 occurring in the Perth metropolitan area. Importantly, no fatalities or serious injuries were recorded.

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The incident data notes that five of the accident cases occurred through no fault of the driver.

The number of notifiable incidents for 2022-23 was significantly below the 2021-22 result. 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 '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.

The RCE is the expenditure weighted average BCR defined by:

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

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

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 2022-23 result was slightly higher than 2021-22 driven by greater activity in METRONET Projects and Election Commitment Projects in 2022-23.

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. As in recent years, the Transperth system continues to grow with respect to service kilometres. Most recently with respect to the commencement of services on the Airport Line and expanded bus services associated with the opening of the Lakelands train station.

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

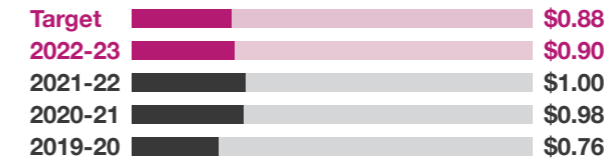
Passenger kilometres are calculated by multiplying the number of total boardings by the average trip length.

The indicator measures the cost efficiency of the services, i.e. the trend in the cost of carrying one

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passenger over one kilometre. A declining trend indicates that the resources used to provide the services are being utilised in a cost efficient manner.

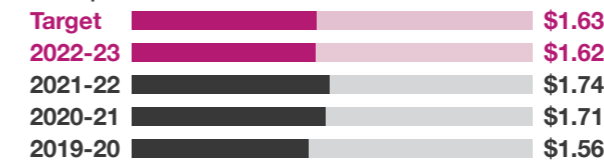
Transperth Train Services



Average cost per passenger kilometre

The 2022-23 result was slightly above the target due to weaker than expected passenger kilometres, largely due to the postponed opening of Airport Line (October instead of July) and Midland and Airport Line service disruptions caused by METRONET construction works to support the future Morley-Ellenbrook Line. The 2022-23 result was an improvement on the prior year as passenger kilometres increased more than costs (27 per cent compared to 15 per cent). Passenger kilometres improved due to the combination of reduced COVID-19 impacts and uplift from the Airport Line, while costs increased predominately due to the opening of the Airport Line and Lakelands Station.

Transperth Bus Services



Average cost per passenger kilometre

The 2022-23 result was below target. The result was an improvement on the prior year due to increased passenger kilometres (+16 per cent), primarily due to the lessening of COVID-19 impacts and the introduction of the bus services associated with the opening of the Airport Line, outweighing cost increases (+9 per cent) caused by inflation, fuel costs, and train replacement activity.

Transperth Ferry Services



Average cost per passenger kilometre

The 2022-23 result was above the target largely due to unexpected costs to upgrade Mends Street Jetty. Although higher than the target, the result was still an improvement on the prior year due to the combination of increasing patronage this year (compared to much lower last year) and elevated infrastructure improvement costs in the prior year.

Transwa Rail Services

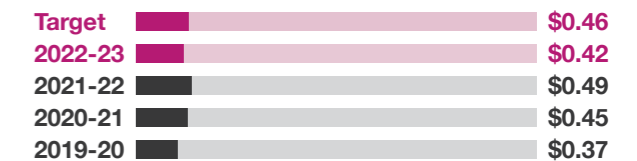


Average cost per passenger kilometre

Rail total cost per passenger kilometre was below the target and the 2021-22 result.

Total costs were higher in the financial year, due to higher costs for fuel and track access. Total passenger kilometres of 57.08 million were 8.50 million (17.5 per cent) greater than 2021-22 due to an escalation of patronage, leading to an overall decrease in the total cost per passenger kilometre.

Transwa Road Coach Services



Average cost per passenger kilometre

Road coach cost per passenger kilometre was below the target and the 2021-22 result.

Total costs were higher in the financial year, due to higher costs for fuel, hire coaches and maintenance. Total passenger kilometres of 49 million were 11 million higher than the 2021-22 actuals, due to an expansion in patronage.

The percentage increase in passenger kilometres was significantly higher than the percentage increase in total costs (predominately fuel, and road coach maintenance).

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



Total cost per 1000 place kilometres

3.0 Governance & compliance

The cost per 1000 place kilometres was above the 2021-22 result and target. This was mainly due to the substantial increase in the price of fuel in regional areas in the first half of 2022-23, and inflation driven increases on other costs.

Inter-town Country Bus Services



Total cost per 1000 place kilometres

The cost per 1000 place kilometres was above target, and above the 2021-22 result.

Higher than anticipated operating costs have been mainly caused by higher than expected fuel and other operating costs compared to the previous financial year.

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 cost per contract kilometre was above the target and the 2021-22 result due to inflationary cost pressures, mainly fuel related.

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

Effectiveness Indicator

Arc Infrastructure (previously known as Brookfield Rail and WestNet Rail) is managing WA's Freight Rail Operations under a long-term lease spanning over 49 years. This lease expires in year 2049.

The terms of the lease offer significant independence to the Lessee (Arc) on Capex and Opex.

The annual reporting on finances and line status also includes 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 is the 'accredited owner' of the freight rail infrastructure as defined in the Rail Safety National Law (WA) Act 2015 and exclusively responsible for the safe operation of railways and generally to satisfy the Fit-for-Purpose requirement.

Arc Infrastructure engages an independent expert, on a five-yearly basis, to review compliance to performance standards as defined in the Leases. The last audit was completed in year 2020 and audit observations were used to develop a maintenance plan for the next five years. The current plan has been endorsed by the PTA.

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

- 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

The PTA's N&I and Finance Divisions will internally review this Annual Corridor Ministers Report (CMR). Where necessary, they will make some recommendations to optimise the lease management processes for the next 5 years.

Within the terms of the lease, there has been no lease breaches by Arc Infrastructure agreements since 2009.

Details shared in CMR 2022 are appropriate.

3.0 Governance & compliance

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 \$203.4 million (including \$158.8 million in depreciation of the freight network infrastructure). The result was below the 2022-23 target and below the 2021-22 result mainly related to a decrease in depreciation (\$180.5 million in 21-22) offset by increase in the value of the contaminated site provision in 2022-23.

3.0 Governance & compliance

CASE STUDY TRANSPERTH PATRONAGE GROWTH.

Public transport patronage all around the world endured a massive hit when the COVID-19 pandemic took hold and restrictions were implemented.

Locally, 2019-20 Transperth boarding numbers were on track to continue a trend of increasing annual patronage, but the introduction of stay-at-home measures and other restrictions caused patronage to drop sharply (falling as low as 11 per cent of pre-pandemic levels in February 2021).

When restrictions started being wound back and people returned to offices, events and schools, a raft of initiatives enticed commuters back to public transport, including capping Transperth fares at the price of a two-zone journey, removing mask mandates, and the Airport Line's opening.

The result was one of the fastest patronage rebounds in the world, with numbers returning to 90 per cent of pre-pandemic levels in December 2022.

Just a few months later (on May 26 2023), patronage – based on daily SmartRider tags (IE not including cash fares) – exceeded the level of the corresponding day in 2019. This was the first time since COVID emerged that our passenger numbers had topped pre-pandemic levels.

From then until the end of the financial year, patronage was consistently equal to or more than 2019, with June 29 the first time all three modes (bus, train, and ferry) bettered pre-pandemic numbers.

Customer Service assistant Sukhjeet Singh Brar said it had been great seeing people return to public transport.

“Trains are getting busier day by day and it always feels nice to help people and get them to their destination safely,” he said.

“It is becoming more convenient to travel with Transperth and the PTA as the travel is very cheap. Trains and buses run on time, and they feel safe travelling with us.

“Customer feedback has been positive. They appreciate us for providing them with the correct information, and they are thankful staff are there to help when they need it.”



FINANCIAL STATEMENTS.

4.0



4.0 Financial Statements

CERTIFICATION OF FINANCIAL STATEMENTS.

For the year ended 30 June 2023

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 reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

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



Peter Woronzow
Accountable Authority
12 September 2023



Robyn Lamont
Chief Finance Officer
12 September 2023

4.0 Financial Statements

INDEX TO FINANCIAL STATEMENTS.

For the year ended 30 June 2023

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 2023 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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4.0 Financial Statements

STATEMENT OF COMPREHENSIVE INCOME.

For the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Cost of services			
Expenses			
Employee benefits expenses	3.1(a)	257,511	231,628
Supplies and services	3.3	441,797	464,905
Depreciation and amortisation expenses	5.1.1, 5.2, 5.3.1	477,564	455,745
Finance costs	8.3	111,631	79,194
Grants and subsidies	3.2	607,183	564,253
Energy and fuel		33,371	31,338
Other expenditure	3.4	33,667	29,242
Total cost of services		1,962,724	1,856,305
Income			
Revenue			
User charges and fees	4.2	173,200	142,264
Operating lease revenue	4.3	5,466	5,466
Commonwealth grants and contributions	4.4	8,282	14,830
Interest revenue	4.5	68	372
Other income	4.6	54,410	47,210
Total revenue		241,426	210,142
Gains/(Loss)			
Gain/(Loss) on disposal of non-current assets	4.7	(49)	(30)
Total Gains/(Loss)		(49)	(30)
Total income other than income from State Government		241,377	210,112
Net cost of services		1,721,347	1,646,193
Income from State Government			
Operating subsidy contributions	4.1	1,110,355	1,003,812
Income from other public sector entities	4.1	294,735	181,235
Resources received free of charge	4.1	1,008	1,148
Royalties for Regions Fund	4.1	79,942	79,940
Total income from State Government		1,486,040	1,266,135
Deficit for the period		(235,307)	(380,058)
Other comprehensive income			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	10.9	1,119,047	13,397
Changes in hedge reserve	10.9	87	(43)
Total other comprehensive income		1,119,134	13,354
Total comprehensive surplus/(deficit) for the period		883,827	(366,704)

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.

4.0 Financial Statements

STATEMENT OF FINANCIAL POSITION.

As at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Assets			
Current Assets			
Cash and cash equivalents	8.4	274,959	203,937
Restricted cash and cash equivalents	8.4	87,280	143,811
Inventories	6.4	28,282	25,124
Receivables	6.1	59,466	42,377
Amounts receivable for services	6.2	124,998	152,411
Other current assets	6.3	39,520	20,651
Non-current assets classified as held for sale	10.8	2,180	-
Derivative financial assets	7.0	56	-
Total Current Assets		616,741	588,311
Non-Current Assets			
Restricted cash and cash equivalents	8.4	5,020	1,800
Amounts receivable for services	6.2	162,125	225,122
Infrastructure, property, plant, equipment and vehicles	5.1	13,872,925	11,056,647
Right-of-use assets	5.2	31,197	30,288
Intangibles	5.3	11,931	10,937
Total Non-Current Assets		14,083,198	11,324,794
Total Assets		14,699,939	11,913,105
Liabilities			
Current Liabilities			
Payables	6.6	323,172	162,606
Borrowings	8.1	225,882	215,896
Lease liabilities	8.2	7,224	6,126
Employee related provisions	3.1(b)	54,611	50,916
Other provisions	6.7	8,611	4,970
Capital grant liabilities	6.8	-	56,150
Other current liabilities	6.9	31	28
Deferred income operating lease	6.5	5,466	5,466
Derivative financial liabilities	7.0	-	366
Total Current Liabilities		624,997	502,524
Non-Current Liabilities			
Borrowings	8.1	3,208,533	2,833,062
Lease liabilities	8.2	24,383	24,327
Employee related provisions	3.1(b)	11,342	12,203
Other provisions	6.7	4,595	3,945
Deferred income operating lease	6.5	143,665	149,131
Total Non-Current Liabilities		3,392,518	3,022,668
Total Liabilities		4,017,515	3,525,192
Net Assets		10,682,424	8,387,913
Equity			
Contributed equity	10.9	8,307,049	6,897,212
Reserves	10.9	5,964,731	4,845,597
Accumulated deficit	10.9	(3,589,356)	(3,354,896)
Total Equity		10,682,424	8,387,913

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

4.0 Financial Statements

STATEMENT OF CHANGES IN EQUITY.

For the year ended 30 June 2023

	Note	Contributed equity \$'000	Reserves \$'000	Accumulated deficit \$'000	Total equity \$'000
Balance at 1 July 2021		6,298,019	4,832,243	(2,974,817)	8,155,445
Correction of prior period		-	-	(21)	(21)
Restated balance at 1 July 2021		6,298,019	4,832,243	(2,974,838)	8,155,424
Deficit		-	-	(380,058)	(380,058)
Other comprehensive income		-	13,354	-	13,354
Total comprehensive income for the period		-	13,354	(380,058)	(366,704)
Transactions with owners in their capacity as owners:					
Capital appropriations	10.9	590,275	-	-	590,275
Other contributions by owners	10.9	4,760	-	-	4,760
Distributions to owners	10.9	(5,033)	-	-	(5,033)
Transfers of net assets from other agencies	10.9	9,191	-	-	9,191
Total		599,193	-	-	599,193
Balance at 30 June 2022		6,897,212	4,845,597	(3,354,896)	8,387,913
Balance at 1 July 2022		6,897,212	4,845,597	(3,354,896)	8,387,913
Correction of prior period		-	-	847	847
Restated balance at 1 July 2022		6,897,212	4,845,597	(3,354,049)	8,388,760
Deficit		-	-	(235,307)	(235,307)
Other comprehensive income		-	1,119,134	-	1,119,134
Total comprehensive income for the year		-	1,119,134	(235,307)	883,827
Transactions with owners in their capacity as owners:					
Capital appropriations	10.9	1,412,332	-	-	1,412,332
Other contributions by owners	10.9	-	-	-	-
Distributions to owners	10.9	(2,495)	-	-	(2,495)
Transfers of net assets from other agencies	10.9	-	-	-	-
Total		1,409,837	-	-	1,409,837
Balance as at 30 June 2023		8,307,049	5,964,731	(3,589,356)	10,682,424

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

4.0 Financial Statements

STATEMENT OF CASH FLOWS.

For the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from state government			
Operating subsidy contribution		1,110,355	1,003,812
Capital appropriations		1,412,332	590,275
Funds from other public sector entities		240,066	215,811
Royalties for Regions Fund		79,942	84,700
Holding account drawdown		90,410	106,737
Net cash provided by state government		2,933,105	2,001,335
Cash flows from operating activities			
Payments			
Employee benefits		(251,997)	(226,118)
Supplies and services		(491,013)	(500,077)
Finance costs		(104,269)	(76,502)
Grants and subsidies		(606,598)	(563,600)
Receipts paid into consolidated account		(3,523)	(3,218)
GST payments on purchases		(308,306)	(232,120)
Other payments		(27,000)	(26,620)
Receipts			
User charges and fees		177,120	142,792
Commonwealth grants and contributions		5,764	14,087
Interest received		169	441
GST receipts on sales		46,962	36,533
GST receipts from taxation authority		261,044	202,686
Other receipts		53,732	48,745
Net cash used in operating activities	8.4.2	(1,247,915)	(1,182,971)
Cash flows from investing activities			
Payments			
Purchase of non-current assets		(2,045,484)	(1,282,794)
Receipts			
Proceeds from sale of non-current assets		204	552
Net cash used in investing activities		(2,045,280)	(1,282,242)
Cash flows from financing activities			
Payments			
Repayment of borrowings		(412,429)	(570,400)
Principal elements of lease		(7,656)	(4,333)
Receipts			
Proceeds from borrowings		797,886	733,632
Net cash provided by financing activities		377,801	158,899
Net increase in cash and cash equivalents		17,711	(304,979)
Cash and cash equivalents at the beginning of the period		349,548	654,527
Cash and cash equivalents at the end of the period	8.4	367,259	349,548
(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 2023

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 12 September 2023.

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 (TIs)*
- 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 TIs take precedence over AASs. Several AASs are modified by the TIs 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.

Basis of preparation

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).

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.

Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- (a) amount of GST incurred by the PTA as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- (b) receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

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.

NOTES TO THE FINANCIAL STATEMENTS.

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 15 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 six 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 49 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.

NOTES TO THE FINANCIAL STATEMENTS.

2.2 Schedule of income and expenses by service

For the year ended 30 June 2023

	Metropolitan and Regional Passenger Services		Country Passenger Rail and Road Coach		Regional School Bus Services		Rail Corridor and Residual Freight Issues		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cost of services										
Expenses										
Employee benefits expense	215,688	189,784	21,596	20,060	4,656	4,121	15,571	17,663	257,511	231,628
Supplies and services	396,092	426,947	20,532	17,652	1,500	1,538	23,673	18,768	441,797	464,905
Depreciation and amortisation expense	311,740	268,257	6,154	6,113	833	836	158,837	180,539	477,564	455,745
Finance costs	106,933	75,706	1,239	982	-	1	3,459	2,505	111,631	79,194
Grants and subsidies	473,890	436,375	1,068	989	132,210	126,882	15	7	607,183	564,253
Energy and fuel	28,862	27,525	4,417	3,721	51	48	41	44	33,371	31,338
Other expenses	29,693	25,524	1,664	1,605	485	384	1,825	1,729	33,667	29,242
Total cost of services	1,562,898	1,450,118	56,670	51,122	139,735	133,810	203,421	221,255	1,962,724	1,856,305
Income										
User charges and fees	162,959	134,624	10,239	7,636	2	4	-	-	173,200	142,264
Operating lease revenue	-	-	-	-	-	-	5,466	5,466	5,466	5,466
Commonwealth grants and contributions	7,018	13,830	-	-	-	-	1,264	1,000	8,282	14,830
Interest revenue	5	372	-	-	-	-	63	-	68	372
Gain/(Loss) on disposal of non-current assets	(39)	30	(10)	-	-	-	-	(60)	(49)	(30)
Other revenue	38,202	30,010	1,453	1,400	-	-	14,755	15,800	54,410	47,210
Total income other than income from State Government	208,145	178,866	11,682	9,036	2	4	21,548	22,206	241,377	210,112
Net cost of services	1,354,753	1,271,252	44,988	42,086	139,733	133,806	181,873	199,049	1,721,347	1,646,193
Income from State Government										
Operating subsidy contributions	1,007,171	905,054	36,742	38,604	51,535	46,191	14,907	13,963	1,110,355	1,003,812
Income from other public sector entities	286,277	176,752	-	-	4,228	4,258	4,230	225	294,735	181,235
Resources received	-	-	-	-	-	-	1,008	1,148	1,008	1,148
Royalties for Regions Fund	-	-	16	14	79,926	79,926	-	-	79,942	79,940
Total income from State Government	1,293,448	1,081,806	36,758	38,618	135,689	130,375	20,145	15,336	1,486,040	1,266,135
Surplus/(deficit) for the period	(61,305)	(189,446)	(8,230)	(3,468)	(4,044)	(3,431)	(161,728)	(183,713)	(235,307)	(380,058)

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

NOTES TO THE FINANCIAL STATEMENTS.

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	2023 \$'000	2022 \$'000
Employee benefits expenses	3.1(a)	257,511	231,628
Employee related provisions	3.1(b)	65,953	63,119
Grants and subsidies	3.2	607,183	564,253
Supplies and services	3.3	441,797	464,905
Other expenditure	3.4	33,667	29,242

3.1 (a) Employee benefits expenses

	2023 \$'000	2022 \$'000
Employee benefits	234,631	210,795
Termination benefits	339	1,019
Superannuation - defined contributions plans	22,541	19,814
Total employee benefits expenses	257,511	231,628
Add: AASB 16 Non-monetary benefits	78	96
Less: Employee contributions (per the statement of comprehensive income)	(80)	(100)
Net employee benefits	257,509	231,624

Employee benefits includes wages, salaries, accrued and paid leave entitlements, paid sick leave and termination payments; and non-monetary benefits recognised under accounting standards other than AASB 16 (such as cars and free or subsidised travel) for employees.

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefit in exchange for the termination of employment. Termination benefits are recognised when PTA is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Superannuation is the amount recognised in profit or loss in the Statement of comprehensive income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, other GESB schemes or other superannuation funds.

AASB 16 Non-monetary benefits are non-monetary employee benefits predominantly relating to the provision of vehicle benefits and are recognised under AASB16 which are excluded from the employee benefits expense.

Employee Contributions are contributions made to the PTA by employees towards employee benefits that have been provided by the PTA. This includes both AASB 16 and non-AASB 16 employee contributions.

4.0 Financial Statements

NOTES TO THE FINANCIAL STATEMENTS.

3.1 (b) Employee related provisions

	2023 \$'000	2022 \$'000
Current		
Employee benefits provisions		
Annual leave (i)	27,661	24,535
Long service leave (ii)	21,836	21,341
Deferred salary scheme (iii)	82	141
	49,579	46,017
Other provisions		
Employment on-costs (iv)	5,032	4,899
Total current employee related provisions	54,611	50,916
Non-Current		
Employee benefits provisions		
Long service leave (ii)	10,276	10,994
Other provisions		
Employment on-costs (iv)	1,066	1,209
Total non-current employee related provisions	11,342	12,203
Total employee related provisions	65,953	63,119

Provision is made for benefits accruing to employees in respect of 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.

- (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:

	2023 \$'000	2022 \$'000
Within 12 months of the end of the reporting period	20,104	18,472
More than 12 months after the end of the reporting period	7,557	6,063
	27,661	24,535

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.

4.0 Financial Statements

NOTES TO THE FINANCIAL STATEMENTS.

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

	2023 \$'000	2022 \$'000
Within 12 months of the end of the reporting period	4,812	4,471
More than 12 months after the end of the reporting period	27,300	27,864
	32,112	32,335

The provision for long service leave is recognised at the face value of each employee's long service leave entitlement based on the current remuneration rates 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 2023 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:

	2023 \$'000	2022 \$'000
Within 12 months of the end of the reporting period	82	141
More than 12 months after the end of the reporting period	-	-
	82	141

- (iv) **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 expenditure, 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'.

	2023 \$'000	2022 \$'000
Employment on-costs provision		
Carrying amount at start of period	6,108	5,719
Additional provisions recognised	2,769	3,246
Payments/other sacrifices of economic benefit	(2,779)	(2,857)
Carrying amount at end of period	6,098	6,108

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

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

4.0 Financial Statements

NOTES TO THE FINANCIAL STATEMENTS.

Several estimates and assumptions are used in calculating an agency's long service leave provision. These include:

- expected future salary rates;
- discount rates;
- employee retention rates; and
- expected future payments.

Changes in these estimations and assumptions may impact on the carrying amount of the long service provision. Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

3.2 Grants and subsidies

	2023 \$'000	2022 \$'000
Recurrent		
Bus operators (i)	450,272	415,492
School bus services (i)	130,545	125,242
Regional bus services (i)	21,279	19,272
Student conveyance allowance (ii)	1,665	1,640
Ferry services (i)	1,768	1,513
Grants to other government agencies	133	544
Grants to local government (iii)	551	550
Grants to non-government schools (iv)	970	-
	607,183	564,253

- (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 relates to the bus shelter grant scheme.
- (iv) Grants to non-government schools includes a grant to build a sports pavillion.

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.

4.0 Financial Statements

NOTES TO THE FINANCIAL STATEMENTS.

3.3 Supplies and services

	2023 \$'000	2022 \$'000
Contractors	310,728	367,269
Motor vehicles	13,247	11,420
Materials and signs	8,784	7,821
Consumables	15,227	15,284
Communications	1,155	1,322
External works	66,248	38,461
Other	26,408	23,328
Total supplies and services expenses	441,797	464,905

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 expenditure

	2023 \$'000	2022 \$'000
Payroll tax	14,868	13,090
Workers' compensation	13,525	10,559
Payment of infringements to consolidated account	3,523	3,218
Audit fees	663	609
Notional charges for services provided by government agencies	1,008	1,148
Employment on-costs	26	343
Bad debts written off	16	5
Expected credit losses expense	8	115
Other	30	155
Total other expenditure	33,667	29,242

Other expenditure:

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

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 as an expense. Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income.

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 based on 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 of the allowances for impairment of trade receivables.

4.0 Financial Statements

NOTES TO THE FINANCIAL STATEMENTS.

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	2023 \$'000	2022 \$'000
Income from State Government	4.1	1,486,040	1,266,135
User charges and fees	4.2	173,200	142,264
Operating lease revenue	4.3	5,466	5,466
Commonwealth grants	4.4	8,282	14,830
Interest revenue	4.5	68	372
Other income	4.6	54,410	47,210
Gains (Losses) on disposal of non-current assets	4.7	(49)	(30)

4.1 Income from State Government

	2023 \$'000	2022 \$'000
Appropriations received during the period:		
Operating subsidy contributions (i)	1,110,355	1,003,812
Income received from other public sector entities during the period (ii)	294,735	181,235
Resources received from other public sector entities during the period (iii)		
State Solicitors Office	828	964
Landgate	-	5
Department of Water and Environmental Regulation	2	31
Department of Primary Industries and Regional Development	2	-
Department of Planning, Lands and Heritage	2	-
Main Roads WA	145	39
Department of Finance	-	45
Department of Transport	29	64
Total resources received free of charge	1,008	1,148
Royalties for Regions Fund (iv):		
Regional Community Services Account	79,942	79,940
Total income from State Government	1,486,040	1,266,135

(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) Income from other public sector entities are recognised as income when the PTA has satisfied its performance obligations under the funding agreement. If there is no performance obligation, income will be recognised when the PTA receives the funds.

4.0 Financial Statements

NOTES TO THE FINANCIAL STATEMENTS.

(iii) Resources received from other public sector entities are recognised as income (and assets or expenses) equivalent to the fair value of the assets or the fair value of those services that can be reliably determined and which would have been purchased if not donated.

(iv) 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.

Summary of Consolidated account appropriations
For the year ended 30 June 2023

	2023 Budget \$'000	2023 Supple- mentary Funding \$'000	2023 Revised Budget \$'000	2023 Actual \$'000	2023 Variance \$'000
Delivery of Services					
Amount Authorised by Other Statutes					
Salaries and Allowances Act 1975	361	-	361	361	-
Total appropriations provided to deliver services	361	-	361	361	-
Capital					
Item 146 Capital Appropriation	1,542,968	-	1,307,303	1,412,332	105,029
Item 147 Capital Appropriation METRONET					
Project Under Development	20,000	-	-	-	-
Total capital appropriations	1,562,968	-	1,307,303	1,412,332	105,029
Grand total	1,563,329	-	1,307,664	1,412,693	105,029

No supplementary funding was received by the agency in 2022-23.

4.2 User charges and fees

	2023 \$'000	2022 \$'000
Fare revenue	173,200	142,264

Revenue recognition

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.

4.0 Financial Statements

NOTES TO THE FINANCIAL STATEMENTS.

4.3 Operating lease revenue

	2023 \$'000	2022 \$'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

	2023 \$'000	2022 \$'000
Commonwealth grant (via Treasury):		
Nicholson Road Grade Separation	123	-
Bunbury Faster Rail Project	1,000	1,000
National Partnership COVID-19 Response	-	13,087
Platform and Signalling Upgrade Project	7,018	743
Apprenticeship Incentive	141	-
	8,282	14,830

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

Income from grants to acquire/construct a recognisable non-financial asset to be controlled by the PTA is recognised when the PTA satisfies its obligations under the transfer. The PTA satisfies the obligations under the transfer to construct assets over time as the non-financial assets are being constructed.

Commonwealth recurrent grant received for Karel Avenue Upgrade Project and Platform and Signalling Upgrade Project are recognised as income when the PTA achieves milestones specified in the grant agreement.

Commonwealth grants received for National Partnership on COVID-19 Response are recognised as income when the grant is received.

4.0 Financial Statements

NOTES TO THE FINANCIAL STATEMENTS.

4.5 Interest revenue

	2023 \$'000	2022 \$'000
Interest revenue	68	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 10.5).

4.6 Other income

	2023 \$'000	2022 \$'000
Rents and leases	16,505	15,794
Advertising income	7,804	7,745
Parking	7,701	6,016
Infringements	3,496	3,273
Third party contribution for pipeline relocation	-	6,076
Third party contribution for Kenwick Rail Freight Facility project	1,706	-
Miscellaneous	4,590	5,274
SmartRider card sales	1,629	904
External works	10,967	2,119
Net change in fair value of financial instruments through profit and loss	12	9
	54,410	47,210

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.

Revenue is recognised for the major business activities as follows:

Sale of goods and External works

Revenue is recognised from the sale of goods, external works 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.

4.0 Financial Statements

NOTES TO THE FINANCIAL STATEMENTS.

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

	2023 \$'000	2022 \$'000
Net proceeds from disposal of non-current assets		
Land	-	236
Buses	225	255
Other	-	74
Carrying amount of non-current assets disposed		
Land	-	(236)
Buses	(274)	(294)
Other/write-off of non-current assets	-	(65)
Net gains / (losses)	(49)	(30)

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets.

Gains and losses on the disposal of non-current assets are presented by deducting the carrying amount of the asset and related selling expenses from the proceeds on disposal. Gains and losses are recognised as profit or loss in the Statement of comprehensive income.

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	2023 \$'000	2022 \$'000
Infrastructure, property, plant, equipment and vehicles	5.1	13,872,925	11,056,647
Right-of-use assets	5.2	31,197	30,288
Intangible assets	5.3	11,931	10,937
Total key assets		13,916,053	11,097,872

4.0 Financial Statements

NOTES TO THE FINANCIAL STATEMENTS.

5.1 Infrastructure, property, plant, equipment and vehicles

	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
Year ended 30 June 2023												
1 July 2022												
Gross carrying amount	471,154	117,401	13,397,092	1,388,765	6,156,601	54,695	363,234	738,241	6,224	984,778	3,791,221	27,469,406
Accumulated depreciation	-	(84,895)	(11,507,203)	(784,119)	(2,919,283)	(39,152)	(285,483)	(296,031)	(3,394)	(493,199)	-	(16,412,759)
Carrying amount at start of period	471,154	32,506	1,889,889	604,646	3,237,318	15,543	77,751	442,210	2,830	491,579	3,791,221	11,056,647
Additions	-	-	-	-	-	112	327	59	-	-	2,175,918	2,176,416
Transfers (i)	7,237	345	1,447	203	1,553,979	4,691	52,140	20,916	2,320	70,179	(1,722,386)	(8,929)
Other disposals	-	-	-	-	-	-	-	-	-	(274)	-	(274)
Revaluation increments/(decrements)	(8,439)	7,027	374,459	-	628,314	-	8,572	60,988	2,248	45,878	-	1,119,047
Impairment losses (ii)	-	-	-	-	-	-	-	-	-	-	(482)	(482)
Depreciation	-	(3,533)	(148,819)	(41,003)	(181,328)	(3,895)	(14,081)	(25,382)	(171)	(51,288)	-	(469,500)
Carrying amount at 30 June 2023	469,952	36,345	2,116,976	563,846	5,238,283	16,451	124,709	498,791	7,227	556,074	4,244,271	13,872,925

(i) On 30 June 2023, the PTA recognised transferred assets from Main Roads WA for the additional Principal Shared Path (PSP) in Claremont Station amounted to \$0.245 million and to VenuesWest for remaining of Stadium amounting to \$2.25 million. All other transfers relate to movements from construction in progress to the respective asset profiles, including Intangibles and Non-current asset held for sales.

(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.

NOTES TO THE FINANCIAL STATEMENTS.

5.1 Infrastructure, property, plant, equipment and vehicles (continued)

	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
Year ended 30 June 2022												
1 July 2021												
Gross carrying amount	457,805	118,073	13,388,458	1,386,723	6,039,320	57,846	339,868	712,182	6,247	1,013,917	2,750,006	26,270,445
Accumulated depreciation	-	(83,038)	(11,339,744)	(743,113)	(2,779,380)	(99,654)	(260,633)	(278,705)	(3,254)	(520,850)	-	(16,048,371)
Carrying amount at start of period	457,805	35,035	2,048,714	643,610	3,259,940	18,192	79,235	433,477	2,993	493,067	2,750,006	10,222,074
Additions	-	-	-	-	6,199	-	1,065	611	-	-	1,266,571	1,274,446
Transfers (iii)	(48)	964	8,635	2,041	121,235	1,932	12,346	25,448	-	47,514	(225,356)	(5,289)
Other disposals	-	-	-	-	-	(5)	(60)	-	-	(294)	-	(359)
Revaluation increments/(decrements)	13,397	-	-	-	-	-	-	-	-	-	-	13,397
Impairment losses (iv)	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	(3,493)	(167,460)	(41,005)	(150,056)	(4,576)	(14,835)	(17,326)	(163)	(48,708)	-	(447,622)
Carrying amount at 30 June 2022	471,154	32,506	1,889,889	604,646	3,237,318	15,543	77,751	442,210	2,830	491,579	3,791,221	11,056,647

(iii) On 30 June 2022, PTA recognised transferred assets from Main Roads WA for Freight Level Crossing upgrades (\$8.6 million) and land for (\$0.6 million). Transfers from PTA to Main Roads WA for Principal Shared Path (PSP) in Claremont Station amounted to \$5 million. All other transfers relate to movements from construction in progress to respective asset profiles, including Intangibles.

(iv) 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.

NOTES TO THE FINANCIAL STATEMENTS.

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 2022 by the Western Australian Land Information Authority (Valuations and Property Analytics) and recognised at 30 June 2023.

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.

NOTES TO THE FINANCIAL STATEMENTS.

5.1.1 Depreciation and impairment

Charge for the period

	2023 \$'000	2022 \$'000
Depreciation		
Buildings	3,533	3,493
Freight network infrastructure	148,819	167,460
Rollingstock	41,003	41,005
Railway infrastructure	181,328	150,056
Plant, equipment and motor vehicles	3,895	4,576
Systems infrastructure	14,081	14,835
Bus infrastructure	25,382	17,326
Vessels	171	163
Buses	51,288	48,708
Total depreciation for the period	469,500	447,622

As at 30 June 2023 there were no indications of impairment to infrastructure, property, plant, equipment and vehicles.

All surplus assets at 30 June 2023 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 120 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.

NOTES TO THE FINANCIAL STATEMENTS.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

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.

In January 2023, the Rail Recording Vehicle caught fire on the network during testing resulting in damage. The vehicle amount to \$15.3 million and is currently recorded within the Construction in progress as investigation is still on going, and the PTA is unable to reliably estimate the damage caused by the fire as at 30 June 2023. Construction in progress will be impaired when the damage can be reliably estimated.

5.2 Right-of-use assets

	Land and buildings \$'000	Plant, equipment and motor vehicles \$'000	Total \$'000
Year ended 30 June 2023			
1 July 2022			
Gross carrying amount	43,354	3,888	47,242
Accumulated depreciation	(14,998)	(1,956)	(16,954)
Carrying amount at start of period	28,356	1,932	30,288
Additions	7,876	857	8,733
Transfers	(2,518)	-	(2,518)
Disposals	-	(3)	(3)
Depreciation	(4,396)	(907)	(5,303)
Carrying amount at 30 June 2023	29,318	1,879	31,197
Gross carrying amount	51,229	4,261	55,490
Accumulated depreciation	(21,911)	(2,382)	(24,293)
Year ended 30 June 2022			
1 July 2021			
Gross carrying amount	42,699	3,253	45,952
Accumulated depreciation	(8,944)	(1,425)	(10,369)
Carrying amount at start of period	33,755	1,828	35,583
Additions	654	997	1,651
Transfers	(2,122)	-	(2,122)
Disposals	-	(15)	(15)
Depreciation	(3,931)	(878)	(4,809)
Carrying amount at 30 June 2022	28,356	1,932	30,288
Gross carrying amount	43,354	3,888	47,242
Accumulated depreciation	(14,998)	(1,956)	(16,954)

NOTES TO THE FINANCIAL STATEMENTS.

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:

	2023 \$'000	2022 \$'000
Depreciation charge of right-of-use assets		
Land and buildings	4,396	3,931
Plant, equipment and motor vehicles	907	878
Depreciation expenses of right-of-use assets	5,303	4,809
Lease interest expenses	1,138	893
Expenses relating to variable lease payments not included in lease liabilities		
Short-term leases	122	62
Low-value leases	227	172

The total cash outflow for leases in 2023 was \$7,654,556 (2022: \$4,332,643) which include payments of both interest and principal.

The PTA's leasing activities and how these are accounted for:

The PTA has leases for office accommodation, bus depots and stations, car parks, motor vehicles and licenses.

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.

NOTES TO THE FINANCIAL STATEMENTS.

5.3 Intangible assets

	Licences \$'000	Computer software \$'000	Total \$'000
Year ended 30 June 2022			
1 July 2021			
Gross carrying amount	8,202	27,153	35,355
Accumulated amortisation	(4,150)	(17,718)	(21,868)
Carrying amount at start of period	4,052	9,435	13,487
Additions and transfers in	-	764	764
Amortisation expense	(588)	(2,726)	(3,314)
Carrying amount at 30 June 2022	3,464	7,473	10,937
Year ended 30 June 2023			
1 July 2022			
Gross carrying amount	8,202	27,917	36,119
Accumulated amortisation	(4,738)	(20,444)	(25,182)
Carrying amount at start of period	3,464	7,473	10,937
Additions and transfers in	-	3,755	3,755
Amortisation expense	(588)	(2,173)	(2,761)
Carrying amount at 30 June 2023	2,876	9,055	11,931

Initial recognition

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:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- an intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefit;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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 these thresholds are immediately expensed directly to the Statement of comprehensive income.

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.

NOTES TO THE FINANCIAL STATEMENTS.

5.3.1 Amortisation and impairment

Charge for the period

	2023 \$'000	2022 \$'000
Amortisation		
Computer software	2,173	2,726
Licences	588	588
Total amortisation for the period	2,761	3,314

As at 30 June 2023 there were no impairment indicators in relation to intangible assets identified.

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 held in construction in progress.

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 estimated useful lives for each class of intangible asset are:

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 indefinite useful lives are tested for impairment annually or 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	2023 \$'000	2022 \$'000
Receivables	6.1	59,466	42,377
Amounts receivable for services (Holding Account)	6.2	287,123	377,533
Other current assets	6.3	39,520	20,651
Inventories	6.4	28,282	25,124
Deferred income - operating leases	6.5	(149,131)	(154,597)
Payables	6.6	(323,172)	(162,606)
Other provisions	6.7	(13,206)	(8,915)
Capital grants liabilities	6.8	-	(56,150)
Other current liabilities	6.9	(31)	(28)

NOTES TO THE FINANCIAL STATEMENTS.

6.1 Receivables

	2023 \$'000	2022 \$'000
Current		
Trade receivables	10,355	8,110
Allowance for impairment of trade receivables	(147)	(139)
Accrued revenue	4,604	4,450
GST receivable	39,868	29,336
Other receivables – external works	4,786	620
Total receivables	59,466	42,377

Trade receivables are recognised at their transaction price or, for those receivables that contain a significant financing component, at fair value. PTA holds the receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

PTA recognises an allowance for expected credit losses (ECLs) on trade receivables measured at the lifetime expected credit losses at each reporting date. 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 3.4 for the amount of ECLs expensed in this financial year.

6.1.1 Movement of the allowances for impairment of trade receivables

	2023 \$'000	2022 \$'000
Reconciliation of changes in the allowance for impairment of trade receivables:		
Opening balance	139	24
Expected credit losses expense	8	115
Balance at end of period	147	139

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) 'Credit Risk exposure'.

The PTA does not hold any collateral as security or other credit enhancements for trade receivables.

6.2 Amounts receivable for services (Holding Account)

	2023 \$'000	2022 \$'000
Current	124,998	152,411
Non-current	162,125	225,122
Balance at end of period	287,123	377,533

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.

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NOTES TO THE FINANCIAL STATEMENTS.

Amounts receivable for services are considered not impaired (i.e. there is no expected credit loss of the holding accounts).

6.3 Other current assets

	2023 \$'000	2022 \$'000
Prepayments	39,520	20,651

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

	2023 \$'000	2022 \$'000
Current		
Inventories not held for resale:		
Maintenance spares – at cost	28,282	25,124

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 are measured at cost unless they are no longer required as maintenance spares, in which case they are measured at net realisable value.

6.5 Deferred income – operating lease

	2023 \$'000	2022 \$'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)	137,260	142,643
Co-operative Bulk Handling 99 year lease (ii)	6,405	6,488
Total non-current	143,665	149,131
Balance at end of period	149,131	154,597

(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.

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(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

	2023 \$'000	2022 \$'000
Current		
Accrued operational expenses (i)	151,704	116,811
Accrued interest	26,189	18,906
Accrued salaries	11,316	7,876
Trade payables	130,784	16,012
Other payables	3,179	3,001
Balance at end of period	323,172	162,606

(i) Included in payables is the Smartrider top up value inclusive of GST. Smartrider revenue is recognised when the PTA transfers control of the services to a customer for the amount to which the PTA expects to be entitled and GST payable at that point.

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 15-20 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	2023 \$'000	2022 \$'000
Current			
Workers' compensation	6.7.1	6,461	3,075
Contaminated sites	6.7.1	2,150	1,895
Total current		8,611	4,970
Non-current			
Contaminated sites	6.7.1	4,595	3,945
Total non-current		4,595	3,945
Balance at end of period		13,206	8,915

NOTES TO THE FINANCIAL STATEMENTS.

Provision for Workers' Compensation

Provision is made for all outstanding claims from periods before 1 July 1997 and any previous year's 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

	2023 \$'000	2022 \$'000
Movements in each class of provisions during the period, are set out below:		
Workers' compensation provisions		
Carrying amount at start of period	3,075	3,975
Additional provisions recognised	13,572	10,424
Payments/other sacrifices of economic benefit	(10,186)	(11,324)
Carrying amount at end of period	6,461	3,075
Contaminated sites provision		
Carrying amount at start of period	5,840	8,770
Additional provisions recognised	3,017	1,178
Payments/other sacrifices of economic benefit	(2,112)	(4,108)
Carrying amount at end of period	6,745	5,840

NOTES TO THE FINANCIAL STATEMENTS.

6.8 Capital grants liabilities

	2023 \$'000	2022 \$'000
Current	-	56,150
Total Capital grant liabilities	-	56,150
Reconciliation of changes in capital grant liabilities		
Opening balance at the beginning of the period	56,150	18,567
Additions	-	70,000
Income recognised in the reporting period	(56,150)	(32,417)
Closing balance at the end of period	-	56,150

The PTA capital grant liabilities relate to capital grants received from Western Australian Planning Commission (WAPC) for the delivery of the Yanchep Rail Extension and from Commonwealth Government for the delivery of the Platform and Signalling Upgrade Project. Income is recognised when the PTA achieves milestones specified in the capital grant agreement.

	2023 \$'000	2022 \$'000
Expected satisfaction of capital grant liabilities		
1 year	-	56,150
	-	56,150

6.9 Other current liabilities

	2023 \$'000	2022 \$'000
Payments held in suspense	18	23
Parental leave	13	5
Balance at end of period	31	28

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NOTES TO THE FINANCIAL STATEMENTS.

7 Financial assets and financial liabilities

	2023 \$'000	2022 \$'000
Derivative financial assets		
Derivatives designated as hedging instruments:		
Cash flow hedges		
Current foreign exchange forward contracts	56	-
Total instruments at fair value through OCI	56	-
Derivative financial liabilities		
Derivatives designated as hedging instruments:		
Cash flow hedges		
Current foreign exchange forward contracts	-	(366)
Total instruments at fair value through OCI	-	(366)

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.

4.0 Financial Statements

NOTES TO THE FINANCIAL STATEMENTS.

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
Capital commitments	8.5

8.1 Borrowings

	2023 \$'000	2022 \$'000
Current		
Western Australian Treasury Corporation Loans	225,882	215,896
Non-current		
Western Australian Treasury Corporation Loans	3,208,533	2,833,062
Balance at end of period	3,434,415	3,048,958

All loans payables are initially recognised at fair value, being the net proceeds received. Subsequent measurement is at amortised cost using the effective interest rate method.

The non-current loan from the Western Australian Treasury Corporation (WATC) includes Term floating rate lending of \$165 million (2022: \$155 million) that will become due and payable during the 2023-24 financial year. It is the PTA's expectation that these amounts will be refinanced under contractual arrangements in place with the WATC, rather than to be repaid. Therefore they are recognised as non-current borrowings. This is supported by:

- a master lending agreement with the WATC that allows the PTA to refinance all or any part of maturing debt at regular intervals; and
- the expected approval of the PTA's forecast borrowing requirements for the next four years, including no requirement for repayment of the amounts classified as non-current above, within the Western Australian State Budget.

8.2 Lease liabilities

	2023 \$'000	2022 \$'000
Current	7,224	6,126
Non-current	24,383	24,327
Total lease liabilities	31,607	30,453

NOTES TO THE FINANCIAL STATEMENTS.

Initial measurement

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 Australian 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 PTA 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

	2023 \$'000	2022 \$'000
Interest expense on Western Australian Treasury Corporation (WATC) borrowings	110,493	78,301
Lease interest expense	1,138	893
Finance costs expensed	111,631	79,194

'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 discounts or premiums relating 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*.

NOTES TO THE FINANCIAL STATEMENTS.

8.4 Cash and cash equivalents**8.4.1 Reconciliation of cash**

	2023 \$'000	2022 \$'000
Cash and cash equivalents	274,959	203,937
Restricted cash and cash equivalents	92,300	145,611
Balance at end of period	367,259	349,548

Restricted cash and cash equivalents

	2023 \$'000	2022 \$'000
Current		
Royalties for Regions Fund (i)	1,083	1,305
Parental leave	12	5
Commonwealth funds	8,369	3,196
METRONET account (iii)	32,710	137,037
Funding segregated for specific projects (iv)	45,106	2,268
	87,280	143,811
Non-current		
Accrued salaries suspense account (ii)	5,020	1,800

- (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 10.5 'The METRONET Account'.
- (iv) Funding segregated for specific projects mainly relates to Radio Systems Replacement project \$36.8M.

Financing facilities

The PTA has a working capital facility of \$60 million (2022: \$60 million) with the Western Australian Treasury Corporation.

	2023 \$'000	2022 \$'000
Amounts drawn from this facility at June 30	-	-

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.

NOTES TO THE FINANCIAL STATEMENTS.

8.4.2 Reconciliation of net cost of services to net cash flows used in operating activities

	Note	2023 \$'000	2022 \$'000
Net cost of services		(1,721,347)	(1,646,193)
Non-cash items:			
Depreciation and amortisation expense	5.1.1, 5.2, 5.3.1	477,564	455,745
Net loss/(gain) on disposal	4.7	49	30
Resources received	4.1	1,008	1,148
Net foreign exchange loss/(gain)		(12)	(9)
Receivables written off during the period		16	-
Expected credit losses expense	3.4	8	115
Income recognised from contract liability		(2,518)	743
Capitalised costs written off		-	6,292
Deferred lease income	4.3	(5,466)	(5,466)
(Increase)/decrease in assets:			
Receivables (i)		(12,294)	(8,706)
Inventories		(3,159)	(1,291)
GST receivables/(payments) (ii)		(10,208)	5,884
Increase/(decrease) in liabilities:			
Payables (i)		21,315	8,387
Current provisions		7,390	2,092
Other current liabilities		3	(14)
Non-current provisions		(264)	(1,728)
Net cash used in operating activities		(1,247,915)	(1,182,971)

(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.

8.5 Capital commitments

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

	2023 \$'000	2022 \$'000
Within 1 year	2,050,596	1,496,146
Later than 1 year and not later than 5 years	1,129,694	2,165,587
Later than 5 years	1,139,147	328,808
Balance at end of year	4,319,437	3,990,541

NOTES TO THE FINANCIAL STATEMENTS.

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) which is receivable from the State Government. 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 and finance leases (fixed interest rate).

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.

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NOTES TO THE FINANCIAL STATEMENTS.

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 currency giving rise to this risk is primarily Euro.

(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:

	2023 \$'000	2022 \$'000
Financial assets		
Cash and cash equivalents	274,959	203,937
Restricted cash and cash equivalents	92,300	145,611
Loans and receivables (i)	306,721	390,574
Foreign exchange forward contracts	56	-
Total financial assets	674,036	740,122
Financial liabilities		
Financial liabilities measured at amortised cost	3,789,225	3,298,195
Foreign exchange forward contracts	-	366
Total financial liabilities	3,789,225	3,298,561

(i) The amount of financial assets at amortised costs excludes GST recoverable from the ATO (statutory receivable).

(c) Foreign currency risk

	AUD equivalent Euro	
	2023 \$'000	2022 \$'000
Foreign currency forward contracts designated as hedging instruments	4,610	2,721

	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
2023						
Euro	4,610	-	-	4,610	-	-
	4,610	-	-	4,610	-	-
2022						
Euro	2,721	-	-	2,721	-	-
	2,721	-	-	2,721	-	-

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NOTES TO THE FINANCIAL STATEMENTS.

(d) Credit risk exposure

The following table details the credit risk exposure on the PTA's trade receivables using a provision matrix.

	Total \$'000	Days past due				
		Current \$'000	< 30 days \$'000	31-60 days \$'000	61-90 days \$'000	> 90 days \$'000
30 June 2023						
Expected credit loss rate		0.1%	0.0%	0.0%	0.0%	96.0%
Estimated total gross carrying at default	10,080	4,052	5,318	510	48	152
Expected credit losses	(147)	-	-	-	-	(147)
30 June 2022						
Expected credit loss rate		0%	0%	0.8%	2.6%	69.0%
Estimated total gross carrying at default	8,048	5,583	1,651	624	1	189
Expected credit losses	(139)	-	(2)	(5)	-	(132)

NOTES TO THE FINANCIAL STATEMENTS.

(e) Liquidity risk and Interest rate exposure

The following table details the PTAs 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														
Note	Weighted average effective interest rate	Interest rate exposure				Nominal amount \$'000	Maturity dates							
		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 to 1 year \$'000	3 months to 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000			
30 June 2023														
Financial Assets														
Cash and cash equivalents	8.4	274,959	-	-	274,959	274,959	-	-	-	-	-	-	-	-
Restricted cash and cash equivalents	8.4	92,300	-	33,240	59,060	92,300	-	-	-	-	-	-	-	-
Receivables (i)	6.1	19,598	-	-	19,598	19,598	-	-	-	-	-	-	-	-
Amounts receivable for services	6.2	287,123	-	-	287,123	287,123	-	-	43,446	79,180	112,968	49,157	-	-
		673,980	-	33,240	640,740	673,980	-	-	43,446	79,180	112,968	49,157	-	-
Financial Liabilities														
Payables	6.6	323,172	-	-	323,172	323,172	-	-	-	-	-	-	-	-
Lease liabilities (iii)	8.2	31,607	31,607	-	-	31,785	274	1,171	5,473	9,484	15,383	-	-	-
Other current liabilities	6.9	31	-	-	31	31	-	-	-	-	-	-	-	-
WATC borrowings (iv)	8.1	3,434,415	3,434,415	-	-	4,363,441	76,497	4,867	272,127	1,366,667	2,643,283	-	-	-
		3,789,225	3,466,022	-	323,203	4,718,429	399,974	6,038	277,600	1,376,151	2,658,666	-	-	-

- (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 \$30.0 million from leased land and buildings, and \$2.0 million from leased plant, equipment and vehicles.
- (iv) The principal repayment of the WATC loans is based on a 25 year repayment schedule.

NOTES TO THE FINANCIAL STATEMENTS.

(e) Liquidity risk and Interest rate exposure (continued)

Interest rate exposure and maturity analysis of financial assets and financial liabilities														
Note	Weighted average effective interest rate	Interest rate exposure				Nominal amount \$'000	Maturity dates							
		Carrying amount \$'000	Fixed interest rate \$'000	Variable interest rate (vi) \$'000	Non-interest bearing \$'000		Up to 1 month \$'000	1 to 3 months to 1 year \$'000	3 months to 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000			
30 June 2022														
Financial Assets														
Cash and cash equivalents	8.4	203,937	-	-	203,937	203,937	-	-	-	-	-	-	-	-
Restricted cash and cash equivalents	8.4	145,611	-	137,037	8,574	145,611	-	-	-	-	-	-	-	-
Receivables (v)	6.1	13,041	-	-	13,041	13,041	-	-	-	-	-	-	-	-
Amounts receivable for services	6.2	377,533	-	-	377,533	377,533	1,715	11,808	138,888	129,574	95,548	-	-	-
		740,122	-	137,037	603,085	740,122	364,304	11,808	138,888	129,574	95,548	-	-	-
Financial Liabilities														
Payables	6.6	162,606	-	-	162,606	162,606	-	-	-	-	-	-	-	-
Capital grants liabilities	6.8	56,150	-	-	56,150	56,150	4,679	9,358	42,113	-	-	-	-	-
Lease liabilities (vii)	8.2	30,453	30,453	-	-	35,944	606	1,190	5,106	13,804	15,238	-	-	-
Other current liabilities	6.9	28	-	-	28	28	-	-	-	-	-	-	-	-
WATC borrowings (viii)	8.1	3,048,958	3,048,958	-	-	3,652,306	70,471	1,745	236,058	1,178,455	2,165,577	-	-	-
		3,298,195	3,079,411	-	218,784	3,907,034	238,390	12,293	283,277	1,192,259	2,180,815	-	-	-

- (v) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).
- (vi) Variable interest rates represent the most recently determined rate applicable to the instrument at the end of reporting period.
- (vii) The carrying amount of lease liabilities includes \$28.5 million from leased land and buildings, and \$2.0 million from leased plant, equipment and vehicles.
- (viii) The principal repayment of the WATC loans is based on a 25 year repayment schedule.

NOTES TO THE FINANCIAL STATEMENTS.

(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
2023					
Financial Assets					
Restricted cash and cash equivalents (METRONET)	32,710	(327)	(327)	327	327
2022					
Financial Assets					
Restricted cash and cash equivalents (METRONET)	137,037	(1,370)	(1,370)	1,370	1,370

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 the best estimate.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

9.2.1 Contingent assets

There were no contingent assets as at 30 June 2023.

9.2.2 Contingent liabilities

The following contingent liabilities are excluded from the liabilities included in the financial statements:

(a) Litigation in progress

Three separate claims have been lodged by third parties with the Supreme Court in relation to taking orders for the acquisition of land for the construction of public transport infrastructure. The claims are scheduled to be heard at later dates. It is not possible to disclose the amount of the claims as it could compromise settlement negotiations.

In April 2022 PTA granted an indemnity to Perth Airport Pty Ltd for any loss or damage it suffers or incurs resulting from or caused by PTA breaching its obligations under the Airport Line Operating Agreement. 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 (refer to note 6.7 provision for contaminated sites).

During the year, one additional site owned by the PTA was reported to DWER and is awaiting classification. Two sites have been reclassified by DWER, as a result of investigation or remediation, to classifications which do not require further work while the current use is maintained. 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.

NOTES TO THE FINANCIAL STATEMENTS.

9.3 Fair value measurements

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Fair value at end of the period \$'000
2023					
Assets measured at fair value:					
Land	5.1	-	-	469,952	469,952
Buildings	5.1	-	-	36,345	36,345
Freight network infrastructure	5.1	-	-	2,116,976	2,116,976
Systems infrastructure	5.1	-	-	124,709	124,709
Rollingstock	5.1	-	517,742	46,104	563,846
Railway infrastructure	5.1	-	-	5,238,283	5,238,283
Bus infrastructure	5.1	-	-	498,791	498,791
Vessels	5.1	-	-	7,227	7,227
Buses	5.1	-	556,074	-	556,074
Non-current asset classified as held for sale	10.8	-	2,180	-	2,180
		-	1,075,996	8,538,387	9,614,383
2022					
Assets measured at fair value:					
Land	5.1	-	-	471,154	471,154
Buildings	5.1	-	-	32,506	32,506
Freight network infrastructure	5.1	-	-	1,889,889	1,889,889
Systems infrastructure	5.1	-	-	77,751	77,751
Rollingstock	5.1	-	574,781	29,865	604,646
Railway infrastructure	5.1	-	-	3,237,318	3,237,318
Bus infrastructure	5.1	-	-	442,210	442,210
Vessels	5.1	-	-	2,830	2,830
Buses	5.1	-	491,579	-	491,579
		-	1,066,360	6,183,523	7,249,883

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, 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.

Non-current assets held for sale have been measured at fair value less related selling expenses. Fair value is determined by reference to market evidence of sales price agreed upon by both parties in the form of a contract.

NOTES TO THE FINANCIAL STATEMENTS.

Fair value measurements using significant unobservable inputs (Level 3)

	Land	Buildings	Freight network infrastructure	Systems infrastructure	Rollingstock	Railway infrastructure	Bus infrastructure	Vessels
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023								
Fair value at start of period	471,154	32,506	1,889,889	77,751	29,865	3,237,318	442,210	2,830
Additions	-	-	-	327	-	-	59	-
Revaluation increments/(decrements) recognised in Other Comprehensive Income	(8,439)	7,027	374,459	8,572	-	628,314	60,988	2,248
Transfers	7,237	345	1,447	52,140	20,357	1,553,979	20,916	2,320
Disposals	-	-	-	-	-	-	-	-
Depreciation expense	-	(3,533)	(148,819)	(14,081)	(4,118)	(181,328)	(25,382)	(171)
Other	-	-	-	-	-	-	-	-
Fair value at end of period	469,952	36,345	2,116,976	124,709	46,104	5,238,283	498,791	7,227
2022								
Fair value at start of period	457,805	35,035	2,048,714	79,235	34,035	3,259,940	433,477	2,993
Additions	-	-	-	1,065	-	6,199	611	-
Revaluation increments/(decrements) recognised in Other Comprehensive Income	13,397	-	-	-	-	-	-	-
Transfers	(48)	964	8,635	12,346	-	121,235	25,448	-
Disposals	-	-	-	(60)	-	-	-	-
Depreciation expense	-	(3,493)	(167,460)	(14,835)	(4,170)	(150,056)	(17,326)	(163)
Other	-	-	-	-	-	-	-	-
Fair value at end of period	471,154	32,506	1,889,889	77,751	29,865	3,237,318	442,210	2,830

NOTES TO THE FINANCIAL STATEMENTS.

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 are 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 2022-23 year and recognised at 30 June 2023.

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 2023 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 2023 by taking up the latest contract pricing from current contract and relevant indices as a result of material change in the market prices.

Vessels have been revalued as at 30 June 2023 by independent valuation professional Rider Levett Bucknall.

Freight network infrastructure has been revalued as at 30 June 2023 by taking up the relevant indices as a result of material change in the market prices.

Railway infrastructure has been revalued as at 30 June 2023 by taking up the relevant indices as a result of material change in the market prices.

System infrastructure has been revalued as at 30 June 2023 by taking up the relevant indices as a result of material change in the market prices.

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.

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Land, buildings and infrastructure (Level 3 fair values)

Significant Level 3 unobservable inputs used by the PTA are derived and evaluated as follows:

Description	Fair value 2023 \$'000	Fair value 2022 \$'000	Valuation technique(s)	Unobservable inputs	Source
Freight network infrastructure	2,116,976	1,889,889	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	Internal asset management experts took up the relevant indices as a result of material change in the market prices in 2023
				Replacement cost per kilometre of rail	
				Replacement cost per cubic metre of ballast	
				Replacement cost per sleeper	
Land	469,952	471,154	Market approach	Selection of land with similar approximate utility	Western Australian Land Information Authority (Valuation Services)
Systems infrastructure	124,709	77,751	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	Internal asset management experts took up the relevant indices as a result of material change in the market prices in 2023
				Replacement cost per metre of cabling	
Railway infrastructure	5,238,283	3,237,318	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	Internal asset management experts took up the relevant indices as a result of material change in the market prices in 2023.
				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	
Buildings	36,345	32,506	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 2023
				Replacement cost per individual items	

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NOTES TO THE FINANCIAL STATEMENTS.

Land, buildings and infrastructure (Level 3 fair values)

Description	Fair value 2023 \$'000	Fair value 2022 \$'000	Valuation technique(s)	Unobservable inputs	Source
Bus infrastructure	498,791	442,210	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 2023
				Replacement cost per individual items	
Rollingstock	46,104	29,865	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
Vessels	7,227	2,830	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	Valuation reports supplied by independent valuation experts Rider Levett Bucknall in 2023

10 Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	10.1
Future impact of Australian standards issued not yet operative	10.2
Key management personnel	10.3
Related party transactions	10.4
Special purpose accounts	10.5
Remuneration of auditors	10.6
Act of Grace payments	10.7
Non-current assets classified as held for sale	10.8
Equity	10.9
Supplementary financial information	10.10
Explanatory statement (Controlled Operations)	10.11

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 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.

NOTES TO THE FINANCIAL STATEMENTS.

		Operative for reporting periods beginning on/after
AASB 2021-2	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 Jan 2023
	This Standard amends: (a) AASB 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements; (b) AASB 101, to require entities to disclose their material accounting policy information rather than their significant accounting policies; (c) AASB 108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates; (d) AASB 134, to identify material accounting policy information as a component of a complete set of financial statements; and (e) AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.	
	There is no financial impact.	
AASB 2022-7	Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards	1 Jan 2023
	This Standard makes editorial corrections to various Australian Accounting Standards and AASB Practice Statement 2 Making Materiality Judgements.	
	There is no financial impact.	
AASB 2022-8	Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments	1 Jan 2023
	This Standard amends: (a) AASB 1; (b) AASB 3; (c) AASB 5; (d) AASB 7; (e) AASB 9; (f) AASB 15; (g) AASB 17; (h) AASB 119; (i) AASB 132; (j) AASB 136; (k) AASB 137; (l) AASB 138; (m) AASB 1057; and (n) AASB 1058, to permit public sector entities to continue applying AASB 4 and AASB 1023 to annual periods beginning on or after 1 January 2023 but before 1 July 2026.	
	There is no financial impact.	
Operative for reporting periods beginning on/after 1 January 2024		
AASB 2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	1 Jan 2024
	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.	
AASB 2022-10	Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.	1 Jan 2024
	This Standard amends AASB 13 including adding authoritative implementation guidance and providing related illustrative examples, for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.	
	The PTA has not assessed the impact of the Standard.	
Operative for reporting periods beginning on/after 1 January 2025		
AASB 2022-9	Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector	1 Jan 2026
	This Standard amends AASB 17 and AASB 1050 to include modifications with respect to the application of AASB 17 by public sector entities.	
	This Standard also amends the following Standards to remove the temporary consequential amendments set out in AASB 2022-8 since AASB 4 and AASB 1023 do not apply to public sector entities for periods beginning on or after 1 July 2026: (a) AASB 1; (b) AASB 3; (c) AASB 5; (d) AASB 7; (e) AASB 9; (f) AASB 15; (g) AASB 119; (h) AASB 132; (i) AASB 136; (j) AASB 137; (k) AASB 138; (l) AASB 1057; and (m) AASB 1058	
	There is no financial impact.	
AASB 17	Insurance Contracts	1 July 2026
	This Standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. It was amended by AASB 2022-8 to take effect for Not-For-Profit insurance contracts from 1 July 2026.	
	The PTA has not assessed the impact of the Standard.	

NOTES TO THE FINANCIAL STATEMENTS.

10.3 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

	2023	2022
Compensation band (\$)		
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. 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

	2023	2022
Compensation band (\$)		
0-10,000	1	2
50,001-60,000	1	-
100,001-110,000	-	1
130,001-140,000	1	-
140,001-150,000	-	1
150,001-160,000	-	1
160,001-170,000	1	-
170,001-180,000	1	-
200,001-210,000	1	1
210,001-220,000	2	2
220,001-230,000	-	3
230,001-240,000	2	-
240,001-250,000	2	1
250,001-260,000	1	-
260,001-270,000	-	1
270,001-280,000	1	1
280,001-290,000	-	1
370,001-380,000	1	1
	15	16

	2023 \$'000	2022 \$'000
Short-term employee benefits	2,437	2,339
Post-employment benefits	258	282
Other long-term benefits	358	313
Termination benefits	-	248
Total compensation of senior officers	3,053	3,182

Total compensation includes the superannuation expense incurred by the PTA in respect of senior officers.

NOTES TO THE FINANCIAL STATEMENTS.

10.4 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 (Note 4.1);
- Capital appropriations (Note 10.9);
- Royalties for Regions Funding (Note 4.1 & Note 10.9);
- Transfer of assets to and from Main Roads WA (Note 10.9);
- Transfer of assets to and from Venueswest (Note 10.9);
- Income from the Department of Education (DoE) for transport assistance programs (Note 4.1);
- Income from the Department of Transport for the Perth Central Area Transit (CAT) bus service (Note 4.1 & Note 4.6);
- Income from Main Roads WA for infrastructure projects (Note 4.1);
- Income from Development WA for infrastructure projects (Note 4.1);
- Income from Water Corporation for infrastructure projects (Note 4.1);
- Income from Queen Elizabeth II Medical Centre (QEII/MC) for the shuttle bus service (Note 4.2);
- Income from Department of Treasury for Strategy to Transition to E-Buses (Note 4.1)
- Income from Tourism Western Australia for shuttle services provided (Note 4.2)
- Income from Venueswest for shuttle services provided (Note 4.2)
- Lease rentals payments for fleet leasing to the Department of Finance (Note 8.2 & Note 8.3);
- Insurance payments to the Insurance Commission of Western Australia (Note 3.3 & Note 3.4)
- Payments to Main Roads WA for infrastructure projects (Note 3.2 & Note 3.3);
- Payment to Western Power for infrastructure project (Note 3.3)
- Payments to Electricity Generation and Retail Corporation (Synergy) for the supply of electricity mainly railcars (Energy & Fuel and Note 3.3)
- Drawdown and repayment of loans with the Western Australian Treasury Corporation for the purposes of funding the Asset Investment Program (Note 8.1 & Note 8.3);
- 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 to the State Solicitor's Officer for legal services (Note 3.3);
- 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 the Economic Regulation Authority for electricity networks access (Note 3.3);
- Contribution for the support and maintenance of events through School Leavers campaign to the 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);
- Payment to the Commissioner of State Revenue for parking licence fee (Note 3.3);
- Remuneration for services provided by the Auditor General (Note 10.6).

Material transactions with related parties

- Superannuation payments to GESB (Note 3.1(a))

NOTES TO THE FINANCIAL STATEMENTS.

10.5 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).

	2023 \$'000	2022 \$'000
Balance at start of period	137,037	431,108
Receipts – Contribution from State Government (incl provisional funding)	593,472	461,350
Receipts – Contribution from Commonwealth Government (incl provisional funding)	642,696	147,500
Receipts – Other government agencies	157,370	96,109
Proceeds from Land Sales	1,727	1,546
Interest received	72	357
Proceeds from Borrowings	338,354	-
Payments	(1,838,018)	(1,000,933)
Balance at end of period	32,710	137,037

10.6 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2023 \$'000	2022 \$'000
Auditing the accounts, financial statements, controls and key performance indicators	278	267

10.7 Act of Grace payments

	2023 \$'000	2022 \$'000
45 Act of Grace payments was made pursuant to authorisations given under Section 80(1) of the Financial Management Act 2006. (2022: 135)	450	675

10.8 Non-current assets classified as assets held for sale

	2023 \$'000	2022 \$'000
Opening balance	-	-
Assets reclassified as held for sale	2,180	236
Total assets classified as held for sale	2,180	236
Less assets sold	-	(236)
Closing balance	2,180	-

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.

In 2023, the Minister has endorsed the sale of land at High Wycombe (16 parcels) to Development WA to enable the delivery of the METRONET East High Wycombe precinct. These land were reclassified to land held for sale at a net realisable value of \$2.18m as at 30 June 2023.

4.0 Financial Statements

NOTES TO THE FINANCIAL STATEMENTS.

10.9 Equity

	2023 \$'000	2022 \$'000
Contributed equity		
Balance at start of period	6,897,212	6,298,019
Contribution by owners		
Capital appropriations	1,412,332	590,275
Other contributions by owners		
Royalties for Regions Fund – Regional Infrastructure and Headworks Account	-	4,760
Transfer of net assets from other agencies:		
Main Roads WA	-	9,191
Development WA	-	-
Total contribution by owners	1,412,332	604,226
Distribution to owners		
Transfer of net assets to other agencies		
Venueswest	(2,249)	-
Main Roads WA	(246)	(5,033)
Total distributions to owners	(2,495)	(5,033)
Balance at end of period	8,307,049	6,897,212
Reserves		
Asset Revaluation Reserve		
Balance at start of period	4,845,597	4,832,243
Net revaluation increments/(decrements):		
System Infrastructure	8,572	-
Buildings	7,027	-
Buses	45,878	-
Railway Infrastructure	628,314	-
Freight Network Infrastructure	374,459	-
Land	(8,439)	13,397
Bus Infrastructure	60,988	-
Vessels	2,248	-
	1,119,047	13,397
Hedge Reserve		
Currency forward contracts	87	(43)
	87	(43)
Balance at end of period	5,964,731	4,845,597

4.0 Financial Statements

NOTES TO THE FINANCIAL STATEMENTS.

10.10 Supplementary financial information

(a) Write-offs

During the financial year \$197,964 (2022: \$71,420) was written off the PTA's asset register under the authority of:

	2023 \$'000	2022 \$'000
The accountable authority	198	71

During the financial year \$16,097 (2022: \$4,967) of bad debts were written off under the authority of:

	2023 \$'000	2022 \$'000
The accountable authority	16	5

(b) Losses through theft, defaults and other causes

	2023 \$'000	2022 \$'000
Loss of public moneys and public and other property through theft or default	-	18

10.11 Explanatory statement (Controlled Operations)

This explanatory section explains variations in the financial performance of the PTA undertaking transactions under its own control, as presented by the primary financial statement.

All variances between annual estimates (original budget) and actual results for 2023, and between the actual results for 2023 and 2022 are shown below. Narratives are provided for key major variances which vary more than 10% from their comparative and that the variation is more than 1% of the following variance analyses for the:

- Estimate and actual results for the current year
 - Total Cost of Services of the estimate for the Statement of comprehensive income and Statement of cash flows; and
 - Total Assets of the estimate for the Statement of financial position.
- Actual results for the current year and the prior year actual
 - Total Cost of Services for the previous year for the Statements of comprehensive income and Statement of cash flows; and
 - Total Assets for the previous year for the Statement of financial position.

4.0 Financial Statements

NOTES TO THE FINANCIAL STATEMENTS.

10.11.1 Statement of comprehensive income variances

	Variance Note	Estimate 2023 \$'000	Actual 2023 \$'000	Actual 2022 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2023 and 2022 \$'000
Expenses						
Employee benefits expenses	A	268,513	257,511	231,628	(11,002)	25,883
Supplies and services	1	383,987	441,797	464,905	57,810	(23,108)
Depreciation and amortisation expenses		509,050	477,564	455,745	(31,486)	21,819
Finance costs	2, B	86,133	111,631	79,194	25,498	32,437
Grants and subsidies		556,088	607,183	564,253	51,095	42,930
Energy and fuel		38,108	33,371	31,338	(4,737)	2,033
Other expenses		36,771	33,667	29,242	(3,104)	4,425
Total cost of services		1,878,650	1,962,724	1,856,305	84,074	106,419
Income						
Revenue						
User charges and fees	C	159,931	173,200	142,264	13,269	30,936
Operating lease revenue		5,466	5,466	5,466	-	-
Commonwealth grants and contributions		3,000	8,282	14,830	5,282	(6,548)
Interest revenue		-	68	372	68	(304)
Gain on disposal of non-current assets		-	(49)	(30)	(49)	(19)
Other income		71,566	54,410	47,210	(17,156)	7,200
Total revenue		239,963	241,377	210,112	1,414	31,265
Total income other than income from State Government		239,963	241,377	210,112	1,414	31,265
Net cost of services		1,638,687	1,721,347	1,646,193	82,660	75,154
Income from State Government						
Operating subsidy contributions	D	1,023,837	1,110,355	1,003,812	86,518	106,543
Income from other public sector entities	E	322,756	294,735	181,235	(28,021)	113,500
Resources received		-	1,008	1,148	1,008	(140)
Royalties for Regions Fund		79,935	79,942	79,940	7	2
Total income from State Government		1,426,528	1,486,040	1,266,135	59,512	219,905
Deficit for the period		(212,159)	(235,307)	(380,058)	(23,148)	144,751
Other comprehensive income						
Changes in asset revaluation surplus		-	1,119,047	13,397	1,119,047	1,105,650
Changes in hedge reserve		-	87	(43)	87	130
Total other comprehensive income		-	1,119,134	13,354	1,119,134	1,105,650
Total comprehensive income/(loss) for the period		(212,159)	883,827	(366,704)	1,095,986	1,250,531

Refer to note 'Schedule of income and expenses by services'.

4.0 Financial Statements

NOTES TO THE FINANCIAL STATEMENTS.

Major Estimate and Actual (2023) Variance Narratives

- Supplies and services higher than estimated by \$57.8 million (15.1%) mainly due to increased external work expense on the Yanchep Rail Extension project funded by WAPC.
- Finance costs higher than estimated by \$25.5 million (29.6%) due to increased cost of borrowings resulting from interest rate rise and additional borrowings to meet capital works commitments in 2022-23.

Major Actual (2023) and Comparative (2022) Variance Narratives

- Employee benefits expenses increased by \$25.9 million (11.2%) mainly due to the renewal of various employment agreements and the one off cost of living payment of \$3,000 paid to each employees. Further to that, additional staffing were also engaged to operate the Airport Line from 9th October 2022.
- Finance costs increased by \$32.4 million (41.0%) due to increased cost of borrowings resulting from interest rate rise and additional borrowings to meet capital works commitments in 2022-23.
- User charges and fee increased by \$30.9 million (21.7%) mainly due to increase of patronage and the introduction of Airport Line in October 2022.
- Operating subsidy contributions increased by \$106.5 million (10.6%) mainly due to higher contract and labour costs, higher finance costs, one-off contributions to other government agencies for METRONET projects and Airport Line operating costs.
- Income from other public sector entities increased by \$113.5 million (62.6%) mainly due to increase works on the Yanchep Rail Extension project funded by WAPC and recoup from Main Roads WA on various capital projects.

4.0 Financial Statements

NOTES TO THE FINANCIAL STATEMENTS.

10.11.2 Statement of financial position variances

	Variance Note	Estimate 2023 \$'000	Actual 2023 \$'000	Actual 2022 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2023 and 2022 \$'000
Assets						
Current Assets						
Cash and cash equivalents		67,058	274,959	203,937	207,901	71,022
Restricted cash and cash equivalents		177,182	87,280	143,811	(89,902)	(56,531)
Inventories		23,832	28,282	25,124	4,450	3,158
Receivables		41,625	59,466	42,377	17,841	17,089
Other current assets		14,607	39,520	20,651	24,913	18,869
Amounts receivable for services		43,370	124,998	152,411	81,628	(27,413)
Non-current assets classified as held for sale		-	2,180	-	2,180	2,180
Derivative financial instruments		-	56	-	56	56
Total Current Assets		367,674	616,741	588,311	249,067	28,430
Non-Current Assets						
Restricted cash and cash equivalents		1,562	5,020	1,800	3,458	3,220
Amounts receivable for services		181,752	162,125	225,122	(19,627)	(62,997)
Infrastructure, property, plant, equipment and vehicles	A	12,971,037	13,872,925	11,056,647	901,888	2,816,278
Right-of-use assets		26,410	31,197	30,288	4,787	909
Intangibles		18,592	11,931	10,937	(6,661)	994
Total Non-Current Assets		13,199,353	14,083,198	11,324,794	883,845	2,758,404
Total Assets		13,567,027	14,699,939	11,913,105	1,132,912	2,786,834
Liabilities						
Current Liabilities						
Payables		154,474	323,172	162,606	168,698	160,566
Borrowings		186,576	225,882	215,896	39,306	9,986
Lease liabilities		5,895	7,224	6,126	1,329	1,098
Employee related provisions		47,191	54,611	50,916	7,420	3,695
Other provisions		2,501	8,611	4,970	6,110	3,641
Capital grant liabilities		1,947	-	56,150	(1,947)	(56,150)
Other current liabilities		-	31	28	31	3
Deferred income operating lease		5,466	5,466	5,466	-	-
Derivative financial instruments		332	-	366	(332)	(366)
Total Current Liabilities		404,382	624,997	502,524	220,615	122,473
Non-Current Liabilities						
Borrowings	B	3,080,485	3,208,533	2,833,062	128,048	375,471
Lease liabilities		20,736	24,383	24,327	3,647	56
Employee related provisions		11,735	11,342	12,203	(393)	(861)
Other provisions		6,269	4,595	3,945	(1,674)	650
Deferred income operating lease		143,665	143,665	149,131	-	(5,466)
Total Non-Current Liabilities		3,262,890	3,392,518	3,022,668	129,628	369,850
Total Liabilities		3,667,272	4,017,515	3,525,192	350,243	492,323
Net Assets		9,899,755	10,682,424	8,387,913	782,669	2,294,511
Equity						
Contributed equity		8,574,579	8,307,049	6,897,212	(267,530)	1,409,837
Reserves		4,832,244	5,964,731	4,845,597	1,132,487	1,119,134
Accumulated deficit		(3,507,068)	(3,589,356)	(3,354,896)	(82,288)	(234,460)
Total Equity		9,899,755	10,682,424	8,387,913	782,669	2,294,511

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

4.0 Financial Statements

NOTES TO THE FINANCIAL STATEMENTS.

Major Estimate and Actual (2023) Variance Narratives

Nil

Major Actual (2023) and Comparative (2022) Variance Narratives

- A. Infrastructure, property, plant, equipment and vehicles increased by \$2.8 billion (25.5%) mainly due to increased investment into the METRONET projects and increase in asset value as a result of asset revaluation in 2022-23.
- B. Borrowings increased by \$375.5 million (13.3%) due to additional borrowings in 2022-23 to meet the capital project commitments.

4.0 Financial Statements

NOTES TO THE FINANCIAL STATEMENTS.

10.11.3 Statement of cash flows variances

	Variance Note	Estimate 2023 \$'000	Actual 2023 \$'000	Actual 2022 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2023 and 2022 \$'000
Cash flows from State Government						
Operating subsidy contributions		1,023,837	1,110,355	1,003,812	86,518	106,543
Capital appropriations	A	1,565,829	1,412,332	590,275	(153,497)	822,057
Funds from other public sector entities	1	326,534	240,066	215,811	(86,468)	24,255
Royalties for Regions Fund		90,186	79,942	84,700	(10,244)	(4,758)
Holding account drawdown	2	152,411	90,410	106,737	(62,001)	(16,327)
Net cash provided by State Government		3,158,797	2,933,105	2,001,335	(225,692)	931,770
Cash flows from operating activities						
Payments						
Employee benefits		(268,905)	(251,997)	(226,118)	16,908	(25,879)
Supplies and services		(421,340)	(491,013)	(500,077)	(69,673)	9,064
Finance costs		(86,125)	(104,269)	(76,502)	(18,144)	(27,767)
Grants and subsidies		(556,088)	(606,598)	(563,600)	(50,510)	(42,998)
Receipts paid into consolidated account		(4,420)	(3,523)	(3,218)	897	(305)
GST payments on purchases		(251,123)	(308,306)	(232,120)	(57,183)	(76,186)
Other payments		(32,714)	(27,000)	(26,620)	5,714	(380)
Receipts						
User charges and fees		154,666	177,120	142,792	22,454	34,328
Commonwealth grants and contributions		3,000	5,764	14,087	2,764	(8,323)
Interest received		-	169	441	169	(272)
GST receipts on sales		30,409	46,962	36,533	16,553	10,429
GST receipts from taxation authority		220,714	261,044	202,686	40,330	58,358
Other receipts	3	72,661	53,732	48,745	(18,929)	4,987
Net cash used in operating activities		(1,139,265)	(1,247,915)	(1,182,971)	(108,650)	(64,944)
Cash flows from investing activities						
Payments						
Purchase of non-current assets	4	(2,328,111)	(2,045,484)	(1,282,794)	282,627	(762,690)
Receipts						
Proceeds from sale of non-current assets		-	204	552	204	(348)
Net cash used in investing activities		(2,328,111)	(2,045,280)	(1,282,242)	282,831	(763,038)
Cash flows from financing activities						
Payments						
Repayments of borrowings	5	(333,855)	(412,429)	(570,400)	(78,574)	157,971
Principal elements of lease payments		(4,889)	(7,656)	(4,333)	(2,767)	(3,323)
Other repayments		(17,500)	-	-	17,500	-
Receipts						
Proceeds from borrowings	6	551,958	797,886	733,632	245,928	64,254
Net cash provided by financing activities		195,714	377,801	158,899	182,087	218,902
Net increase/(decrease) in cash and cash equivalents		(112,865)	17,711	(304,979)	130,576	322,690
Cash and cash equivalents at the beginning of the period		358,667	349,548	654,527	(9,119)	(304,979)
Cash and cash equivalents at the end of the period		245,802	367,259	349,548	121,457	17,711

(including current and non-current restricted cash and cash equivalents)

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

4.0 Financial Statements

NOTES TO THE FINANCIAL STATEMENTS.

Major Estimate and Actual (2023) Variance Narratives

- Funds from other public sector entities lower than estimated by \$86.5 million (26.5%) mainly due to funding received in advance in 2021-22 from WAPC for the Yanchep Rail Extension project.
- Holding account drawdown lower than estimated by \$62.0 million (40.7%) mainly due to deferral of Radio system replacement project, Rail infrastructure program and the Smartrider system asset replacement program.
- Other receipts lower than estimated by \$18.9 million (26.1%) mainly due to lower than expected cash received from external works.
- Purchase of non-current assets lower than estimated by \$282.6 million (12.1%) mainly due to deferral of capital projects.
- Repayments of borrowings higher than estimated by \$78.6 million (23.5%) mainly due to the renewal of medium term borrowings.
- Proceeds from borrowings higher than estimated by \$245.9 million (44.6%) mainly due to increased borrowings to fund the PTA Assets Investment Program and the renewal of medium term borrowings.

Major Actual (2023) and Comparative (2022) Variance Narratives

A. Capital appropriations increased by \$822.1 million (139.3%) due to increased activities in the METRONET projects.

GLOSSARY OF TERMS.

ACR	Annual corridor report
ASL	Acceptable service level (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).
AVM	Add value machine
BFR	Bunbury faster rail project
BRE	Byford rail extension
CaLD	Culturally and linguistically diverse
CAT	Central area transit
Category A	Accident or incident that has, or could have caused significant property damage, serious injury or death.
Category B	Incident that may have the potential to cause a serious accident or incident.
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
CSAC	Customer Strategy and Communications (PTA division)
DAIP	Disability Access and Inclusion Plan
DDA	Disability Discrimination Act
DER	Department of Environmental Regulation
DMU	Diesel multiple unit
DoE	Department of Education
DoT	Department of Transport
DPI	Department of Planning and Infrastructure
DSAPT	Disability Standards for Accessible Public Transport
DSMS	Dynamic Stand Management System
ECM	Evergreen contract model
EDRMS	Electronic document records management system
EGR	Eastern Goldfields Railway
EMS	Environmental Management Systems
EMU	Electric multiple unit
EWP	Elevated Work Platform
ES	Education Support
ESC	Education Support Centre
EV	Electric vehicle
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
IMOS	Information Management and Operational Systems (PTA division)

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
LXR	Level crossing removal
MEL	Morley-Ellenbrook Line
MRWA	Main Roads WA
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
ONRSR	Office of the National Rail Safety Regulator
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)
PPD	PTA Project Delivery (PTA Division)
PPTA	Perth Public Transport Area
PSA	Property Street Addresses
PSM	Passenger Satisfaction Monitor
PSUP	Platform and Signalling Upgrade Program
PTC	Public Transport Centre
PTOCC	Public Transport Operations Control Centre
RAP	Reconciliation Action Plan
RRV	Road rail vehicle
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
TCL	Thornlie-Cockburn Link
TTO	Transperth Train Operations (PTA division)
WAGRC	Western Australian Government Railways Commission (PTA predecessor)
YRE	Yanchep rail extension



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