



Department of  
Transport



# ANNUAL REPORT

2018-19

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# OUR PURPOSE

We plan and deliver transport solutions for the prosperity of Western Australians.

# OUR OUTCOMES

Positive Customer Experience  
Safe and Effective Transport  
Contemporary Transport Solutions  
Identity Management

# OUR VALUES

## **Clear Direction**

We set clear direction and have the courage to follow through.

## **Fresh Thinking**

We welcome fresh thinking and better ways of working.

## **Excellent Service**

We work together to deliver excellent service.

## **Great People**

We make things happen through our great people.

# STATEMENT OF COMPLIANCE WITH THE *FINANCIAL MANAGEMENT ACT 2006*

## **For the year ended 30 June 2019**

To the Minister  
Hon. Rita Saffioti MLA  
Minister for Transport

In accordance with Section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament the Annual Report of the Department of Transport (DoT) for the financial year ended 30 June 2019.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006* and fulfils DoT's reporting obligations under the *Public Sector Management Act 1994*, the *Disability Services Act 1993* and the *Electoral Act 1907*.



**Richard Sellers**  
Director General – Transport



# OVERVIEW



# DIRECTOR GENERAL'S FOREWORD

## I am pleased to present the Department of Transport's (DoT) Annual Report 2018-19.

Underpinning the achievements detailed in this report and those of the Department into the future is our work with our Portfolio partners, the Public Transport Authority (PTA) and Main Roads Western Australia (Main Roads), to plan and deliver transport solutions for the prosperity of our State.

Together, we have made excellent headway on a number of key priorities in 2018-19, ranging from smaller policy, process and customer service improvements to large scale transformational infrastructure, industry reform and service delivery projects – all delivering huge benefits for the community.

Record State and Federal Government investment in critical road and rail infrastructure across WA during 2018-19, reaffirmed the significance of the projects we deliver and the importance of continuing to work together as a Portfolio and across government.

Collaboration across the Portfolio partners was boosted in July 2018 when the Portfolio Strategic Projects Office was established. The Office draws expertise from across Portfolio agencies and focuses on progressing strategic programs, including the Public Transport Cost and Demand Optimisation program which aims to increase patronage to maximise the value of the State Government's METRONET capital investment.

METRONET is a transformational transport and land use planning project and this integrated government approach will deliver a well-connected Perth to create communities with a sense of belonging and support economic growth.

In February 2019, Stage 1 of the on-demand transport reform was successfully introduced

marking the most comprehensive overhaul of the industry in the State's history and representing a new era for passengers and operators through improved services, better safety standards and ultimately, fairer costs.

The Westport Taskforce, which is responsible for producing a plan to guide the State Government on the long-term development of Perth's freight network, completed Stage 1 of its process by releasing the progress report, *Westport: What we have found so far*, in December 2018.

DoT also released the draft *Revitalising Agricultural Region Freight Strategy* in early June to plan for WA's growing freight challenge and improve agricultural freight efficiencies and productivity. DoT continues to work collaboratively with the Department of Primary Industries and Regional Development to ensure the strategy delivers stronger regional economies.

During this reporting period, more than \$2 million of funding was invested in recreational boating infrastructure projects across the State under the Recreational Boating Facilities Scheme. These projects add to the amenity of communities close to WA's waterways. In addition, over \$1 million in Coastal Adaptation and Protection grant funding was allocated to help to preserve and sustainably manage our coastline.

The first phase of the \$12.3 million Jetty Road causeway redevelopment at Casuarina Boat Harbour was completed as part of the Transforming Bunbury's Waterfront project. This aims to create vibrant shorelines and provide infrastructure to stimulate tourism and the local economy. DoT will award contracts for the second stage of the redevelopment in early 2019-20, generating local jobs and opportunities in the building and construction industry.

Regional aviation projects also received close to \$7.4 million in Regional Airports Development Scheme funding. The \$13.2 million Geraldton Regional Airport runway renewal was one of 18 projects completed around the State in 2018-19.

With the affordability of regional airfares recognised as a key issue for State Government and the community, DoT established the WA Regional Aviation Taskforce in November 2018. This Taskforce oversees the progress in addressing the recommendations from the Parliamentary Inquiry into Regional Airfares in WA, including the review of the State Aviation Strategy.

In another boost for our regions, DoT worked with local government authorities around the State to complete the first four Regional 2050 Cycling Strategies, which provide a clear vision for cycling infrastructure development to benefit the local communities and visitors to these regions. DoT is also working closely with metropolitan local government authorities to develop the Long-Term Cycle Network for Perth and Peel. These strategies will guide future funding allocations through both the Regional and Perth Network Grants Programs. In 2018-19 more than \$4 million was invested to design, build and activate local cycling infrastructure in WA.

DoT continued to embrace technology and new ways of working to improve customer convenience and safety. The Learn&Log app was launched to make it easier for learner drivers to record and submit the required minimum 50 hours of supervised driving. DoTDirect reached over 485,000 registrations at the end of this reporting period.

We are always passionate about transforming the way government services are delivered and this has been reinforced with the \$6.9 million ServiceWA pilot in Bunbury which will provide a single point of contact for 85 everyday services currently delivered across five agencies.

I am incredibly proud of what the innovative and dedicated teams at DoT and the wider Transport Portfolio have achieved for our customers and the community in 2018-19. I thank them for their hard work and contribution.

Further examples of how the Transport Portfolio is working together to achieve our outcomes are highlighted in the *2018-19 Connecting People and Places* publication.

*Connecting People and Places* also provides an overview of the Transport Portfolio's operations and the objectives, trends and influences guiding our work.

As Director General, it is a privilege to lead Transport Portfolio, and have the opportunity to showcase some of our achievements over the past 12 months.

I look forward to what I'm sure will be another productive year for transport in WA in 2019-20.



**Richard Sellers**  
Director General – Transport

*In 2018-19 more than \$4 million was invested to design, build and activate local cycling infrastructure in WA.*

# HIGHLIGHTS

## \$4.4 million

ICT systems delivered to enable on-demand transport reforms.

DoT and Main Roads Customer Contact Centres brought together to provide holistic customer services across the Transport Portfolio.

Growth in digital services recognised with Institute of Public Administration Australia WA Achievement Award for

## Best Practice

in Digital Transformation.

**Phase 1 redevelopment of Jetty Road causeway completed as part of the Transforming Bunbury's Waterfront project.**

**Portfolio Strategic Projects Office established to facilitate stronger collaboration between the Portfolio partners on targeted, strategic priorities.**

## \$4 million

invested in 38 cycling projects around the State, with more than 19 kilometres of shared path constructed to deliver safe and connected cycling networks.



Stage 1 of on-demand transport reforms successfully introduced improving safety, choice and competition.



DoT's Remote Services Team visited more than 60 communities around the State, improving access to services and breaking down barriers to obtaining a driver's licence.

---

**State-of-the-art Success Service Centre**  
opened to meet growing demand in Perth's south.

...  
Practical Driving Assessment availability  
**increased by more than 20% at Kelmescott**  
Service Centre under innovative trial.

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## Record 20%

of freight containers moved by rail, helping to  
reduce congestion and improve safety.

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## \$7.4 million

invested in regional airports to improve  
infrastructure, services and safety.

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## Revitalising Agricultural Region Freight Strategy released for public comment.

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**CCTV introduced at boating  
hotspots on the Swan River to  
reduce risky boating behaviour.**

METRONET's Aboriginal Engagement  
Strategy, Gnarla-Biddi – Our Pathways –  
accepted by the Whadjuk and  
Gnaala Karla Booja Working Parties.

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Stage 1 of Westport process successfully  
completed to develop long-term freight  
strategy for WA.

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Surrey Road safe active street completed  
in the City of Belmont, making it easier  
and safer to ride for local trips to school,  
the shops or the park.

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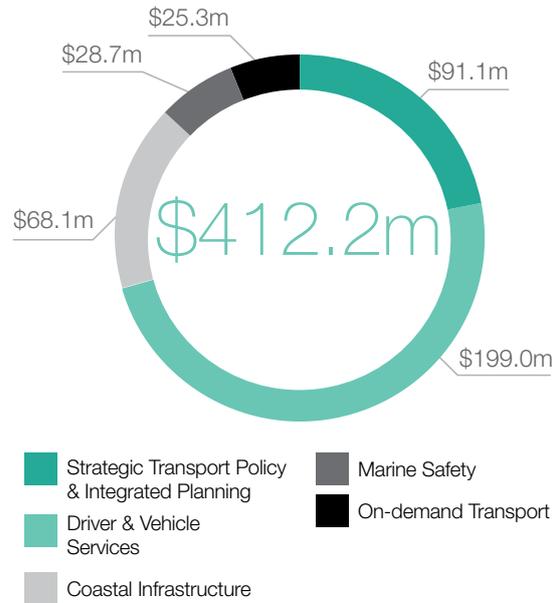
# FINANCIAL SUMMARY

DoT provides services to numerous stakeholders, clients and customers, aggregated into the following high-level service categories:

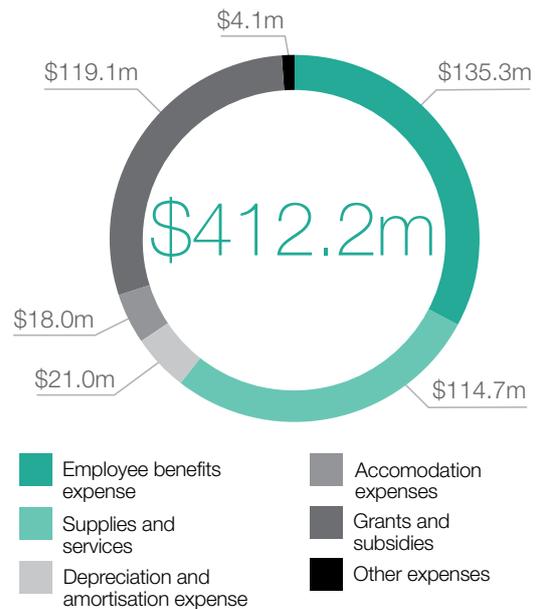
- Strategic Transport Policy and Integrated Planning;
- Driver and Vehicle Services
- Coastal Infrastructure;
- Marine Safety; and
- On-demand Transport.

Gross expenses in 2018-19 totalled \$412.2 million. The following charts illustrate gross expenses by services and expense categories.

**Operating Expenses by Services – \$412.2 million**



**Operating Expenses by Category – \$412.2 million**



DoT generates income from operating activities primarily in the areas of driver and vehicle services, management of coastal facilities, marine safety, parking levies in the Perth Central Business District and regulation of on-demand transport. The following chart illustrates operating income by high-level categories.

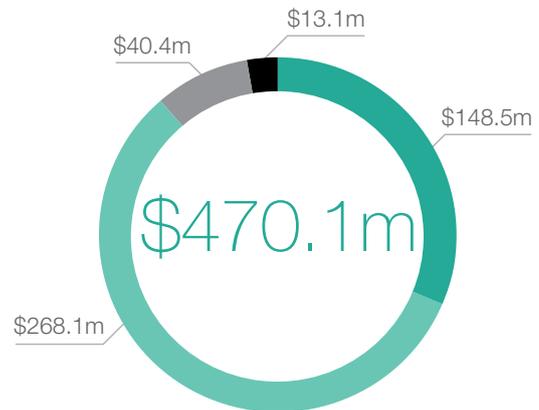
### Operating Income by Category – \$339.6 million



- User charges and fees
- Interest revenue
- Sales
- Other revenue
- Grants and contributions

DoT managed a diverse physical asset base totalling \$470.1 million to deliver its services. The chart below shows the distribution by asset class.

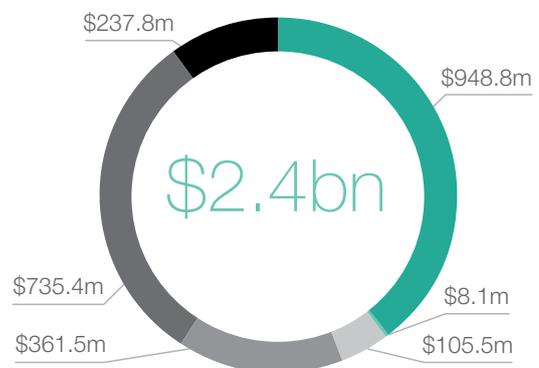
### Assets Under Management – \$470.1 million



- Property, plant & equipment
- Infrastructure
- Intangible assets
- Other revenue

DoT also administers functions where the revenue is taken directly to the Consolidated Account or to other Government agencies. Total administered revenue from these functions totalled \$2.4 billion in 2018-19, as illustrated below.

### Administered Revenue – \$2.4 billion



- Motor vehicle registrations
- Stamp duty
- Plate and transfer infringements
- Third party motor vehicle insurance premiums
- Speed and red light infringement fines
- Other

# OPERATIONAL STRUCTURE

## The Transport Portfolio

DoT is part of the State Government's Transport Portfolio and takes a lead role integrating and enhancing coordination of the State's transport operations, regulatory functions and planning and policy development processes.

Throughout 2018-19, Richard Sellers concurrently held the positions of Director General Transport, Chief Executive Officer of PTA and Commissioner of Main Roads.

The structure of the Transport Portfolio is outlined on page 15.

## The Department of Transport

DoT delivers its specialist transport services and strategic transport planning and policy services through 12 Directorates, overseen by the Managing Director.

The core functions of each Directorate and are outlined in the organisational chart on page 16.

## Changes to the Department

### Portfolio Strategic Projects Office established

The Portfolio Strategic Projects Office was established on 1 July 2018 to facilitate stronger collaboration between DoT, PTA and Main Roads on targeted, strategic priorities selected by the Transport Portfolio Governance Council.

### Managing Director role established

On 1 July 2018, DoT's Policy Planning and Investment and Transport Services divisions were brought together under a newly established Managing Director role as part of an agency-wide realignment.

The establishment of a single Managing Director for DoT with oversight of all policy, planning, investment and operational directorates and business units ensures a holistic approach to the planning and delivery of transport solutions. The change, endorsed by the Transport Portfolio Governance Council, also brought DoT's structure in line with PTA and Main Roads, enhancing collaboration between the Portfolio partners.

### New Freight Ports Aviation & Reform and Urban Mobility Directorates established

Two new directorates – Freight, Ports, Aviation and Reform and Urban Mobility – came into effect on 1 March 2019.

The new directorates, established as part of DoT's agency-wide realignment, brought together the former Freight and Ports, Integrated Transport Planning, and Transport Strategy and Reform directorates and reflect the way in which DoT's specialised teams of policy, planning and behaviour change professionals have evolved in recent years.

The directorates continue to work with internal and external stakeholders to ensure the safe and efficient movement of people and freight.

## Enabling Legislation

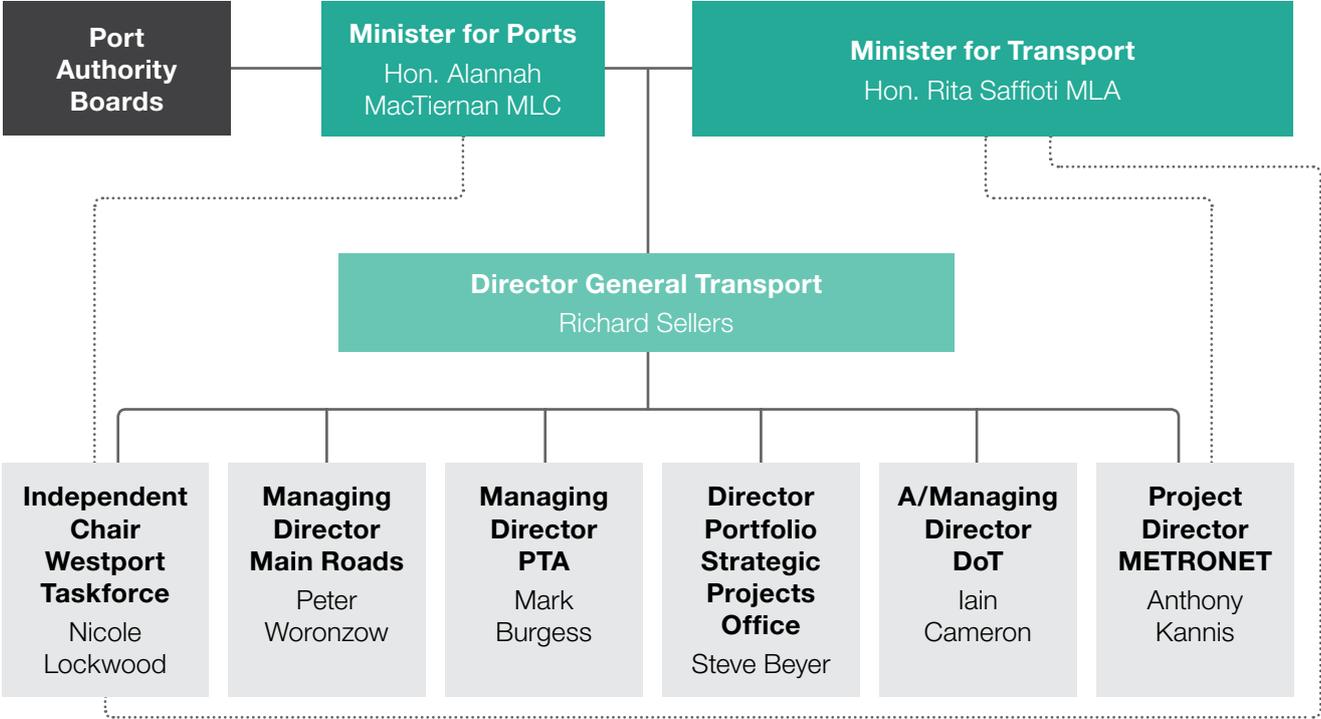
DoT was established on 1 July 2009, under the *Public Sector Management Act 1994*.

## Responsible Ministers

Hon Rita Saffioti MLA, Minister for Transport

Hon Alannah MacTiernan MLC, Minister for Ports

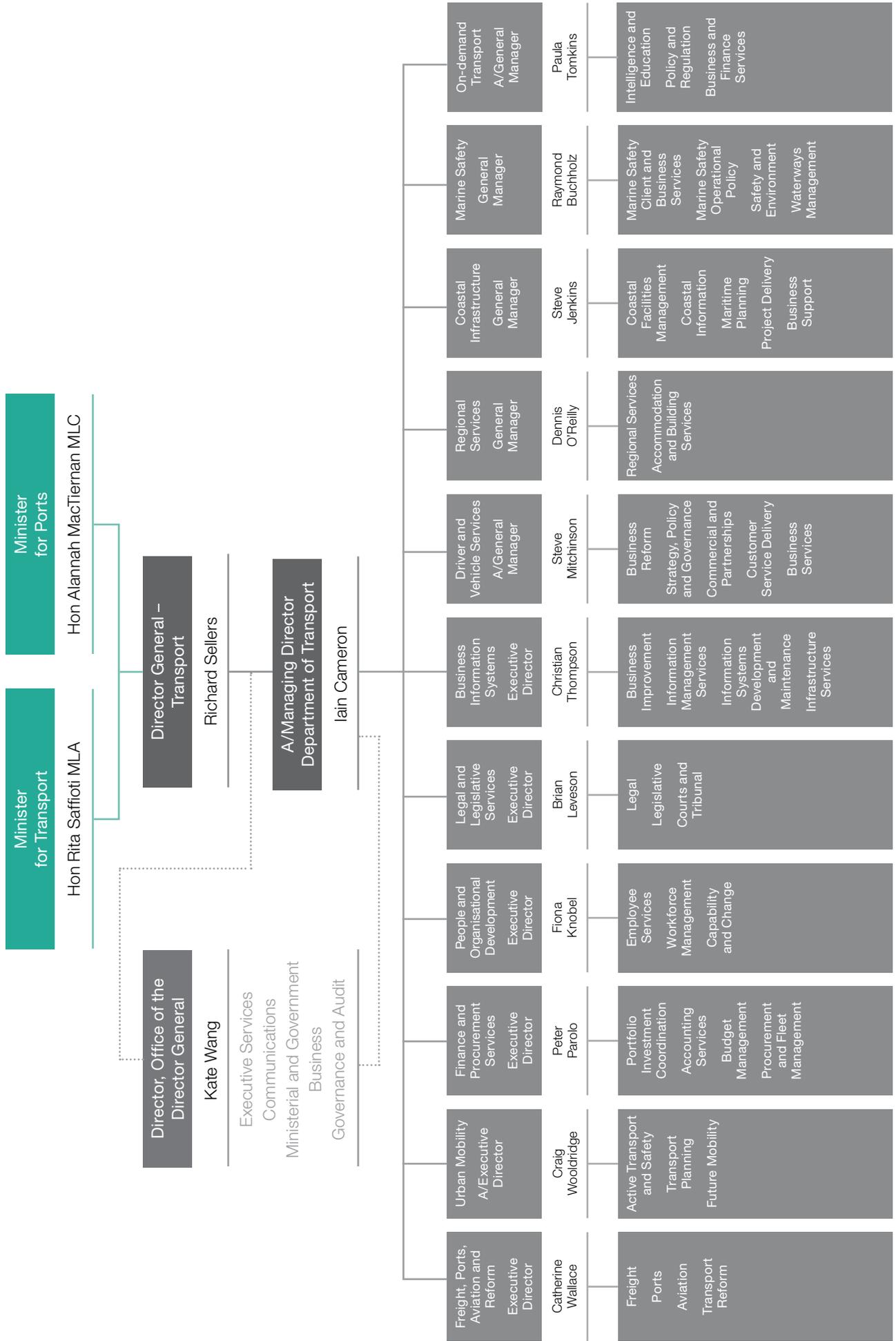
# TRANSPORT PORTFOLIO



*Mitchell Freeway*

# Department of Transport

## Organisational Chart



# EXECUTIVE LEADERSHIP TEAM



**Richard Sellers**

Director General Transport



**Iain Cameron**

Acting Managing Director



**Kate Wang**

Director Office of the Director General



**Catherine Wallace**

Executive Director Freight, Ports, Aviation and Reform



**Craig Wooldridge**

Acting Executive Director Urban Mobility



**Peter Parolo**

Executive Director Finance and Procurement Services



**Fiona Knobel\***

Executive Director People and Organisational Development



**Trevor Wiseman**

Acting Executive Director People and Organisational Development



**Brian Leveson**

Legal and Legislative Services Director



**Christian Thompson**

Executive Director Business Information Systems



**Steve Mitchinson**

Acting General Manager Driver and Vehicle Services



**Dennis O'Reilly**

General Manager Regional Services



**Steve Jenkins**

General Manager Coastal Infrastructure



**Raymond Buchholz**

General Manager Marine Safety



**Paula Tomkins**

Acting General Manager On-demand Transport

\*Responsible for leading DoT's agency-wide realignment in 2018-19.

# ADMINISTERED LEGISLATION

## **On behalf of the Minister for Transport, DoT administers the following Acts:**

- *Air Navigation Act 1937*
- *Civil Aviation (Carriers' Liability) Act 1961*
- *Damage by Aircraft Act 1964*
- *Harbours and Jetties Act 1928*
- *Jetties Act 1926*
- *Lights (Navigation Protection) Act 1938*
- *Marine and Harbours Act 1981*
- *Marine Navigational Aids Act 1973*
- *Maritime Fees and Charges (Taxing) Act 1999*
- *Motor Vehicle Drivers Instructors Act 1963*
- *Owner-Drivers (Contracts and Disputes) Act 2007*
- *Perth Parking Management Act 1999*
- *Perth Parking Management (Consequential Provisions) Act 1999*
- *Perth Parking Management (Taxing) Act 1999*
- *Pilots' Limitation of Liability Act 1962*
- *Pollution of Waters by Oil and Noxious Substances Act 1987*
- *Rail Safety National Law (WA) Act 2015*
- *Road Traffic (Administration) Act 2008*
- *Road Traffic (Authorisation to Drive) Act 2008*
- *Road Traffic (Vehicles) Act 2012*
- *Road Traffic (Vehicles) (Taxing) Act 2008*
- *Sea-Carriage of Goods Act 1909*
- *Shipping and Pilotage Act 1967*
- *Taxi Act 1994*
- *Trans-Continental Railway Act 1911*
- *Transport Co-ordination Act 1966*
- *Transport (Road Passenger Services) Act 2018*
- *Western Australian Coastal Shipping Commission Act 1965*
- *Western Australian Marine Act 1982*
- *Western Australian Photo Card Act 2014*
- *Wire and Wire Netting Act 1926*

## **On behalf of the Minister for Ports, DoT administers the following Act:**

- *Port Authorities Act 1999*

## **Other legislation affecting the functions and operation of DoT include:**

- *State Records Act 2000*
- *State Trading Concerns Act 1916*
- *Criminal Code Act Compilation Act 1913*
- *Electronic Transactions Act 2011*
- *Evidence Act 1906*
- *Financial Management Act 2006*
- *Freedom of Information Act 1992*
- *Limitation Act 2005*
- *Public Sector Management Act 1994*
- *Disability Services Act 1993*
- *Equal Opportunity Act 1984*
- *Industrial Relations Act 1979*
- *Interpretation Act 1984*
- *Library Board of Western Australia Act 1951*
- *Minimum Conditions of Employment Act 1993*
- *Native Title Act 1993 (Commonwealth)*
- *Occupational Safety and Health Act 1984*
- *Royal Commission (Custody of Records) Act 1992*
- *State Supply Commission Act 1991*

# OUTCOME BASED MANAGEMENT FRAMEWORK

DoT contributes to the State Government’s goals through the Outcome Based Management Framework as detailed below.

State Government Goals	DoT Outcomes	DoT Services
<p><b>Future Jobs and Skills:</b> Grow and diversify the economy, create jobs and support skills development.</p>	<p><b>Outcome 1.</b> Integrated transport systems that facilitate economic development.</p>	<p><b>Service 1.</b> Strategic Transport Policy and Integrated Planning</p>
<p><b>Strong Communities:</b> Safe communities and supported families.</p>	<p><b>Outcome 2.</b> Vehicles and road users that meet established vehicle standards and driver competencies to deliver safe vehicles and safe drivers.</p>	<p><b>Service 2.</b> Driver and Vehicle Services</p>
<p><b>Better Places:</b> A quality environment with liveable and affordable communities and vibrant regions.</p>	<p><b>Outcome 3.</b> An accessible and safe transport system.</p>	<p><b>Service 3.</b> Coastal Infrastructure</p> <p><b>Service 4.</b> Marine Safety</p> <p><b>Service 5.</b> On-demand Transport</p>

## Changes to Outcome Based Management Framework

From 1 July 2018 the Australian Maritime Safety Authority assumed responsibility for the delivery of national system related services in WA including those related to the operation, manning and survey of domestic commercial vessels. As a result, DoT received approval to remove the following Key Performance Indicators from its Outcome Based Management Framework from 2018-19:

- Rate of reported incidents (accidents) on the water per 100 commercial vessels surveyed; and
- Average survey cost per commercial vessel.

Following the introduction of Stage 1 of the on-demand transport reform in April 2019, DoT received approval to make the following changes to its Outcome Based Management Framework from 2019-20:

- Discontinue the effectiveness Key Performance Indicator “Percentage by which, the waiting time standard, for metropolitan area taxis, is met” and replace with a new effectiveness indicator – “Percentage of multi-purpose taxi journeys carrying passengers in wheelchairs which meet the waiting time standard”; and
- Discontinue the efficiency Key Performance Indicator “Cost of Regulation per Taxi Plate Administered” and replace with a new efficiency indicator – “Cost per On-demand Transport Authorisation”.



*Customer Service Officer  
assisting customer*

## SHARED RESPONSIBILITIES WITH OTHER AGENCIES

### **Delivering ServiceWA**

In May 2019 the State Government announced the \$6.9 million Service Western Australia (ServiceWA) pilot which will transform the way government delivers services to the community.

The cross-government reform is being delivered by DoT and the Departments of the Premier and Cabinet and Finance to provide customers with a single point of contact for 85 everyday services at a Bunbury pilot site and via an online portal.

Bringing together these services, currently delivered across five agencies including DoT, the Departments of Justice, Communities, Primary Industries and Regional Development and the Western Australia Police, will create a 'one-stop-shop' that will reduce time and frustration in accessing both face-to-face and online services.

DoT is responsible for the delivery of the face-to-face component of ServiceWA and in 2019-20 will commence developing basic system inter-connectivity for participating agencies as well as updating its Bunbury centre and undertaking recruitment and training activities to facilitate the new service delivery model.

DoT will also work closely with the Department of the Premier and Cabinet as it leads the online component and the Department of Finance which will oversee the centralisation of services from a whole-of-government perspective.

It is anticipated that the ServiceWA pilot will launch at the Bunbury centre in early 2020-21.

## Linking DoTDirect to recreational fishing licences

DoT worked collaboratively with the Department of Primary Industries and Regional Development (DPIRD) in 2018-19 to enable customers to complete a range of transactions relating to their recreational fishing licences using DoTDirect.

This flagship project, successfully completed in January 2019, has improved the customer experience by providing a single point of contact for cross-government services and a range of other benefits.

The service, managed under a memorandum of understanding between DoT and DPIRD, has been well-received by customers with almost 15,000 recreational fishing licences now linked to a DoTDirect account.

DoT will continue to work with DPIRD to undertake system support and maintenance as well as define future enhancements.

## Providing a shared IT service

In 2018-19, DoT continued to maintain a shared information and communications technology infrastructure service with the Department of Planning Lands and Heritage.

This shared arrangement was managed through a service level agreement and continued to realise economies of scale and cost neutrality for the State Government.

Under the agreement, DoT provided operational support as well as project delivery for the planning systems including the maintenance of software, hardware, disaster recovery systems and plans and system security.

## Supporting a safe and efficient transport system in the Indian Ocean Territories

DoT continued to provide transport services to the Indian Ocean Territories (IOT) under a service level agreement between the Minister for Transport and the Commonwealth Government.

Through this agreement, DoT supports the delivery of a safe, efficient, effective and equitable transport system in the IOT of Christmas Island and the Cocos (Keeling) Islands with the Commonwealth meeting all the costs of the services provided by DoT.

In 2018-19 DoT officers travelled to Christmas Island and the Cocos (Keeling) Islands to train local agents in the use of its Knowledge Management System. This ensured agents had local access to the same information as DoT employees, improving the quality and timeliness of the service provided to customers.

DoT also continued to meet regularly with Commonwealth Government officers to discuss operational matters and develop a work plan for the delivery of an expanded range of services.

## Planning the Ocean Reef Marina project

In 2018-19 DoT worked with LandCorp to assist with the planning for the implementation of the Ocean Reef Marina project. The development of the marina aims to cater for the significant demand for boating facilities in Perth's northern suburbs and transform the existing facility into a world-class waterfront precinct.

The project program is targeting on-site construction to commence in late 2020.

## Delivering the Transforming Bunbury's Waterfront project

DoT continued to work closely with the South West Development Commission, LandCorp, the City of Bunbury, the Department of Planning, Lands and Heritage, and the Southern Ports Authority to deliver the Transforming Bunbury's Waterfront (TBW) project. The project, overseen by the Bunbury Development Committee, aims to create vibrant shorelines for the community and infrastructure to stimulate thriving marine and tourism industries.

DoT is responsible for delivering a major component of the Stage 2 works for the project – the \$12.3 million redevelopment of the Jetty Road causeway at Casuarina Boat Harbour. A redevelopment update can be found in the Report on Operations on page 26.

LandCorp has secured \$4.8 million in State Government funding to develop the business case for Stage 3 of the TBW project. In 2018-19 DoT worked closely with LandCorp to deliver related maritime consultancy works including staging plans and costings.

DoT also continued to assist the South West Development Commission, LandCorp and the Bunbury Development Committee with planning for new maritime facilities in Koombana Bay.

*DoT is responsible for delivering the \$12.3 million redevelopment of the Jetty Road causeway at Casuarina Boat Harbour.*

## Planning improved maritime facilities in Broome

In 2018-19 DoT worked closely with the Shire of Broome to progress the following two projects to improve boating facilities in Broome.

### Planning for a new Broome Boating Facility

In 2018-19, DoT continued to work closely with the Broome Boat Harbour Advisory Group. This Group is chaired by the Shire of Broome and includes representatives from DoT, Nyamba Buru Yawuru Ltd, Kimberley Development Commission, Kimberley Ports Authority and the local community.

DoT is responsible for providing technical advice and coordinating a number of engineering and environmental consultancies to progress the planning and investigations for development of a concept design for a new boating facility.

DoT is administering the \$1 million in State Government funding for the planning program that will inform a business case for the new facility.

### Improving boating facilities at Town Beach

In 2018-19 DoT administered the \$6.74 million in State Government funding allocated to the Shire of Broome for upgrades to Broome boating facilities. These upgrades, aimed at improving access and safety, included construction of the Town Beach revetment wall, a boat trailer carpark and road works. The remaining projects to deliver ablutions and the Town Beach Jetty are being progressed.



*DoT officers participating in a maritime environmental emergency response training exercise*

## Managing coastal erosion

In 2018-19, DoT continued to actively participate in the Coastal Management Advisory Group (CMAG). The CMAG is an interagency working group chaired by the Department for Planning, Lands and Heritage that provides advice and oversees a whole-of-government approach to the management of coastal erosion and inundation consistent with the State Planning Policy No. 2.6 State Coastal Planning Policy.

Its key outcomes are to provide assessment and planning advice on existing erosion hotspots and high risk areas, and develop a strategy for community education and awareness-raising around coastal hazard risk management and adaptation planning.

The group has membership from a number of State Government agencies with roles in coastal environmental management and planning.

## Effectively managing maritime environmental emergencies

DoT is the appointed Hazard Management Agency (HMA) for maritime transport emergencies and marine oil pollution incidents under the *State Emergency Management Regulations 2005*. Collectively these two hazards are referred to as maritime environmental emergencies.

In 2018-19, DoT continued to work in collaboration with a diverse range of agencies to prevent, prepare, respond and recover from a maritime environmental emergency. These agencies included the Australian Maritime Safety Authority, Port Authorities, Department of Fire and Emergency Services, Department of Biodiversity, Conservation & Attractions and petroleum titleholders.

DoT also significantly progressed initiatives aimed at enhancing its readiness and capability to adequately respond to a maritime environmental emergency to minimise impacts of such an incident on the State. This capability was tested in January 2019, when DoT, in partnership with Fremantle Port Authority, successfully responded to a Level 2 oil spill incident in the Fremantle Harbour.





# AGENCY PERFORMANCE

# REPORT ON OPERATIONS

## Achieving the State Government's goals

DoT supported the State Government's goals of 'results-based service delivery' and 'State building – major projects' in 2018-19 by striving to achieve and exceed the following three outcomes:

1. Integrated transport systems that facilitate economic development
2. Vehicles and road users that meet established vehicle standards and driver competencies to deliver safe vehicles and safe drivers
3. An accessible and safe transport system.

To achieve these outcomes, DoT delivered the following five services to the WA community:

1. Strategic Transport Policy and Integrated Planning
2. Driver and Vehicle Services
3. Coastal Infrastructure
4. Marine Safety
5. On-demand Transport.

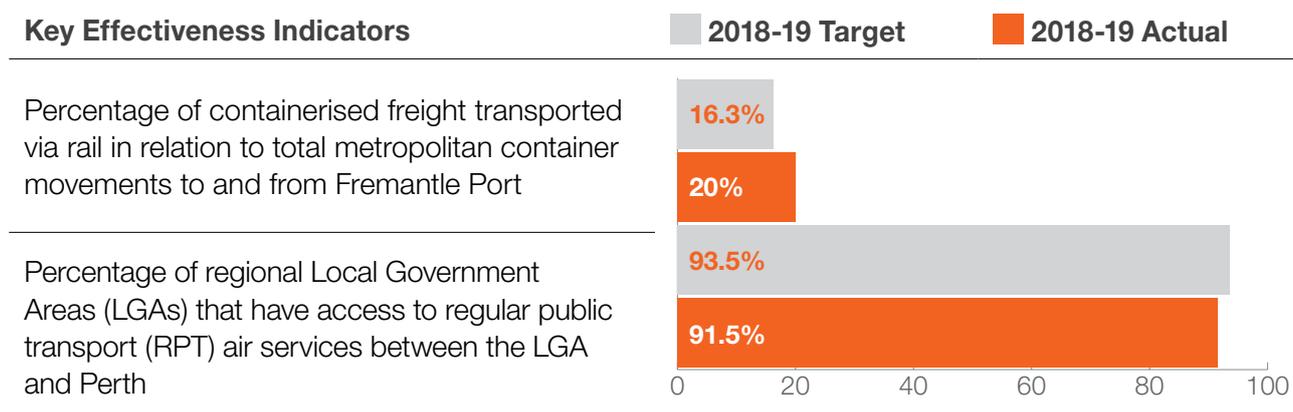
This section of the report provides an overview of how DoT successfully delivered these services and contributed to the State Government's goals during the reporting period.

It also includes a summary of the results of our key performance indicators (KPI) as well as information on the significant community projects and customer focused programs that were undertaken or completed in 2018-19.



*Red CAT bus*

## Outcome 1: Integrated transport systems that facilitate economic development.



## Service 1: Strategic Transport Policy and Integrated Planning



Notes:

- These tables are a summary of the 2018-19 DoT Key Performance Indicators. For more detailed information see the Key Performance Indicators section of this report.
- Targets as specified in the 2018-19 Budget Statements.
- Efficiency Key Performance Indicator values are rounded up to the nearest dollar.



*Commuters on William Street, Perth*

### **Portfolio Strategic Projects Office established**

In 2018 the Portfolio Strategic Projects Office (the Office) was established to facilitate stronger collaboration between the Transport Portfolio partners on targeted, strategic priorities to ensure the best outcomes for the WA community.

The Office, which draws on expertise from DoT, PTA and Main Roads, provides executive oversight and ownership of projects that are selected by the Transport Portfolio Governance Council based on the strategic impact of the project, its reach across the Portfolio and how it will support the Portfolio's objectives.

Throughout 2018-19 the Office focused on four programs of work as detailed below.

#### **Inner Harbour Freight Rail Optimisation**

The Inner Harbour Freight Rail Optimisation program was substantially progressed, with almost half of the agreed tasks aimed at improving the efficiency of freight rail transport to and from the Fremantle Inner Harbour completed. Most notably, a review of train path restrictions was successfully completed and two additional train paths per week have been provided. This has underpinned a significant growth in the number of containers moved to and from the port by rail.

#### **Public Transport Cost and Demand Optimisation**

The Public Transport Cost and Demand Optimisation program brings together a number of streams of work primarily focused on increasing patronage to maximise the value of the State Government's METRONET capital investment and improve service efficiency.

The development of an improved cost and funding model commenced and service innovation was explored, with the PTA formally seeking alternative service proposals from bus operators. These alternative service proposals enable traditional bus operators to form partnerships with the on-demand transport sector and technology providers, improving their service to the community.

#### **Integrated Planning for Transport Corridors**

The Integrated Planning for Transport Corridors program focuses on the urban arterial roads within 15-20 kilometres of the Perth CBD and aims to align local and State Government transport and planning objectives for these corridors.

The first phase of the program, which involves the development of a 'Movement and Place' methodology to help define the function of each of these corridors, commenced in 2018-19. Once selected, the project team will apply the methodology to the Perth network to differentiate the roads by primary transport function and identify which routes can enable compatible higher density urban development with transport activity.

## Big Data (Transport and Travel Demand)

The Big Data (Transport and Travel Demand) program of work will consolidate a number of existing data sets from across the Portfolio to inform key policy and planning initiatives, including the Public Transport Cost and Demand Optimisation program and the Integrated Planning for Transport Corridors program. A key milestone was achieved in 2018-19 with DoT and Main Roads undertaking customer travel surveys.

The Office will continue to progress these programs of work in 2019-20, providing regular updates to the Transport Portfolio Governance Council.

## METRONET reached more than 1.3 million people

METRONET continued planning Perth's transformational integrated transport and land use planning projects in 2018-19. A key success factor was the level of community involvement to help shape the projects, with the METRONET team opting for a localised and grassroots approach.

Throughout the year, the whole METRONET program engaged face to face with about 33,200 people across more than 210 events and reached more than 1.3 million people through a mix of traditional and digital communication channels.

The team popped up at shopping centres along the Morley-Ellenbrook Line study area, engaged with people on Facebook, maximised the high interest to join the Access and Inclusion Reference Group and for the Bayswater station upgrade undertook the most extensive community consultation ever for this type of project.

The Aboriginal Engagement Strategy, Gnarla Bidji – Our Pathways, took its first steps to embed genuine engagement with the Aboriginal community, after being accepted by

the Whadjuk and Gnaala Karla Booja Working Parties in December 2018. As each METRONET project is planned, the METRONET Noongar Reference Group will provide feedback on cultural input in the design development, such as landscaping, art and urban design.

METRONET is helping to shape how future generations in Perth choose to travel, where to work and how they want to live. The community is encouraged to continue being part of the METRONET conversation by signing up to project updates or following us on Facebook, Twitter and Instagram.

## Stage 1 of the Westport process successfully completed

The Westport Taskforce is developing a long-term plan to provide guidance to the State Government on the port, road, rail and intermodal infrastructure required to handle the State's growing trade task for the next 50 years and beyond.

In December 2018, the State Government released the first major progress report from the Taskforce, *Westport: What we have found so far*, which summarised the main findings from Stage 1 of the Westport process.

The report identified the challenges and opportunities for each of the study areas at Fremantle, Kwinana and Bunbury and outlined eight strategic options for allocating and sharing container, bulk and passenger trades between the three sites in the short, medium and long-term.

In 2019, the Taskforce commenced investigating each of the options in detail, including a thorough analysis of the supply chain, commercial aspects, land, utilities and environmental impacts.

Through this investigation, the eight strategic options were expanded to a long-list of 25 different port and supply chain scenarios – four of which focused on Fremantle, four on Bunbury and 17 on Kwinana.



Alcoa Kwinana Alumina Refinery  
Image courtesy of Fremantle Ports

These scenarios are currently being assessed and ranked through a multi-criteria analysis, which scores the options on a range of important economic, social and environmental criteria. The resulting shortlist of five superior options is anticipated to be released in August 2019.

The shortlisted options will then be tested further through a more comprehensive multi-criteria analysis and cost-benefit analysis.



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*The Westport Taskforce is committed to achieving the best economic, social and environmental outcomes for WA through its balanced and inclusive approach.*

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### **Westport Taskforce's balanced and inclusive approach**

The Westport Taskforce is committed to achieving the best economic, social and environmental outcomes for WA through its balanced and inclusive approach.

Westport's process aligns with Infrastructure Australia's Assessment Framework to ensure findings can form part of any future submissions for Commonwealth funding.

In addition to the Taskforce being led by an independent chairperson in Nicole Lockwood, and governed by a steering committee, all outputs are reviewed by a panel of independent peer reviewers, chaired by John Langoulant AO, to ensure sound process, quality of outcomes and accountability.

In 2018-19 Westport consulted extensively with more than 100 representatives from all levels of government, industry, unions, membership organisations, academia and environmental and community groups.

This included conducting a series of a series of free community events in seven locations across Perth and Bunbury from May to July 2019. These events gave residents the opportunity to learn more about Westport's work and progress on planning for Perth's future freight task, as well as ask questions and provide feedback.

Further, the Taskforce is working closing with senior Nyoongar statesman, Dr Richard Walley OAM, to develop an Aboriginal Economic and Engagement Strategy for the project moving forward.

### **DoT works to ensure ports remain safe and profitable through Government Trading Enterprises Reform**

The Department of Treasury is leading the Government Trading Enterprises (GTE) Reform Program to review the governance arrangements of GTEs and create and implement a framework to strengthen their connection with other areas of the State Government.

There are 27 GTEs in WA and 16 of these, including the State's five port authorities, were selected for the first stage of the reform because of their strong commercial focus, consistent legislation and significant impact on State finances.

The port authorities are governed by boards reporting to the Minister for Ports and regulated under the *Port Authorities Act 1999*. Given its role in providing regulatory assistance and advice to the Minister for Ports, DoT is a key stakeholder and active participant in the GTE Reform Program.

Through its involvement, DoT seeks to ensure that port authority boards retain appropriate powers to operate their ports in a safe, accountable and commercial manner, while achieving their critical legislated role of facilitating trade through WA's ports, and ensuring fair returns to Government, as the owner of the business.

Another key objective is to ensure the port authorities' strategic direction and operations are aligned with overall Government policy.

During 2018-19, DoT participated in the Department of Treasury's consultation workshops with GTEs and engaged with port authorities and the Department of Treasury regarding policy options, views and advice on various governance issues identified as part of the GTE Reform Program.

DoT will continue to consult, engage and provide advice as policy frameworks are developed, and amendment legislation is drafted and implemented in 2019-20.

### **Ports Governance Reform reached key milestone**

The second tranche of the State Government's Ports Governance Reform reached an important milestone in 2018-19, with the *Ports Legislation Amendment Act 2019* enacted following the Bill being passed by Parliament in February 2019.

The legislation enables all trading ports in WA to be regulated under the *Port Authorities Act 1999* and overseen by a port authority.

Ports are expected to be progressively brought under the jurisdiction of the *Port Authorities Act 1999* over the next two to three years. Once the transfers are complete, all trading ports in WA will be regulated under the same legislation for the first time in over 100 years. This will make responsibilities and processes simpler and clearer, especially for companies that operate at multiple ports in WA.

DoT will continue to work with the Mid West, Pilbara, and Kimberley port authorities, relevant government agencies and port facility operators, to prepare for the transfer of regulatory authority from DoT to port authorities.



*Container ships at North Quay, Fremantle Port  
Image courtesy of Fremantle Ports*

## Record freight on rail to and from Fremantle Inner Harbour

DoT continued work collaboratively with its Portfolio partners, Fremantle Port Authority and industry to implement short to medium term initiatives aimed at improving the efficiency of freight transport to and from the Fremantle Inner Harbour.

The State Government's commitment to an increased container rail subsidy, from \$30 per twenty-foot equivalent unit (TEU) to \$50 per TEU, together with strong growth in the overall container freight task, resulted in a record number of containers being moved by rail. In 2018-19, 20.04 per cent of containers were moved on rail, equating to over 100,000 one-way truck movements, helping reduce congestion on the arterial roads connecting Fremantle Inner Harbour. This is compared to 16.1 per cent in 2017-18 and a national average of around 11.4 per cent.

To support the increased volume of containers being moved by rail, the State Government worked with the rail operator to introduce additional freight train paths to and from Fremantle Inner Harbour in 2018-19.

In April 2019 the State and Commonwealth Governments committed \$230 million to construct a new integrated road-rail bridge on Queen Victoria Street in Fremantle. Construction of the bridge will improve the freight rail access to and from the Inner Harbour by providing a dedicated freight rail track that removes the conflict between heavy freight and passenger vehicles on the surrounding arterial roads.



*Container freight being transported by rail, Fremantle*

## Revitalising Agricultural Region Freight Strategy released for public comment

WA's agriculture and food sector represents approximately 10 per cent of the State's economy and continues to grow.

Given the economic importance of the sector and the significant changes that the agrifood industry, and grain export supply chains in particular, have undergone in recent years, including larger harvests and increasing demand for heavy vehicle access throughout grain growing regions, DoT recognised the need to develop the *Revitalising Agricultural Region Freight Strategy*.

The Strategy, developed in collaboration with PTA, Main Roads, and the Department of Primary Industries and Regional Development, is a holistic, multimodal strategy that aims to enhance the efficiency, safety and economic growth of the State's agricultural sector, all of which are central to WA's ability to compete on a global scale.

Significant stakeholder consultation undertaken throughout 2018-19 provided a wealth of data to inform freight movement patterns across the agricultural regions, and to identify and prioritise a series of potential infrastructure investments and regulatory improvements.

The draft Strategy was released for public consultation in June 2019 and is anticipated to be finalised and presented to the State Government for endorsement in 2019-20.



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***WA's agriculture and food sector represents approximately 10 per cent of the State's economy.***

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## Government response to the Parliamentary Inquiry into Regional Airfares in WA commenced

In 2018-19 DoT commenced implementing the State Government's response to the 13 recommendations from the Parliamentary Inquiry into Regional Airfares in WA.

The WA Regional Aviation Taskforce was formed in November 2018 in response to the Inquiry recommendations. The Taskforce, chaired by DoT, meets quarterly and is attended by the Directors General of the Departments of Premier and Cabinet; Jobs, Tourism, Science and Innovation; and Primary Industries and Regional Development.

The Taskforce is responsible for overseeing the Government's progress in addressing the Inquiry recommendations and considering any initiatives that could improve the availability of affordable airfares on regional routes in WA.

A key recommendation was that the State Aviation Strategy be reviewed and updated to deliver an enduring, whole-of-Government approach to the implementation of State aviation policy, pursue improved outcomes for regional WA and provide a framework for growth of the aviation industry into the future.

In 2018-19 DoT worked in collaboration with a range of government agencies and consulted extensively with other stakeholders and the community to progress the review, with the updated Strategy anticipated to be released for public comment in early 2020.

As part of this extensive consultation, DoT facilitated workshops in the towns of Broome, Geraldton, Kalgoorlie, Karratha, Kununurra, Newman, Onslow, Paraburdoo and Port Hedland. These were well attended by representatives from airlines, airport operators, small businesses, Chambers of Commerce and Industry, the resources sector and the tourism industry.

Community 'drop-in' sessions were also held, so that local community members could share their views and experiences regarding airfares and air services in regional WA with DoT.

This community and stakeholder engagement provided valuable opportunities for discussing ideas for improving the affordability of airfares and accessibility of air services in regional WA.

DoT also continued to engage with Aviation Community Consultation Groups on the regulated air routes for Albany, Esperance, Carnarvon, Monkey Mia and the Northern Goldfields.

Consistent with the Government's response to Recommendation 5 of the Inquiry, DoT placed new conditions on the licences of airlines operating on unregulated air routes, requiring regular community consultations and the retention and reporting of route data to Government effective from 1 July 2018.

DoT will continue to implement the State Government's response to the recommendations in 2019-20 and beyond with the aim to facilitate lower airfares on regional routes.

## **Regional airport infrastructure improved**

DoT continued to administer the Regional Airports Development Scheme (RADS) in 2018-19 to assist in improving regional Western Australian air services, airport infrastructure and safety.

The scheme provided financial assistance for infrastructure projects to eligible owners or leaseholders of publicly accessible regional airports.

A total of 18 RADS projects, with a combined grant value of almost \$7.4 million and combined project value of more than \$15.1 million, were completed throughout 2018-19.

Funded projects included the development of runways, improving airport terminals, facilities and grounds, along with the completion of planning studies.

The City of Greater Geraldton received \$6.5 million in RADS funding to complete its runway renewal project at Geraldton Regional Airport. The renewal, with a total project value of \$13.2 million, improved airport safety, reliability and maintenance costs and supports the future growth of the region.

## **Regional communities received regular air services**

The following regional communities in WA received regular air services by regulating these five routes under Deeds of Agreement with the State Government in 2018-19.

*Upgraded Geraldton Regional Airport runway  
Image courtesy of the City of Greater Geraldton*

### **Perth-Carnarvon-Monkey Mia**

Following a competitive tender process, Regional Express Airlines (Rex) commenced Regular Public Transport (RPT) operations on the Perth-Carnarvon-Monkey Mia air route in July 2018 and will continue until 30 June 2023 under a five-year Deed of Agreement with the State.

Rex operated a minimum of six return services per week to Monkey Mia, and 12 return services per week to Carnarvon.

During the year, regional travellers benefited from discounted airfares offered on the route. In partnership with the Carnarvon and Shark Bay airport operators, Rex introduced a Community Airfare Scheme, offering discounted one-way fares at least 60 days prior to departure, and on all unsold seats 24 hours prior to departure.

The Community Airfare Scheme has supported a positive trend in the passenger demand to both towns over this period, with demand increasing by around 20 per cent on the Carnarvon route and 55 per cent on the Monkey Mia route compared to the previous financial year.

### **Perth-Northern Goldfields**

Skippers Aviation continued to provide a minimum of three return RPT air services between Perth and the Northern Goldfields towns of Leonora, Laverton, Meekatharra, Mt Magnet, and Wiluna.

In September 2018, Skippers introduced a Resident Fare on the Northern Goldfields route to stimulate growth, providing up to 64.5 per cent discount off the base fare.

### **Perth-Albany and Perth-Esperance routes**

Rex continued to provide 23 return RPT flights per week between Perth and Albany and 18 return RPT flights per week between Perth and Esperance.

Rex, in partnership with the City of Albany and the Shire of Esperance, offered a Community Airfare on both routes. Community Airfares are available for 25 per cent of all seats at least 60 days prior to departure, and on all unsold seats 24 hours prior to departure.



*Carnarvon Airport*

### **DoT ensured on time performance on regulated routes**

In 2018-19 DoT chaired Aviation Community Consultation Group meetings in towns with regulated air routes, including Albany, Esperance, Carnarvon-Monkey Mia and the Northern Goldfields.

The biannual meetings are attended by other government agencies, airlines, local airport operators, local Chambers of Commerce and Industry, tourism and resource industry representatives as well as other key stakeholders. The meetings provide an opportunity to discuss service performance and collaborative initiatives for route growth, to ensure the long-term viability of each air route.

Rex and Skippers are required to meet or exceed the following three benchmarks for controllable On Time Performance (OTP), for scheduled departure and arrival times:

- 80 per cent for aircraft departures and arrivals within 15 minutes
- 85 per cent for aircraft departures and arrivals within 60 minutes
- 90 per cent for aircraft departures and arrivals within 120 minutes.

In 2018-19 both airlines met or exceeded the controllable OTP benchmarks.



Cyclist on Principal Shared Path

## Long-Term Cycle Network for Perth and Peel underway

DoT continued working with local government authorities to develop the Long-Term Cycle Network for Perth and Peel.

The aim of this project is to develop an aspirational blueprint to ensure State and local governments work together towards the delivery of one continuous cycling network providing additional transport options, recreational opportunities and support for tourism and commercial activity.

In 2018-19, DoT consulted with the 17 local government authorities in the southern metropolitan area to gain their input on their network.

In 2019-20 DoT will continue to consult with the remaining 16 local governments in the northern metropolitan area and commence the process of gaining endorsement from all 33 local governments. This will result in an agreed network that will guide future funding allocations through the Perth Bicycle Network Grants Program from 2020-21 and beyond.

## Regional 2050 Cycling Strategies released

In line with a key recommendation of the *Western Australian Bicycle Network (WABN) Plan*, DoT continued working with local governments and development commissions across regional WA to develop long-term, aspirational cycling strategies.

Following extensive consultation, the first four Regional 2050 Cycling Strategies covering the Bunbury-Wellington, Leeuwin-Naturaliste and Warren-Blackwood sub regions as well as Greater Geraldton region, were released in 2018-19.

The strategies, endorsed by all 13 local governments involved, provide a clear and agreed vision for cycling infrastructure development which will benefit the local communities and visitors to these regions.



*Cyclist riding along Esperance coast*

Each of the strategies is accompanied by a short-term implementation program to prioritise the delivery of cycling infrastructure and guide future applications for funding through the Regional Bike Network (RBN) Grants Program.

The strategies have already proven successful in this regard, with a marked increase in the number and quality of RBN applications from the local governments involved.

DoT also commenced work on the Esperance, Pilbara and Wheatbelt 2050 Cycling Strategies which will continue throughout 2019-20, with the view for all regional centres across WA to have a strategy in place by 2021.

### **Perth and Regional Bicycle Network Grants Programs continue to improve cycling infrastructure**

The Perth Bicycle Network (PBN) and Regional Bicycle Network (RBN) Grants Programs were administered by DoT supporting local government to plan, design, build and activate local cycling infrastructure.

In 2018-19, funding available to local governments increased from \$3 million to \$4 million and was shared evenly between the PBN and RBN. This funding, together with funding pre-committed from 2019-20, enabled 14 PBN and 24 RBN projects to be funded, resulting in 13 new projects being designed and more than 19 kilometres of cycling infrastructure being constructed.

Key projects in the metropolitan area included new shared paths along Gnangara Road in the Swan Valley, Murdoch Drive in Murdoch and Goodwood Parade in Burswood.

In regional WA, high quality shared paths were constructed along the Kalbarri foreshore, Fisheries Road in Esperance and Cape Naturaliste Road in Dunsborough.

### Safe Active Streets projects successfully completed

DoT continued to deliver its Safe Active Streets Program, which aims to make cycling safer and easier in WA.

As well as providing safe connections to schools, shops and recreational facilities, safe active streets are designed to link to higher order shared bike infrastructure such as principal shared paths to create a local network of cycle-friendly routes.

In 2018-19, the City of Belmont completed the Surrey Road safe active street while the City of Vincent completed Stage 2 of the Shakespeare Street project through Leederville and Mount Hawthorn. Together, these projects provide the community with approximately eight kilometres of low-speed streets that encourage cycling and walking.

DoT also completed the design and consultation for safe active streets projects on Whitfield Street in the Town of Bassendean, Links Road in the City of Melville and Elizabeth Street and Jenkins Avenue in the City of Nedlands. Construction for all three projects is anticipated to commence in 2019-20.

Additionally, DoT commenced the design and consultation for a further four projects across the metropolitan area and will continue to progress these throughout 2019-20.

### Stage 1 construction of Fremantle Principal Shared Path neared completion

The *Western Australian Bicycle Network Plan 2014-2031* identified the completion of the Fremantle Principal Shared Path (PSP) from Grant Street to Fremantle as one of seven high priority PSP links to 2023.



Surrey Road  
safe active street in  
the City of Belmont

DoT is working closely with Portfolio partner Main Roads to deliver the project in three stages.

Stage 1 includes the construction of 2.8 kilometres of new path between Grant Street and Victoria Street Station, which will significantly improve rider safety and connectivity to public transport and a number of other key destinations including the Mosman Park Activity Centre, Cottesloe Beach and Cottesloe Primary School.

Construction commenced in January 2019 and is expected to be completed in August 2019.

As part of this project, DoT conducted stakeholder workshops with local government representatives and the wider community to identify activation initiatives and amenities to make it easier and more enjoyable to walk and ride along the route.

DoT and Main Roads also commenced the detailed design of Stage 2, which will deliver a further 2 kilometres of new path between Victoria Street Station and North Fremantle Station. This is anticipated to be completed in 2019-20, with construction programmed to follow in 2020-21.

Feasibility work for the third and final stage has also commenced and will continue throughout 2019-20.

### **Planning for automated vehicles continued**

The integration of automated vehicles will impact many areas of our lives including transport choices and behaviours; road and land use; and new industry and job opportunities.

Given the significance of this emerging technology, governments across Australia recognise the need for national consistency in developing regulatory reforms to support the introduction of automated vehicles.

In 2018-19 DoT, with guidance from the Connected and Automated Vehicle Advisory Committee, continued to coordinate the work across government to develop the policy settings for integrating automated vehicles into existing transport systems. This work aims to improve the liveability of local centres and deliver optimal safety and productivity outcomes.

DoT enabled trials of automated vehicle technology including the RAC Intellibus® on the South Perth foreshore and the 'Kip' Navya Shuttle at the Curtin University Bentley Campus. Both continue to operate, improving familiarity and acceptance of this technology and building a database of operational experience to inform further research and development.

DoT will continue to work with trial proponents throughout 2019-20, with a specific interest in reaching regional locations and people with limited mobility and work with the Planning and Transport Research Centre to investigate how the use of automated vehicles could improve mobility for people who cannot drive.

In 2019-20 DoT will also support agencies in identifying the reforms necessary to prepare for the introduction of automated vehicles.



*RAC Intellibus® on the South Perth foreshore  
Image courtesy of RAC*



Bassendean Station

## Your Move Bassendean successfully completed

In 2018-19 DoT partnered with the Town of Bassendean to successfully deliver its Your Move program to local residents.

Through the program, which was completed in June 2019, more than 4,000 households participated in one-on-one coaching services to adopt public transport, walking and cycling to get to and from work, school and around their local area.

As well as coaching, 150 wayfinding signs were installed in the suburbs of Bassendean, Eden Hill and Ashfield to highlight the walkability of the local area and 58 signs were installed to guide cyclists and pedestrians to Bassendean train station as part of the PTA's Connecting Stations project.

As well as 87 per cent of participants saying they would recommend the program to others, DoT's Your Move Schools program continued to grow in popularity. More than 90 schools are

now involved in the program and as a result over 200 initiatives promoting walking, cycling and public transport were successfully completed in 2018-19.

Assisting this was the Connecting Schools Grants program. Under the program, now managed and promoted through the award-winning Your Move website, \$26,000 in Connecting Schools Grants were awarded to 12 schools in 2018-19.

The success of both the Your Move Bassendean and Your Move Schools programs delivered a range of benefits including contributing to optimising the use of public transport, helping to manage local congestion and demand for parking at schools and improving the health and wellbeing of the community.

DoT will partner with the City of Stirling to deliver the Your Move program in 2019-20 and 2020-21 and will continue to encourage more WA schools to deliver active transport initiatives through the Connecting Schools Grants program.



Students arriving at Ashfield Primary School

### GovNext-ICT transformation continued

In 2018-19 DoT continued its GovNext-ICT Transformation.

The GovNext-ICT program is a whole-of-Government approach to information and communications technology (ICT) infrastructure that supports government agencies to move from individual ownership of ICT to consumers of on-demand, consolidated services.

Through the program DoT is updating its ICT infrastructure to modern, secure, sustainable and scalable platforms. This will deliver a range of benefits, including significant cost savings, greater agility and reliability of the services provided and improved compliance, all of which improve DoT's service to the community.

In order to achieve this, the Office of Digital Government endorsed DoT's GovNext-ICT Roadmap which identified 20 projects to be undertaken.

In 2018-19, 10 of these projects were successfully completed with nine more underway. Most significantly, DoT actively evolved its ICT strategy to align with and enable *Digital WA: Western Australian Government ICT Strategy* and migrated a number of contracts for the provision of ICT services to GovNext vendors.

DoT expects to successfully complete all projects by June 2020 as well as plan for the transition of remaining services not currently within the scope of the GovNext-ICT program.

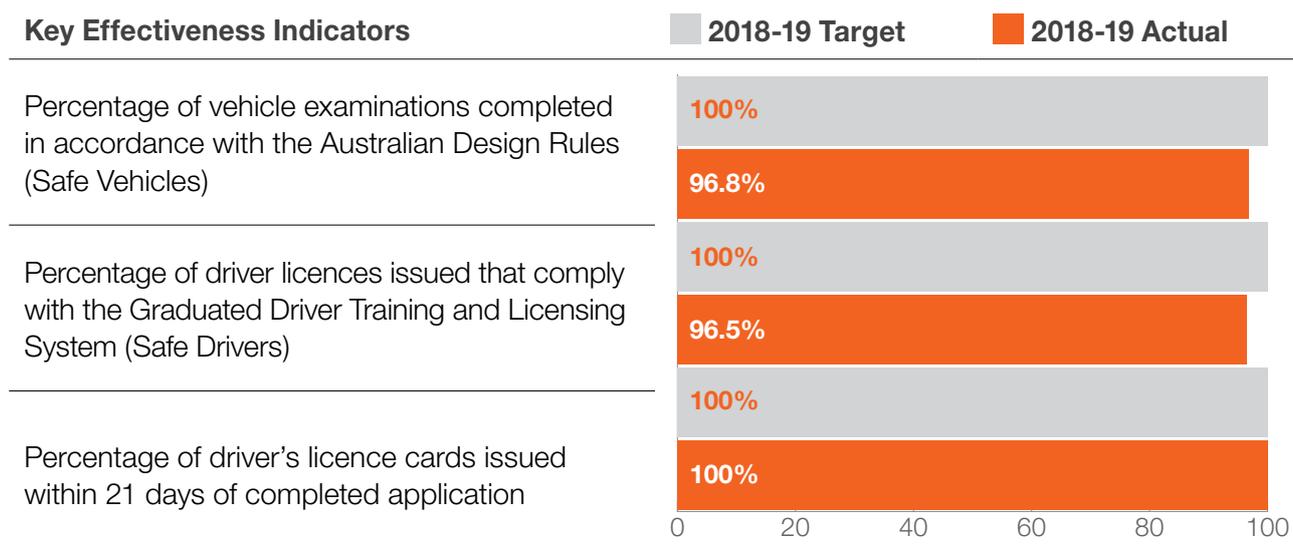


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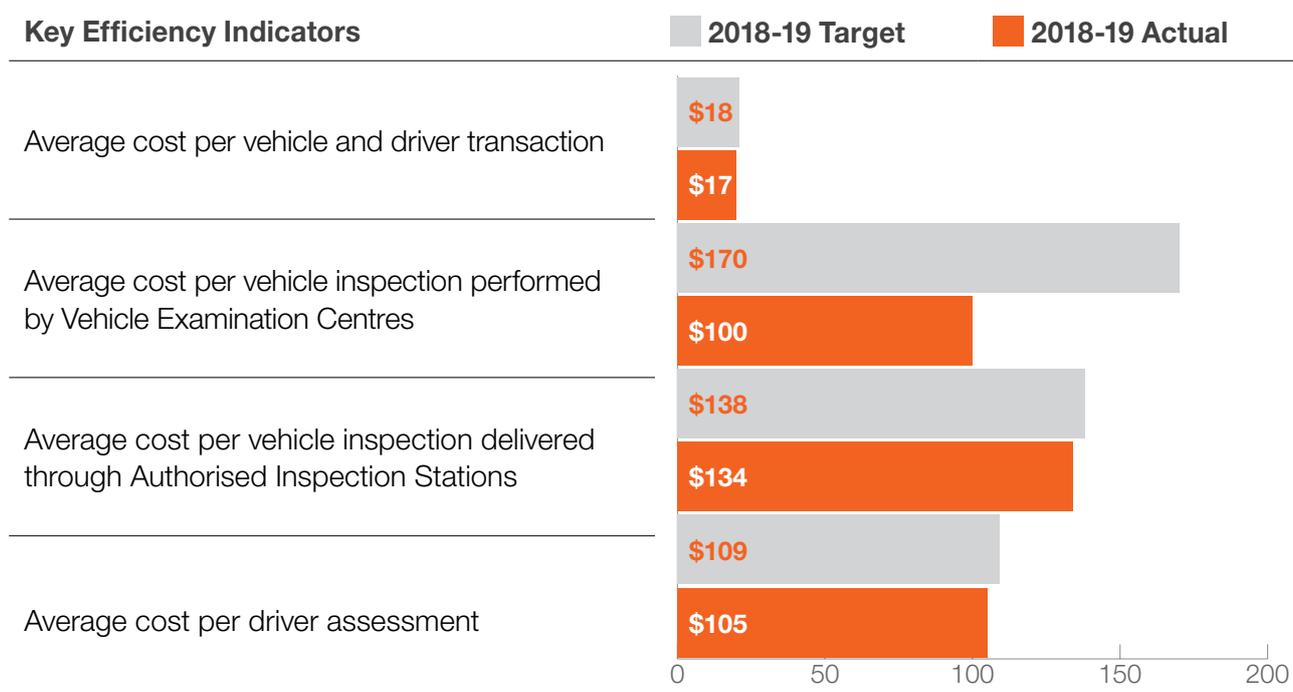
**DoT's GovNext-ICT Roadmap identified 20 projects to be undertaken.**

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## Outcome 2: Vehicles and road users that meet established vehicle standards and driver competencies to deliver safe vehicles and safe drivers.



## Service 2: Driver and Vehicle Services



Notes:

- These tables are a summary of the 2018-19 DoT Key Performance Indicators. For more detailed information see the Key Performance Indicators section of this report.
- Targets as specified in the 2018-19 Budget Statements.
- Efficiency Key Performance Indicator values are rounded up to the nearest dollar.



Customer using DoT Direct on a tablet

### **DoT Direct continued to improve customer convenience and choice**

DoT continued to grow the number of transactions available through DoT Direct to improve customer convenience and choice.

In 2018-19, 16 transactions were added to DoT Direct, bringing the total number to 58. Transactions added were predominantly in support of the On-demand Transport reforms allowing customers to apply for necessary authorisations using DoT Direct, simplifying and streamlining the process.

With more than 485,000 customers now registered for an account, 130,000 more than this time last year, DoT will continue to expand the transactions available through this increasingly popular online tool in 2019-20 and beyond.

### **Fleet Management Online introduced**

DoT offers a fleet licensing payment option for customers with 10 or more vehicles licensed in their name, allowing them to align all their vehicle licences to expire on a nominated date.

This makes it much simpler and easier for individuals and organisations to manage their fleet and in January 2019 this became an even more convenient option with DoT Direct expanded to include Fleet Management Online.

Through Fleet Management Online fleet customers can instantly view and download vehicle fleet details, move vehicles between fleets and make fleet payments without visiting a Driver and Vehicle Services Centre.

DoT worked closely with its valued fleet customers to ensure the service met their expectations. This resulted in positive feedback about the quick and easy access to their account information which is especially important at peak times such as the end of financial year.

More than 30 per cent of the 1,200 active fleets DoT administered in 2018-19 were managed through DoT Direct and DoT expects this number to grow. DoT will continue to work with fleet customers to raise awareness of the service and identify further improvements.



**485,000 customers have now registered for a DoT Direct account, 130,000 more than this time last year.**

## T-One expanded to improve customer experience

DoT continued to improve the customer experience by expanding T-One – a system that provides DoT staff with a single view of customers across a number of service delivery areas.

Traditionally, each of DoT's service delivery areas served customers using separate systems specific to the nature of the transaction. T-One was introduced in 2017 to link these separate systems, allowing staff to assist customers with a range of transactions across different service delivery areas in a single contact.

In 2018-19, a further 16 services were added to T-One, increasing the total number of transactions that can be processed through T-One across DoT's DVS, Marine Safety, Coastal Infrastructure and On-demand Transport service delivery areas to 58.

DoT will continue to expand the number of transactions available through T-One in 2019-20 and beyond in order to support the State Government's ServiceWA initiative.

## Customer information protected

As DoT continued to expand and enhance its digital services, work was undertaken to ensure the security of customer's personal and payment information.

A number of DoT's business systems, including DoTDirect, T-One and iAssess, rely on an Identity and Access Management solution to enable identity management. An upgrade to this solution to maintain support was successfully completed in September 2018.

DoT continued to improve its compliance with the Payment Card Industry Data Security Standard (PCI DSS) through an ongoing program of work. The PCI DSS was developed to encourage and enhance cardholder data security and facilitate the broad adoption of consistent data security measures globally. It provides a baseline of technical and operational requirements for merchants, such as DoT, to protect cardholder data via secure isolation of cardholder data collection, storage, processing and transmission. In 2018-19 DoT achieved a compliance rate of 85 per cent through the introduction of a multi-channel payment gateway solution which isolates cardholder data from DoT business systems and expects to achieve 100 per cent compliance in 2019-20 through planned upgrades to its Customer Call Centre technology.

Further, DoT developed and implemented a Security Awareness program to improve employee awareness and understanding of cybersecurity risks.

DoT will continue to increase compliance and maturity in its system security policies and practices through regular monitoring and audits in 2019-20 and beyond.

*DoT expects to achieve 100 per cent compliance in 2019-20 through planned upgrades to its Customer Call Centre technology.*



*Novice driver using Learn&Log app*

## **Vehicle licence transfers digitised to improve customer experience**

DoT receives more than 200,000 vehicle licence transfer notifications from customers by mail every year. Traditionally, these physical documents were sorted, processed and filed before being archived in offsite storage, costing time and money.

In October 2018 DoT implemented a new scanning and workflow solution for these documents to reduce these costs, particularly those involved in recalling archived documents to investigate vehicle licence transfer enquiries, and improve the customer experience.

Vehicle licence transfer notifications are now scanned into DoT's electronic document management system for processing and saved for reference, meaning they can be easily accessed from all DoT sites with no costs or delays involved.

This solution has allowed vehicle licence transfer enquiries and issues to be responded to and resolved more quickly, improving the customer experience. Further, it has better equipped DoT to provide prompt advice on vehicle licence transfer to key stakeholders including WA Police and the Office of State Revenue.

Since implementation, more than 130,000 vehicle licence transfers have been successfully digitised and as a result DoT has experienced an estimated:

- 70 per cent reduction in transfer documents physically recalled and retrieved for investigation;
- 50 per cent reduction in escalated vehicle transfer enquiries; and
- 20 per cent reduction in phone enquiries to the dedicated vehicle licence transfers team.

These results highlight the success of the digitisation solution, which DoT will now consider expanding to other high-volume documents in line with its commitment to delivering excellent service.

## **Learn&Log app launched to improve learner driver experience**

In April 2019 DoT launched its Learn&Log mobile application (app) to make it easier for learner drivers to record and submit the minimum 50 hours of supervised driving required.

The digital solution was developed in response to customer feedback and tested and trialed extensively before its rollout to the public to ensure it met the expectations of its target group.

In line with DoT's commitment to safe drivers, the app was designed to ensure there is no reason for learner drivers or their supervisors to interact with their mobile phone while driving.

Other key features include the ability to:

- time a trip, meaning there's no need for manual calculations;
- enter day and night time hours to ensure learner drivers complete the minimum five hours of night driving required; and
- pre-enter various supervisors and their driver's licence details so they can sign off on trips more efficiently.

The app has been well received by customers and DoT will continue to enhance and promote it throughout 2019-20 to assist those on their learner journey.

### **Digital Billing project neared completion**

DoT made significant progress towards offering customers digital billing to improve convenience and reduce operating costs to the community.

Customers will have the choice of two secure, digital billing options – BPAY View and Email Billing.

BPAY View will deliver invoices directly to customers' online banking, allowing them to receive, store and pay a range of DoT renewals, invoices and notices through their online bank account. Through Email Billing, these will be provided to customers via their nominated email address.

These options are anticipated to be available in the second quarter of 2019-20.

### **Main Roads Customer Contact Centre successfully transitioned to DoT**

In early 2019 the Director General Transport endorsed a proposal for DoT's Customer Contact Centre to deliver call centre and customer contact services for Portfolio partner Main Roads.

DoT worked collaboratively with Main Roads to develop a service level agreement and ensure services were maintained throughout the six-month transition period.

To ensure the continued high quality of service to the community and in line with the State Government's Public Sector Reform initiative to provide a more stable workforce, DoT appointed the skilled and experienced contract employees based at Main Roads to newly created DoT positions.

Retaining and bringing this expertise under single leadership offers greater flexibility to manage demand for services across DoT and Main Roads contact centres and is an important step towards a single view of customer across the Transport Portfolio.

This single view will enable DoT and its Portfolio partners to provide holistic transport services that best meet customers' needs now and in the future.

The transition was successfully completed on schedule in June 2019. DoT will now commence a comprehensive onboarding program for new contact centre employees. Further, throughout 2019-20 there will be a strong focus on cross-skilling team members to provide greater capacity and flexibility in responding to our customers, particularly in regard to road incidents.

### **Knowledge Management System expanded to Regional Agents to improve quality and timeliness of service**

In February 2019 DoT successfully completed the staged rollout of its Knowledge Management System (KMS) to more than 100 DoT Regional Agents.

Regional Agents deliver a range of services on behalf of DoT, improving customer convenience and choice. Expanding the KMS to these agents has ensured they have quick and easy access to the same information as DoT employees, improving the quality and timeliness of the service provided to customers.

To support the rollout, training was delivered to more than 350 Regional Agent employees around the State as well as on Christmas Island and the Cocos (Keeling) Islands.

Since the commencement of the rollout, more than 5,000 KMS searches have been conducted by DoT Regional Agent staff to assist them in completing transactions. This has not only improved the customer experience but provided additional resourcing benefits by reducing the reliance on DoT's Phone Support Team and eliminating the need for DoT's Learning and Development Team to maintain separate training manuals for Regional Agents.

In 2019-20 DoT will focus on making the KMS available to Portfolio partner Main Roads to enhance information sharing and collaboration.



### **Success Service Centre set new standard in customer experience**

DoT opened its new Success Service Centre in October 2018 to better meet the changing needs of customers in the growing area south of Perth.

The conveniently located centre, which replaced the Willagee centre, provides an improved customer experience through a range of customer service touch points, a larger floor space with a separate area for Practical Driving Assessments and comfortable waiting areas offering free wifi.

Customers visiting the state-of-the-art centre are greeted by a concierge and directed based on their needs. Success offers a dedicated self-service area where DoT's online experts assist customers to complete transactions using its digital services and provides cashless counters for simple transactions and private booths for more complex or sensitive transactions.

Refocusing on servicing customers based on needs, particularly in the growing area of self-service, has reduced wait times at Success. The centre and the service improvements it has delivered have been well received by customers and DoT employees and DoT is confident its flexible design will enable the centre to meet their needs for many years to come. As such, DoT will look to replicate these features when relocating its Joondalup Driver and Vehicle Services Centre in 2020-21.

*Customer completing a transaction using the self-service facilities at Success Service Centre*



*Success Service Centre*

## **Delivery of Practical Driving Assessments improved in line with DoT's customer and safety focus**

DoT is committed to continually improving the processes relating to obtaining a driver's licence, particularly the delivery of Practical Driving Assessments (PDAs), to achieve the best customer experience and road safety outcomes for the community.

In line with this commitment, DoT implemented a number of initiatives in 2018-19, detailed below, which have improved the availability and convenience of PDAs for customers, improved road safety outcomes for novice drivers and riders and enhanced consistency and compliance across the metropolitan and regional networks.

DoT expects these and other initiatives to continue to contribute to the significant and sustained reductions in the number of fatal and serious injury crashes involving Learner and Probationary drivers from 2013 onwards.

### **Kelmscott transformed to improve the Practical Driving Assessment experience**

In 2018-19 DoT transformed its Kelmscott Driver and Vehicle Services Centre into an appointment-only facility focused on improving the Practical Driving Assessment (PDA) experience for customers.

Following public consultation a new service model was introduced on a trial basis and key changes included extending operating hours to allow PDAs to be conducted from 7am to 5.45pm on weekdays and 8am to 12.50pm on Saturday.

Under the trial, Customer Service Officers complete all of the necessary administration tasks prior to the PDA commencing, which has allowed the PDA to be reduced from 50 to 45 minutes while actually increasing the time driver assessors spend with candidates.

These changes, as well as the introduction of SMS reminders to reduce non-attendance of candidates, have successfully increased overall PDA availability at Kelmscott by 23 per cent.

PDAs conducted after 3pm on weekdays have increased by 55 per cent and approximately 20 PDAs are conducted every Saturday morning, providing customers with greater convenience and choice, and non-attendance continues to decline resulting in improved utilisation of booked PDAs.

Feedback has indicated that both DoT employees and candidates are enjoying the increased interaction made possible under the trial. This allows driver assessors to provide more focused feedback to candidates and work more closely with driving instructors to improve road safety outcomes.

Given the success of the trial in improving the PDA experience, DoT will continue to evolve the services at Kelmscott in 2019-20 to focus on improving the overall learner driver experience including offering appointments for theory and hazard perception tests.

Further, DoT will consider the outcomes of the trial in line with its commitment to improving service outcomes for the community.

To support these service improvements the Kelmscott site, including the vehicle inspection facilities, was extensively refurbished in 2018-19.

The upgrades to the centre include a new customer service counter, complex transaction booths and dedicated area for Computerised Theory and Hazard Perception tests.

Following the successful completion of the refurbishment in February 2019, DoT reopened the vehicle inspection facilities at Kelmscott and relocated its Vehicle Safety Team from Welshpool. This co-location has not only improved collaboration between teams but is reducing operating costs to the community, with the Welshpool facility to be offered for sale by State Government.



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## *The changes better enable motorcyclists to develop safe riding skills*

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### **Changes introduced to Graduated Licensing System to improve safety**

In line with its commitment to safe drivers, DoT introduced changes to improve the motorcycle Graduated Licensing System in 2018-19. The changes, which came into effect in November 2018, better enable motorcyclists to develop safe riding skills and build experience to cope with potential hazards and distractions on the road.

Under the new system, DoT introduced a motorcycle specific Hazard Perception Test (HPT) – the first of its kind in Australia – for R-N and R-E class applicants. The HPT, developed as part of a national Austroads project led by DoT, is designed to measure a novice rider's ability to assess traffic situations and make safe riding decisions.

Other changes included the introduction of a six-month minimum learner's permit tenure for R-E class applicants prior to undertaking the HPT and a minimum two-year restricted licence phase for R-E licence.

Following extensive stakeholder and community engagement the Practical Driving Assessment process for motorcyclists was also increased in rigour to address safety concerns.

Further, the software and systems changes required to deliver these safety reforms allowed DoT to improve the availability of both Computerised Theory Tests and HPTs, as all computers are now able to offer both tests. This has almost doubled the availability of these tests across the network and with applicants now able to view their results instantly, rather than attending the service desk. This saves time for applicants and frees up our dedicated team to continue to attend to other customers.

These changes have been well received by the community and DoT will continue to monitor their effectiveness in delivering better customer and safety outcomes.



*DoT Driver Assessor using iAssess to conduct a PDA with novice driver*

### **Regional rollout of iAssess**

DoT commenced the rollout of iAssess in its regional offices following its continued success across all metropolitan Driver and Vehicle Services centres.

The mobile tablet application that electronically records Practical Driving Assessments (PDA) is now delivering a range of benefits in Albany, Bunbury, Broome, Esperance, Exmouth, Geraldton and Kalgoorlie.

Linked to DoT's licensing administration systems, iAssess streamlines the processing of assessment records, provides improved feedback for candidates and ensured consistency with test criteria. This has resulted in reduced waiting times for drivers following their assessment, improving the customer experience and delivering safe drivers to the road network.

With iAssess equipped with a GPS tracking function, DoT can pinpoint where learner drivers are having the most difficulty when attempting their PDA. This data allows DoT to identify trends and better understand where driver behaviour needs to be targeted and improved with further education, in line with its commitment to safe drivers. This functionality has also improved occupational safety and health outcomes by providing real-time location information and communication in case of emergency.

The use of iAssess in both the metropolitan and regional areas has continued to improve the transparency and consistency of the PDA process at a State-wide level, ensuring that all novice drivers, regardless of location, are meeting the required standards to drive safely.

DoT expects to complete the regional rollout in July 2019, with Karratha and South Hedland the last regional offices to transition to iAssess. Throughout 2019-20 DoT will continue to enhance its iAssess technology to strengthen governance and compliance and further improve the customer experience.

### **Trial of in-cabin cameras commenced to enhance compliance**

In January 2019 DoT commenced a trial of in-cabin video, audio and GPS surveillance cameras in a select group of its 18 Authorised Providers of Heavy Vehicle Practical Driving Assessments (HVPDA) around the State.

Authorised Providers are registered training organisations who, as agents of DoT, deliver these assessments and in doing so, increase availability and accessibility for customers.

The trial emphasises and enhances DoT's commitment to maintaining driving competency standards and robust compliance strategies, which includes the use of a sophisticated predictive analytics system that identifies unusual activity relating to driver and vehicle licence records, enabling DoT to respond to breaches promptly to ensure safe drivers and vehicles.

Through the trial, which was completed in June 2019, seven Authorised Providers in both metropolitan and regional areas utilised the cameras.

The technology and compliance outcomes provided measurable benefits during the trial and DoT is evaluating its future progression.

### **Unsafe vehicles removed from the road under Takata airbag recall**

In 2018-19 DoT worked proactively to support owners and manufacturers of vehicles fitted with defective Takata airbags to replace them under the Commonwealth Government's compulsory recall.

With the recall affecting approximately 3.5 million vehicles nationally, DoT targeted the most

dangerous airbags with a 'critical' recall status, which includes 'alpha' and other 'non-alpha critical' Takata airbags. Vehicles with 'critical' recall status have been identified by the vehicle manufacturer as having a Takata airbag that poses a heightened safety risk.

In August 2018 DoT commenced writing to owners of affected vehicles, advising them not to drive the vehicle and arrange the free replacement immediately as the activation of the defective airbag has a high likelihood of causing death or life-changing injury.

DoT continued to provide this written and verbal advice to owners who were yet to have the defective airbag replaced as required.

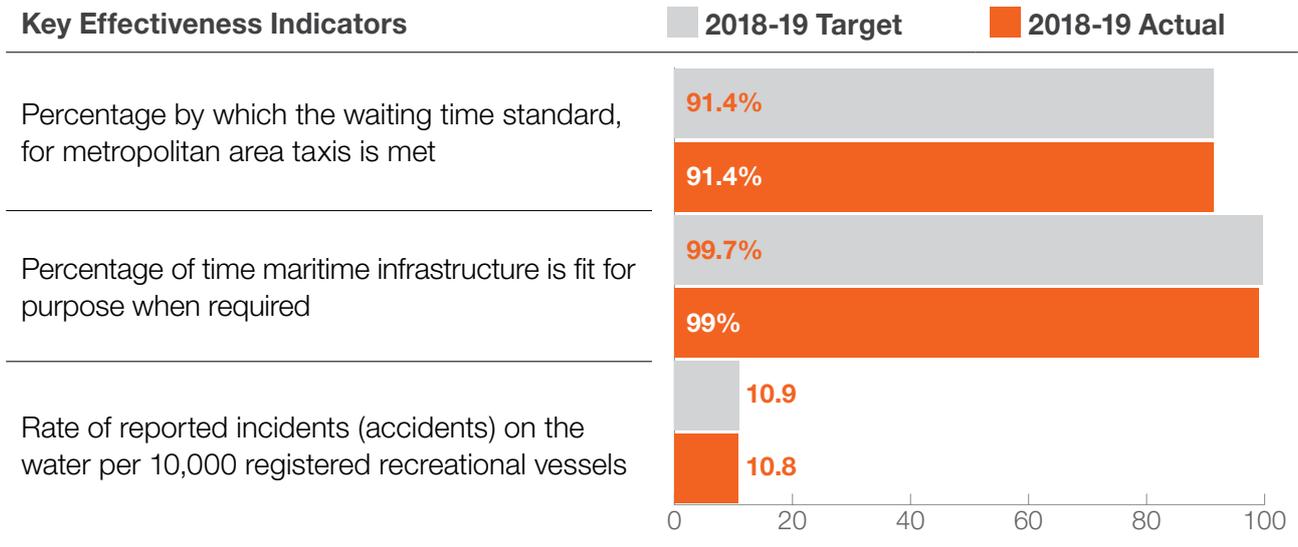
In line with its commitment to safety, in February 2019 DoT commenced using its powers under WA road laws to cancel the vehicle licence of owners still yet to comply.

This approach was successful in reducing the number of vehicles fitted with defective, potentially life threatening, airbags on WA roads from 85 to 16. In July 2019, DoT will cancel the vehicle licences of these remaining 16 vehicles, making WA the first State or Territory nationally to finalise sanction actions to ensure affected vehicles are removed from the road given the inherent dangers these airbags pose to drivers or other road users.

In addition to targeting the vehicles with 'critical' airbags, DoT has been at the forefront of developing a nationally consistent approach to support manufacturers to meet their legal obligations. This includes the provision of vehicle owner details to manufacturers, subject to strict confidentiality controls, which has enabled manufacturers to contact owners of affected vehicles with other categories of Takata airbags.

DoT will continue to work with its State and Territory counterparts and the Australian Competition and Consumer Commission in supporting vehicle manufacturers to replace all defective Takata airbags by 31 December 2020.

### Outcome 3: An accessible and safe transport system.



### Service 3: Coastal Infrastructure



Notes:

- These tables are a summary of the 2018-19 DoT Key Performance Indicators. For more detailed information see the Key Performance Indicators section of this report.
- Targets as specified in the 2018-19 Budget Statements.
- Efficiency Key Performance Indicator values are rounded up to the nearest dollar.

## Coastal Adaptation and Protection grants administered to preserve coastline

In 2018-19, DoT administered \$1,056,540 in Coastal Adaptation and Protection (CAP) grants to help local coastal managers preserve and sustainably manage WA's coastline.

Funding was allocated to 21 coastal management projects in 16 local government authorities for construction, design, monitoring and investigation work.

This included \$125,000 provided to the City of Busselton for the maintenance of Craig Street groyne and revetment in Busselton.

The City of Wanneroo received \$125,000 for sand replenishment work between the dog beach and the foreshore car park at Quinns Beach in Mindarie while the City of Joondalup received \$75,000 for sand bypassing between Sorrento and Hillarys beaches.

The Shire of Esperance also received \$110,000 to address sand erosion along Norseman Road.

As well as administering the CAP grants program, DoT continued to provide these and other local government authorities with coastal engineering support and guidance.

## Phase 1 redevelopment of Jetty Road causeway completed as part of the Transforming Bunbury's Waterfront project

The Transforming Bunbury's Waterfront project, overseen by the South West Development Commission, aims to create vibrant shorelines for the local community and infrastructure to stimulate tourism and local industries.

In 2018-19 DoT continued to implement a major component of Stage 2 works for the project – the \$12.3 million redevelopment of the Jetty Road causeway at Casuarina Boat Harbour.

The redevelopment is being undertaken in two main work packages.

The Phase 1 revetment works were successfully completed ahead of schedule in April 2019. Through the works, approximately 31,000 tonnes of rock were added to the structure to extend its life and improve protection during storm events.

The tender for the Phase 2 civil, services and landscaping works closed in May 2019. DoT expects to award the contract for the works, which includes upgraded services to enable future expansion of boat pens, the reconstruction of Jetty Road, increased parking, the introduction of shared paths and landscaping and the construction of a multipurpose building incorporating public toilets, in July 2019.

Onsite works are anticipated to start in the first half of 2019-20 and take 12 months to complete.



Phase 1 works underway on the redevelopment of the Jetty Road causeway at Casuarina Boat Harbour in Bunbury



*New B and C jetties at Hillarys Boat Harbour*

### **\$4.9 million jetty replacement completed at Hillarys Boat Harbour**

In April 2019, DoT successfully completed the replacement of the ageing B and C jetties at Hillarys Boat Harbour. The \$4.9 million project saw the 30-year old floating concrete jetties replaced with a new modern floating pen system. The design of the new pen system maximised the use of the available area and allowed for the construction of a new jetty, B0, which provides an additional eight pens.

Together, the new jetties provide a total of 91 pens in a mix of sizes to accommodate vessels ranging from 10 to 22 metres in length.

As well as increasing the number of available pens, the new jetties improve safety and accessibility for penholders and other users and reduce ongoing maintenance costs, all of which contribute to a positive customer experience.



*The new jetties provide a total of 91 pens.*

### **Detailed design of \$94 million Spoilbank Marina commenced**

DoT continued to progress the development of the Spoilbank Marina to meet the recreational boating needs of the Port Hedland community and provide much-needed amenity for locals and tourists.

Two concept designs were finalised by DoT and presented to the Spoilbank Boating Facilities Taskforce, chaired by the Pilbara Development Commission, for consideration.

In October 2018, Cabinet endorsed a \$94 million scope of works for the preferred concept design, which includes boat pens, boat launching facilities, two breakwaters and internal revetment walls and an access channel separating marina traffic from shipping activity.

The concept also features new public open spaces and improved public access, parking, toilet facilities and areas for pop-up retail stalls.

Following endorsement, the Taskforce engaged DoT to provide time and cost estimates for the coastal risk mapping for the Spoilbank site as well as undertake the detailed design for the marina.

DoT commenced a range of work required to progress the detailed design including data collection, which captured the impacts of Tropical Cyclone Veronica in May, other technical investigations and studies and an assessment of the demand and requirements for boat pens.

Work will continue throughout 2019-20 to further develop the concept to a detailed design stage for consideration by the Taskforce.

## Recreational Boating Facilities Scheme administered to improve infrastructure

DoT continued to administer the Recreational Boating Facilities Scheme (RBFS) on behalf of the State Government. The RBFS, which is primarily funded through recreational boat registration fees, aims to improve recreational boating infrastructure by providing grants to eligible authorities around the State.

In 2018-19, 13 projects with a combined grant value of \$2.078 million were completed including:

- removing the existing boat ramp, constructing a new concrete boat ramp and finger jetty at “The Elbow” Boat Ramp Collie River, Australind;
- upgrading the fender system at the Bundegi Boat Ramp, Exmouth;
- design and construction of a new boat launching facility – replacing the ramp and existing finger jetty with a new jetty on the Serpentine River in Furnissdale;
- replacing the existing Boat Ramp with two precast ramps and a new finger jetty at Deepwater Point, Mt Pleasant, and Point Walter, Bicton; and
- construction of 20 boat trailer bays adjacent to the Ellis Street boat ramp in Augusta.

In May 2018, \$1.5 million in RBFS funding was allocated to nine projects across the State through Round 23 of the scheme.

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***13 projects with a combined grant value of \$2.078 million were completed***

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## \$6 million upgrade to Two Rocks Marina continued

DoT has significantly improved infrastructure and operations at Two Rocks Marina since it assumed management responsibility of the ageing facility from a private operator in 2014.

In 2018-19, DoT continued to progress its \$6 million upgrade to improve infrastructure, safety and access to bring the facility up to standard and provide a foundation for future redevelopment opportunities.

Major works successfully completed by May 2019 included:

- removal of remaining abandoned vessels in the facility;
- construction of the new floating Q jetty, providing nine additional boat pens;
- replacement of the West-Link Jetty adjacent to the North Wharf; and
- removal of end of life structures including the original fuel jetty.

Works will continue into 2019-20, with the demolition and replacement of the two main buildings, upgrade of the fire services supply within the harbour and the replacement of P jetty with two new floating pen sets.

These works are aligned to the Draft Master Plan, which provides an aspirational long-term vision for the future of the marina. The plan, completed in May 2019, was developed in close consultation with Two Rocks Marina Redevelopment Reference Group as well as other stakeholder and community groups.

DoT will release the plan for public comment in July 2019 to seek feedback from the wider community to ensure the future development reflects the views of those in the local area and users of the facility. Following this, it is anticipated that the Master Plan will be finalised in the second quarter of 2019-20.



Fremantle Fishing Boat Harbour

### Improving future planning for recreational boat harbours

In 2018-19 DoT worked closely with stakeholders to improve the future planning for recreational boat harbours under its management.

DoT reviewed the connecting spaces between leasehold areas in the Fremantle Fishing Boat Harbour and defined a style guide for preferred building materials and street furniture selection. The style guide will be applied in future maintenance and redevelopment projects and in doing so, improve the experience for businesses and visitors.

The Harbour Management Plan for Hillarys Boat Harbour identified several concerns with transport connections to the harbour and movement within this activity centre. In response, DoT engaged with internal and external stakeholder groups to develop an Integrated Transport Strategy for the harbour to provide a strategic framework to inform future improvements.

DoT worked with the Shire of Exmouth on several initiatives to improve the functionality of the Exmouth Boat Harbour. This included co-funding road works to improve access to the harbour and the updating statutory planning processes to offer more planning certainty and streamline the planning assessment of development initiatives in the harbour.

DoT also engaged with the Bremer Bay Working Group in preparing a consensus redevelopment concept plan for the Bremer Bay Boat Harbour and related infrastructure. These upgrades are intended to facilitate potential growth in commercial, tourism and recreational activities in the area.

These planning activities ensure DoT's recreational boat harbours continue to meet the needs of stakeholders and the wider community well into the future.

### Contract awarded for construction of new weir at Bandy Creek Boat Harbour

DoT continued to progress the construction of a new weir at the Bandy Creek Boat Harbour in Esperance after the current structure was significantly damaged when it was overtopped by floodwater in February 2017.

In 2018-19 DoT finalised the detailed design for the reconstruction project, obtained relevant heritage and environmental approvals and commenced a public tender process in line with the State Government's *Western Australian Industry Participation Strategy*, which aims to maximise opportunities for local businesses and job seekers.

The tender process was successfully completed in June 2019, with a \$4.9 million contract for the construction of the new weir awarded to a WA company.

Works will commence in September 2019 and will include:

- construction of an elevated road platform on a new alignment;
- construction of a new low-level weir;
- installation of a sheet piled cut off wall below the weir, which acts as a barrier to prevent erosion of foundation material; and
- demolition and removal of the damaged structure.

The new weir, expected to be completed in the fourth quarter of 2019-20, will be less susceptible to future damage. It will also deliver a range of community and environmental benefits including reducing sediment deposition from Bandy Creek into the boat harbour, maintaining a suitable water level in the creek to protect the Ramsar wetlands and providing an access road for pedestrians and maintenance and emergency vehicles.

Further, the project will provide local employment opportunities and a financial boost for the Esperance economy with up to 20 local jobs and apprenticeships.

### **Work commenced on Beadon Creek breakwater upgrade**

DoT continued to progress the upgrade of the breakwater at the entrance to Beadon Creek in Onslow.

The importance of the breakwater, first constructed more than 50 years ago to train and maintain the natural entrance to the creek and navigation channel, has increased in recent years as extensive growth of the resources sector has led to greater demand for maritime facilities in the Pilbara region.

As such, DoT, in conjunction with Onslow Marine Support Base, undertook rigorous design work and physical modelling of the structure to ensure the design is optimised to deliver value for money and enhance Onslow's capacity to service the oil and gas industry off the Pilbara coast.

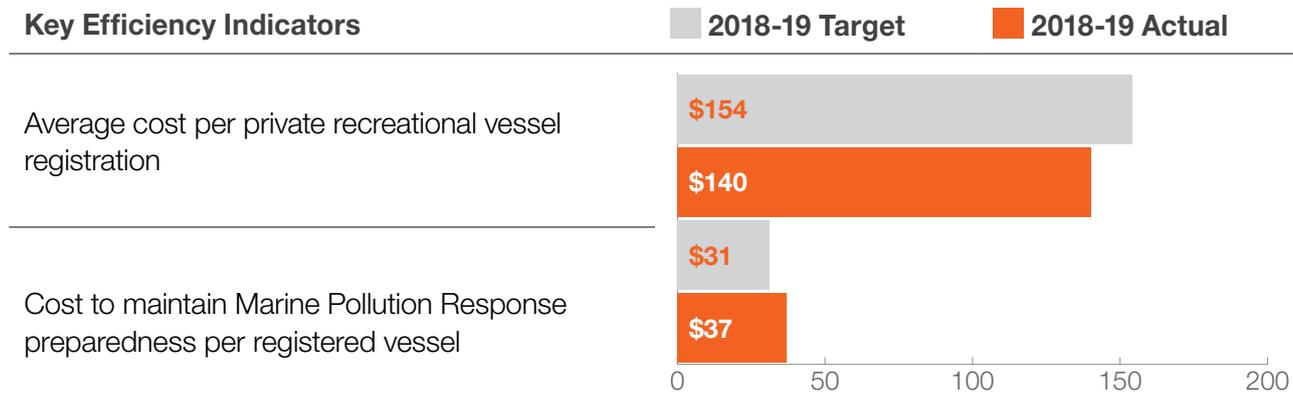
Following this, a public tender process was completed and the \$4.4 million contract for the upgrade, jointly funded by the State Government and the private sector, was awarded to a WA based company.

Works to rebuild the breakwater using existing and additional rock commenced in May 2019 and are expected to be completed in the second quarter of 2019-20.

As the manager of the Onslow Maritime Facility, DoT will continue working collaboratively with the private sector to deliver this significant infrastructure improvement as well as encouraging further investment in the area through the release of more land for development at the facility.

*Construction underway on the Beadon Creek breakwater upgrade  
Image courtesy of O2 Inflight*

## Service 4: Marine Safety



### Notes:

- These tables are a summary of the 2018-19 DoT Key Performance Indicators. For more detailed information see the Key Performance Indicators section of this report.
- Targets as specified in the 2018-19 Budget Statements.
- Efficiency Key Performance Indicator values are rounded up to the nearest dollar.

### CCTV introduced to reduce risky boating behaviour

In October 2018 DoT introduced closed circuit television at three boating hotspots on the Swan River to assist in monitoring on-water safety compliance.

Cameras were installed at the Narrows Bridge, Deepwater Point and Point Walter after a trial at the Belmont water ski area showed the technology was successful in reducing risky boating behaviour, with evidence of self-regulation, safer waterway use and a decline in non-compliance.

State-of-the-art analytics programs are used to filter footage under the \$1.5 million, five-year contract which has seen the number of infringements issued at these locations increase, but importantly, few instances of repeat offending.

The most common offences detected using the footage were failure to wear a lifejacket while operating a personal water craft, speeding and operating in prohibited boating areas set aside to ensure safety of other water users such as swimmers.

Together with its existing marine safety compliance patrols, DoT will continue to use the cameras to ensure safe boating behaviour and assist in marine incident investigations where required.

*DoT Marine  
Compliance Officers*



## North Metropolitan Aquatic Use Review successfully completed

In 2018-19 DoT completed the North Metropolitan Aquatic Use Review to ensure the safe, equitable and sustainable use of waters from Two Rocks to North Fremantle.

The review looked at the current management arrangements in place along the coastline and explored changes to maximise the amenity and future use.

Through the review process, DoT consulted with key stakeholders including local and State government authorities and aquatic use organisations as well as the wider boating community.

The review confirmed that most of the current management arrangements in place are working well. The main outcomes of the review will see the implementation of:

- a new closed water motorised vessel area at Marmion Beach to provide greater safety for users of a soon to be established dive trail; and
- reduced speed limit within Hillary's Marina to five knots to improve overall navigational safety.

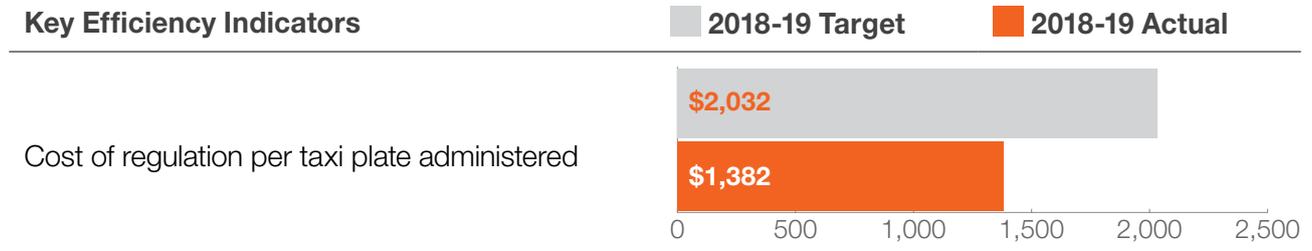
The introduction of these changes will be postponed until the dive trail at Marmion beach is established.

In 2019-20 DoT will continue its systematic review of aquatic use of waters off the WA coast with a focus on the Upper Reaches of the Swan River, Broome and Jurien Bay.



*Recreational boat users on the Swan River*

## Service 5: On-demand Transport



Notes:

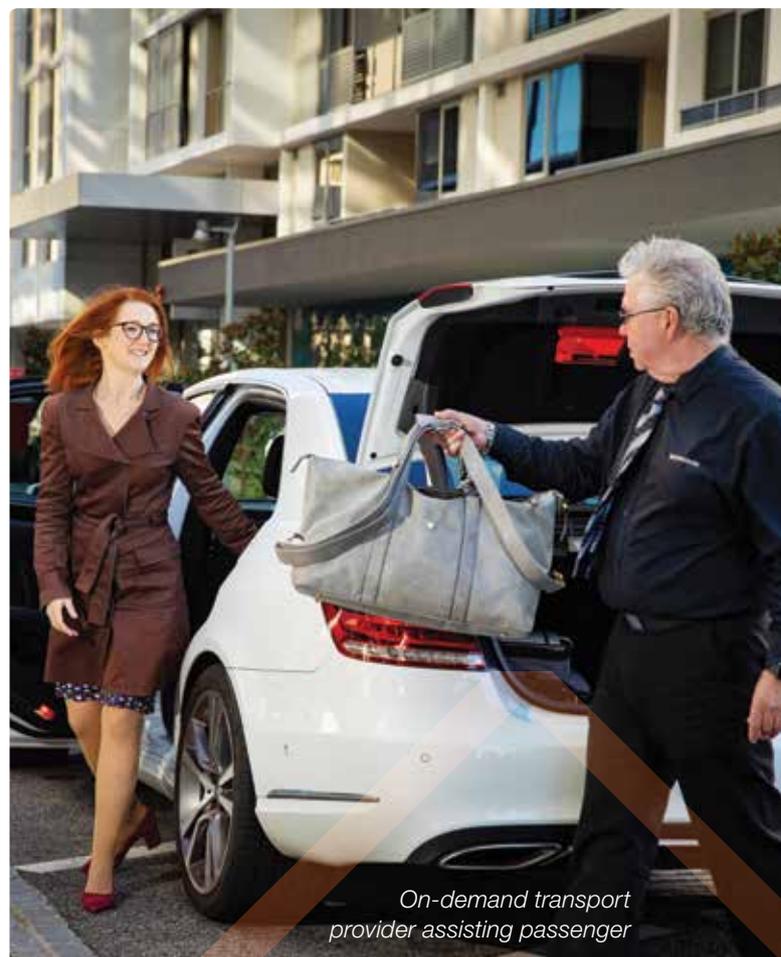
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- Targets as specified in the 2018-19 Budget Statements.
- Efficiency Key Performance Indicator values are rounded up to the nearest dollar.

### First Stage of on-demand transport reform successfully introduced

WA’s on-demand transport industry has faced a range of challenges in recent years prompting the most comprehensive overhaul of the taxi and on-demand transport industry in the State’s history and sparking a new era for passengers and operators.

In 2018-19, the *Transport (Road Passenger Services) Act 2018* was enacted. This new, single piece of legislation establishes a level playing field whereby all drivers, vehicles and booking services operate under the same rules for the first time.

Safety has been a major focus of the reform, with clear accountability for all those operating in the industry. The legislation establishes the minimum standards of safety required of drivers, vehicles and booking services operating within the taxi, charter, tour and regular passenger transport sectors and establishes a chain of accountability for that safety.



On-demand transport provider assisting passenger

The legislation also gives operators greater flexibility to tailor their services to meet the needs of their customers. Customers are already benefiting from the increased choice of on-demand transport providers and this will continue to grow as more innovative services come into operation.

The first stage of the on-demand transport reform commenced on 28 February 2019 and focused on the authorisation of on-demand booking services. An On-demand Booking Service is a provider who takes or communicates customer requests for an on-demand trip and connects them with a vehicle and driver. They can be traditional taxi dispatchers, luxury and bus charter services, individual drivers taking their own bookings or the newer ride-sourcing offerings that take bookings via an application (app).

From 1 April 2019, all on-demand booking services have been required to be authorised to operate legally in WA. This provides customers with confidence that the people arranging and delivering their service are of good character and have the appropriate practices in place to manage safety.

At 30 June 2019, 700 individuals and businesses held active authorisation as an On-demand Booking Service and a list of these providers is available on DoT's website.

These authorisations, as well as online transactions for booking services, passenger transport vehicles and registration and payment of the On-demand Transport Levy, were managed through \$4.4 million in new information and communications technology systems delivered by DoT in 2018-19.

In June 2019 the State Government approved the latest Reform Regulations Package, paving the way for DoT to implement the second stage of the on-demand transport reform.

The second stage of the reform, commencing 2 July 2019, will focus on ensuring on-demand transport vehicles are safe and remove restrictions which will encourage innovation in the industry.



*On-demand transport providers at Optus Stadium*

## DoT continued to support industry through transition

In 2018-19 DoT officers met with many individuals and businesses across the State in line with its commitment to support the on-demand transport industry in transitioning to a more competitive market and ensuring operators comply with new safety standards.

DoT also administered applications for the Taxi Buyback Scheme, which aimed to allow for the transition of owned metropolitan taxi plates to an annual taxi authorisation.

Through the scheme, eligible plate owners are being offered a one-off payment based on an individual plate's purchase price, period of plate ownership and how much the plate has earned over time.

The scheme was carefully deliberated and resulted in the most generous buyback offer in Australia. Payments to plate owners will be made in July 2019.

The scheme is funded by industry through a temporary 10 per cent levy known as the On-demand Transport Levy. The Levy, which

commenced on 1 April 2019, is payable by the On-demand Booking Service and is applied to all bookings for on-demand trips in the Perth, Mandurah and Murray areas. An exemption from the Levy is available for on-demand booking services that only take bookings for certain types of special events as well as buses and electric vehicles.

The Levy is expected to be in place for four years and collections in the first quarter of operation were in line with forecasts.

To support country taxi operators with the changes coming into effect under the second stage of the reform in 2019-20, in May 2019 the State Government committed \$3.4 million in funding to the Regional Taxi Transition Support Package. Under the package eligible country taxi operators will have their On-demand Booking Service and taxi vehicle authorisation fees waived for three years as well as the ability to apply for a \$10,000 subsidy per taxi-car licence, capped at 10 licences.

In 2019-20 DoT will assess applications for the subsidy received from country taxi operators for payment in October 2019.



# ACTUAL RESULTS VERSUS BUDGET TARGETS

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

## 2018-19 Actual Results Versus Budget Targets

	2018-19 Target	2018-19 Actual	Variation	
Total cost of services (\$'000)	436,152	412,166	(23,986)	Note 1
Net cost of services (\$'000)	99,411	70,055	(29,356)	Note 2
Total equity (\$'000)	806,450	856,066	49,616	Note 3
Net increase/(decrease) in cash held (\$'000)	13,562	48,304	34,742	Note 4
Approved full time equivalent (FTE)	1,359	1,312	(47)	Note 5

### Notes

These notes should be read in conjunction with the Explanatory Statement to the Financial Statements.

#### Note 1: Total cost of services

The total cost of services actual was lower than the budget target mainly due to the deferral of the Busselton-Margaret River Regional Airport Upgrade project and underspends in grants and operating activities.

#### Note 2: Net cost of services

The lower net cost of services result is mainly due to the lower total cost of services and increased revenue related to the revaluation increment of land.

#### Note 3: Total equity

The higher than expected total equity is mainly a result of an increased accumulated surplus due to the favourable result in 2017-18.

#### Note 4: Net increase/(decrease) in cash held

The higher than estimated net increase in cash held is predominantly due to underspends in grants, operating activities and capital projects.

#### Note 5: Approved full-time equivalents (FTE)

The actual paid FTE is lower than the target, primarily due to a concerted effort by DoT to operate within the organisation's salary cap.

# SIGNIFICANT ISSUES IMPACTING THE AGENCY



## On-demand transport reform implementation

Implementation of the on-demand transport reform will continue in 2019-20. The second stage of the reform, commencing in July 2019, will transition on-demand transport vehicles to a new authorisation framework as part of its focus on safety.

From July 2019, the restrictions on how Perth and regional taxis can operate, and in what number, will be removed, allowing fair competition within the taxi and charter sector and greater choices for the travelling public. New online application processes and reduced annual fees for vehicle authorisation will be introduced.

In 2019-20, Perth taxi plate owners will receive payments from the State Government's Taxi Buyback Scheme to support them in transitioning to the more open market. The scheme is funded by industry through the On-demand Transport Levy which came into effect in April 2019.

## State Government's response to the Parliamentary Inquiry into Regional Airfares in WA

The 2017 Parliamentary Inquiry into Regional Airfares in WA found there are community concerns about airfares on unregulated air routes. DoT is leading the implementation of the State Government's response to the 13 recommendations arising from the inquiry, focusing on identifying initiatives that will increase the availability of affordable airfares.

DoT is working in collaboration with a range of government agencies, airlines and community stakeholders to help inform the review of the State Aviation Strategy and identify opportunities for improvements in regional aviation.

## Improving supply chain efficiency

WA exporters rely on the efficient and safe transportation of freight to support their competitiveness in the global marketplace. The State Government continues to work with industry to identify and address export supply chain constraints, both infrastructure and policy, in regional WA.

In line with this, DoT, in collaboration with PTA, Main Roads, and the Department of Primary Industries and Regional Development, is developing the Revitalising Agricultural Region Freight Strategy to identify challenges facing the agricultural sector and opportunities to improve the efficiency and productivity of WA's agricultural supply chains.

The State Government is investigating and implementing a number of initiatives to help reduce congestion and improve the efficiency of the entire container freight supply chain.

The State Government is committed to increasing the volume of freight on rail, and has increased the container rail subsidy in order to encourage the use of rail transport and reduce the impact of an increasing freight task on metropolitan roads.

## Continued demand for coastal infrastructure

Demand for coastal infrastructure continues to grow, with the ongoing need for new or improved facilities in metropolitan and regional locations to cater for both recreational and commercial boating demands.

DoT is currently progressing the planning for an unprecedented number of significant maritime-related projects to ensure this demand is met.



*Cyclist on a Principal Shared Path*

## Westport Taskforce developing long-term plan for WA's freight and logistics needs

The Westport Taskforce was established to develop a long-term plan to provide guidance to the State Government on the port, road, rail and intermodal infrastructure required to handle the State's growing trade task for the next 50 years and beyond.

In December 2018 the Taskforce completed Stage 1 of its process by releasing the progress report, *Westport: What we have found so far*. In 2019-20 the Taskforce will complete a comprehensive multi-criteria analysis of its shortlisted port and supply chain scenarios and identify options to be presented to the State Government for consideration.

## Continued investment in cycling infrastructure

The most recent cycling data shows cycling demand in Perth has grown, with trips in the Perth CBD increasing by two per cent from 2017 to 2018. Strong growth has been observed where new infrastructure has been provided. For example, cycling traffic on the Tonkin Highway Principal Shared Path (PSP) near the Perth Airport has grown by 23 per cent and similarly, cycling traffic on the Graham Farmer Freeway PSP near Matagarup Bridge and the Perth Stadium has grown by 49 per cent compared to 2017 levels.

The State Government's continued investment in cycling infrastructure will attract more cyclists by providing a safe and connected path network in Perth. The allocated funding will result in \$20 million for the PSP Expansion program, \$3 million for the Safe Active Streets program, and \$5 million for the Perth and Regional Bike Network Grants program in 2019-20.

## Improved customer and compliance outcomes drive service delivery

DoT continues to explore and implement initiatives that deliver improved customer and compliance outcomes.

In 2018-19 DoT introduced an increased range of digital services to improve the customer experience including the Learn&Log application and Fleet Management Online and will continue to expand its digital services in 2019-20 with the introduction of digital billing.

In 2019-20, DoT will also support whole-of-government online initiatives and lead the delivery of the ServiceWA pilot. The pilot will leverage DoT's established service delivery capability to bring together 85 everyday services across five agencies, transforming the way government delivers services to the community.

## Improving delivery of Practical Driving Assessments to achieve customer and safety outcomes

DoT is committed to continually improving the delivery of Practical Driving Assessments (PDAs) to achieve the best customer experience and road safety outcomes for the community now and in the future.

In 2019-20 DoT will continue to build on the success of its new service delivery model trial at its Kelmscott Driver and Vehicle Services Centre to further improve the learner driver experience and ultimately, road safety.

DoT will also continue to evaluate the use of in-cabin video, audio and GPS surveillance cameras to improve compliance outcomes for Heavy Vehicle Practical Driving Assessments performed by Authorised Providers around the State following the successful trial of the technology in 2018-19.

## Preparing for connected and automated vehicles

In 2019-20 DoT will continue to work closely with associated agencies across Australia to introduce a practical legislative framework for connected and automated vehicles.

This includes national coordination of standards, regulation and data handling requirements to set the highest standards of community safety and interoperability between states and territories of international technology.



*DoT Driver Assessor conducting a PDA with novice driver*

# DISCLOSURES AND LEGAL COMPLIANCE





## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

### DEPARTMENT OF TRANSPORT

### Report on the Financial Statements

#### **Opinion**

I have audited the financial statements of the Department of Transport which comprise the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information, including Administered transactions and balances.

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 Department of Transport for the year ended 30 June 2019 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

#### **Basis for Opinion**

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

#### **Responsibility of the Director General for the Financial Statements**

The Director General is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Director General 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 Director General is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Department.

#### **Auditor's Responsibility for the Audit of the Financial Statements**

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

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director General.
- Conclude on the appropriateness of the Director General's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Director General regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## **Report on Controls**

### ***Opinion***

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

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

In my opinion, in all material respects, the controls exercised by the Department of Transport are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2019.

### ***The Director General's Responsibilities***

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

### ***Auditor General's Responsibilities***

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

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

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

### ***Limitations of Controls***

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

### **Report on the Key Performance Indicators**

#### ***Opinion***

I have undertaken a reasonable assurance engagement on the key performance indicators of the Department of Transport for the year ended 30 June 2019. The key performance indicators are the key effectiveness indicators and the 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 Department of Transport are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2019.

#### ***The Director General's Responsibility for the Key Performance Indicators***

The Director General is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Director General 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 Director General is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

### **Auditor General's Responsibility**

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

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

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

### **My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators**

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

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

This auditor's report relates to the financial statements and key performance indicators of the Department of Transport for the year ended 30 June 2019 included on the Department's website. The Department's management is responsible for the integrity of the Department's website. This audit does not provide assurance on the integrity of the Department's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



CAROLINE SPENCER  
AUDITOR GENERAL  
FOR WESTERN AUSTRALIA  
Perth, Western Australia  
30 August 2019



*Commuting across the Narrows Bridge*

# CERTIFICATION OF FINANCIAL STATEMENTS

## For the year ended 30 June 2019

The accompanying financial statements of the Department of Transport have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2019 and the financial position as at 30 June 2019.

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



**Peter Parolo**  
Chief Finance Officer  
30 August 2019



**Richard Sellers**  
Director General  
30 August 2019

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2019

	Note	2019 \$ 000	2018 \$ 000
<b>COST OF SERVICES</b>			
<i>Expenses</i>			
Employee benefits expense	3.1	135 303	136 252
Supplies and services	3.4	114 713	107 528
Depreciation and amortisation expense	5.1,5.2,5.3	21 031	20 856
Accommodation expenses	3.4	17 977	16 844
Grants and subsidies	3.2	119 044	91 558
Loss on disposal of non-current assets	3.3	450	283
Other expenses	3.4	3 646	4 109
<b>Total cost of services</b>		<b>412 164</b>	<b>377 430</b>
<b>Income</b>			
<i>Revenue</i>			
User charges and fees	4.2	271 896	261 681
Sales		151	181
Grants and contributions	4.3	10 605	19 627
Interest revenue		581	689
Other revenue	4.4	56 350	54 310
Other income	4.5	-	78
<b>Total revenue</b>		<b>339 583</b>	<b>336 566</b>
<i>Gains</i>			
Other gains	4.6	2 526	-
<b>Total gains</b>		<b>2 526</b>	<b>-</b>
<b>Total income other than income from State Government</b>		<b>342 109</b>	<b>336 566</b>
<b>NET COST OF SERVICES</b>		<b>70 055</b>	<b>40 864</b>
<b>Income from State Government</b>		4.1	
Service appropriation		76 343	59 776
Assets (transferred)/received		(35)	147
Services received free of charge		1 841	1 710
Royalties for Regions Fund		40 624	36 649
<b>Total income from State Government</b>		<b>118 773</b>	<b>98 282</b>
<b>SURPLUS FOR THE YEAR</b>		<b>48 718</b>	<b>57 418</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items not reclassified subsequently to profit or loss</i>			
Changes in asset revaluation surplus	9.10	927	(345)
<b>Total other comprehensive income/(deficit)</b>		<b>927</b>	<b>(345)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>49 645</b>	<b>57 073</b>

See also the Schedule of Income and Expense by Service.

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

# STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Note	2019 \$ 000	2018 \$ 000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7.1	51 631	31 005
Restricted cash and cash equivalents	7.1	105 239	78 143
Inventories	6.2	514	543
Receivables	6.1	8 513	15 203
Other current assets	6.4	3 824	5 088
Non-current assets classified as held for distribution to owners	9.9	7 757	7 757
<b>Total Current Assets</b>		<b>177 478</b>	<b>137 739</b>
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	7.1	1 607	1 025
Amounts receivable for services	6.3	256 291	236 457
Property, plant and equipment	5.1	148 510	148 578
Infrastructure	5.2	268 079	267 505
Intangible assets	5.3	40 418	36 184
Construction in progress	5.4	13 122	11 773
<b>Total Non-Current Assets</b>		<b>728 027</b>	<b>701 522</b>
<b>TOTAL ASSETS</b>		<b>905 505</b>	<b>839 261</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	6.5	21 280	20 362
Employee related provisions	3.1	21 258	20 917
Other current liabilities	6.6	430	730
<b>Total Current Liabilities</b>		<b>42 968</b>	<b>42 009</b>
<b>Non-Current Liabilities</b>			
Employee related provisions	3.1	6 471	6 054
<b>Total Non-Current Liabilities</b>		<b>6 471</b>	<b>6 054</b>
<b>TOTAL LIABILITIES</b>		<b>49 439</b>	<b>48 063</b>
<b>NET ASSETS</b>		<b>856 066</b>	<b>791 198</b>
<b>EQUITY</b>			
	9.10		
Contributed equity		514 559	499 071
Reserves		2 830	1 903
Accumulated surplus		338 677	290 224
<b>TOTAL EQUITY</b>		<b>856 066</b>	<b>791 198</b>

See also the 'Schedule of Assets and Liabilities by Service'.

The Statement of Financial Position should be read in conjunction with the accompanying notes

# STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

	Note	Contributed equity \$ 000	Reserves \$ 000	Accumulated surplus \$ 000	Total equity \$ 000
<b>Balance at 1 July 2017</b>		484 517	2 248	232 806	719 571
Surplus for the year		-	-	57 418	57 418
Other comprehensive income		-	(345)	-	(345)
Total comprehensive income for the year	9.10	-	(345)	57 418	57 073
Transactions with owners in their capacity as owners:					
Capital appropriations		18 287	-	-	18 287
Other contributions by owners					
• Regional Development Headworks Fund		3 488	-	-	3 488
• Department of Lands		49	-	-	49
Distribution to owners					
• Public Transport Authority		(7 270)	-	-	(7 270)
		14 554	-	-	14 554
<b>Balance at 30 June 2018</b>		499 071	1 903	290 224	791 198
<b>Balance at 1 July 2018</b>		499 071	1 903	290 224	791 198
Changes in accounting policy or correction of prior period errors	9.2	-	-	(265)	(265)
<b>Restated balance at 1 July 2018</b>		499 071	1 903	289 959	790 933
Surplus for the year		-	-	48 718	48 719
Other comprehensive income		-	927	-	927
Total comprehensive income for the year		499 071	2 830	338 677	840 579
Transactions with owners in their capacity as owners:					
Capital appropriations		20 634	-	-	20 634
Other contributions by owners					
• Regional Development Headworks Fund		1 606	-	-	1 606
Distribution to owners					
• Department of Planning Lands and Heritage		(52)	-	-	(52)
• Department of Treasury		(6 700)	-	-	(6 700)
		15 488	-	-	15 488
<b>Balance at 30 June 2019</b>		514 559	2 830	338 677	856 066

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

# STATEMENT OF CASH FLOWS

For the year ended 30 June 2019

	Note	2019 \$000	2018 \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		56 509	39 901
Capital appropriation		20 634	18 287
Cash transferred (to)/from other agencies		(6 700)	(7 270)
Royalties for Regions Fund		42 230	40 137
<b>Net cash provided by State Government</b>		112 673	91 055
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i>Payments</i>			
Employee benefits		(134 760)	(138 823)
Supplies and services		(112 197)	(109 710)
Accommodation		(16 804)	(17 720)
Grants and subsidies		(118 752)	(86 923)
GST payments on purchases		(26 859)	(23 114)
Other payments		(4 342)	(2 282)
<i>Receipts</i>			
Sale of goods and services		152	180
User charges and fees		270 397	261 809
Grants and contributions		16 791	12 986
Interest received		663	674
GST receipts on sales		7 937	7 361
GST receipts from taxation authority		19 959	15 642
Other receipts		57 652	53 498
<b>Net cash (used in) operating activities</b>	7.1.2	(40 163)	(26 422)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<i>Payments</i>			
Purchase of non-current assets		(24 296)	(25 421)
<i>Receipts</i>			
Proceeds from sale of non-current assets		90	89
<b>Net cash (used) in investing activities</b>		(24 206)	(25 332)
Net increase/(decrease) in cash and cash equivalents		48 304	39 301
Cash and cash equivalents at the beginning of the year		110 173	70 872
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	7.1.1	158 477	110 173

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

# SUMMARY OF CONSOLIDATED ACCOUNT APPROPRIATIONS AND INCOME ESTIMATES

For the year ended 30 June 2019

	2019 Estimate \$ 000	2019 Actual \$ 000	Variance \$ 000	2019 Actual \$ 000	2018 Actual \$ 000	Variance \$ 000
<b>DELIVERY OF SERVICES</b>						
Item 76 Net amount appropriated to deliver services	77 301	71 180	(6 121)	71 180	54 250	16 930
Section 25 Transfer of service appropriation	-	4 269	4 269	4 269	4 269	-
Amount authorised by other statutes						
– Salaries and Allowances Act 1975	1 257	894	(363)	894	1 257	(363)
<b>Total appropriations provided to deliver services</b>	<b>78 558</b>	<b>76 343</b>	<b>(2 215)</b>	<b>76 343</b>	<b>59 776</b>	<b>16 567</b>
<b>CAPITAL</b>						
Item 120 Capital appropriations	17 489	20 634	3 145	20 634	18 287	2 347
<b>ADMINISTERED TRANSACTIONS</b>						
Item 77 Western Australian Coastal Shipping Commission	100	100	-	100	100	-
<b>Total administered transactions</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>96 147</b>	<b>97 077</b>	<b>930</b>	<b>97 077</b>	<b>78 163</b>	<b>-</b>
<b>Details of expenses by service</b>						
Strategic Transport Policy and Integrated Planning	102 880	91 091	(11 789)	91 091	63 832	27 259
Driver and Vehicle Services	209 741	199 028	(10 713)	199 028	195 178	3 850
Coastal Infrastructure	71 322	68 057	(3 265)	68 057	59 783	8 274
Marine Safety	26 754	28 692	1 938	28 692	30 437	(1 745)
On-demand Transport	25 455	25 296	(159)	25 296	28 200	(2 904)
Total cost of services	436 152	412 164	(23 988)	412 164	377 430	34 734
Less: Total income	336 741	342 109	5 368	342 109	336 566	5 543
Net cost of services	99 411	70 055	(29 356)	70 055	40 864	29 191
Adjustments <sup>(i)</sup>	(20 853)	6 288	27 141	6 288	18 912	(12 624)
<b>Total appropriations provided to deliver services</b>	<b>78 558</b>	<b>76 343</b>	<b>(2 215)</b>	<b>76 343</b>	<b>59 776</b>	<b>16 567</b>

# SUMMARY OF CONSOLIDATED ACCOUNT APPROPRIATIONS AND INCOME ESTIMATES

**For the year ended 30 June 2019**

	2019 Estimate \$ 000	2019 Actual \$ 000	Variance \$ 000	2019 Actual \$ 000	2018 Actual \$ 000	Variance \$ 000
<b>Capital expenditure</b>						
Purchase of non-current physical assets	32 405	24 296	(8 109)	24 296	25 421	(1 125)
Funding included in Department of Treasury Administered Item	(200)	-	200	-	-	-
Delivery of Services						
• Internal funds and balances	(6 937)	317	7 254	317	2 219	(1 902)
• Other	-	(2 373)	(2 373)	(2 373)	(5 865)	3 492
• Royalties for Regions	(7 779)	(1 606)	6 173	(1 606)	(3 488)	1 882
<b>Capital appropriations</b>	<b>17 489</b>	<b>20 634</b>	<b>3 145</b>	<b>20 634</b>	<b>18 287</b>	<b>2 347</b>

## DETAILS OF INCOME ESTIMATES

Income disclosed as Administered Income	1 038 067	2 402 277	1 364 210	2 402 277	2 309 915	92 362
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(i) Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation.

Note 9.13 'Explanatory Statement' and Note 10.2 'Explanatory Statement for Administered Items' provide details of any significant variances between estimates and actual results for 2019 and between actual results for 2019 and 2018.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. Basis of preparation

The Department is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Department 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 has 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 Department on 30 August 2019.

### Statement of compliance

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

1. The *Financial Management Act 2006*
2. The Treasurer's Instructions
3. Australian Accounting Standards including applicable interpretations
4. Where appropriate, those accounting standard paragraphs applicable for not-for-profit entities have been applied.

The Financial Management Act and the Treasurer's instructions take precedence over Australian Accounting Standards. Several Accounting Standards are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

### Basis of preparation

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

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

The financial statements are presented in Australian dollars and 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.

### 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 Treasurer's instruction 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed Equity.

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

## 2. Department outputs

### How the Department operates

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

	<b>Note</b>
Department objectives	2.1
Schedule of Income and Expenses by Service	2.2
Schedule of Assets and Liability by Service	2.3

### 2.1 Department objectives

#### **Mission**

The Department's mission is to plan and deliver transport solutions for the prosperity of Western Australians.

The Department is predominantly funded by user fees and charges determined by prevailing market forces. It is also funded by other controlled revenues and Parliamentary appropriations.

#### **Services**

The Department provides the following services:

##### *Service 1: Strategic Transport Policy and Integrated Planning.*

Contributes towards the provision of leadership for strategic transport management, development and protection of economic nodes and networks through the provision of a range of services.

##### *Service 2: Driver and Vehicle Services*

Contributes towards the provision of safe, accessible, sustainable and efficient transport services and systems through the provision of driver licensing and vehicle registration services.

##### *Service 3: Coastal Infrastructure*

Contributes towards the Department's outcome of an accessible and safe transport system through the provision of a range of coastal infrastructure services.

##### *Service 4: Marine Safety*

Contributes towards the safe and sustainable use of navigable waters through the provision of a range of marine safety regulatory and education services.

##### *Service 5: On-demand Transport*

Provides a regulatory environment that encourages competition and innovation in the on-demand transport industry to deliver safe, accessible and efficient on-demand transport services for our community.

## 2.2 Schedule of Income and Expenses by Service

For the year ended 30 June 2019

	Strategic Transport Policy &			
	Integrated Planning		Driver and Vehicle Services	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
<b>COST OF SERVICES</b>				
<i>Expenses</i>				
Employee benefits expense	16 826	14 870	87 017	87 860
Supplies and services	10 675	7 486	62 212	57 220
Depreciation and amortisation expense	224	403	7 703	7 197
Accommodation expenses	549	637	11 572	12 162
Grants and subsidies	62 452	40 217	28 093	27 607
Loss on disposal of non-current assets	2	1	324	144
Other expenses	363	218	2 107	2 988
<b>Total cost of services</b>	<b>91 091</b>	<b>63 832</b>	<b>199 028</b>	<b>195 178</b>
<i>Income</i>				
User charges and fees	58 725	57 893	172 463	164 971
Sales	1	4	113	128
Grants and contributions	5 184	7 901	5 388	7 023
Interest revenue	44	48	227	273
Other revenue	201	486	28 619	26 270
Other income	-	-	-	-
<b>Total Revenue</b>	<b>64 155</b>	<b>66 332</b>	<b>206 810</b>	<b>198 665</b>
<i>Gains</i>				
Other Gains	-	-	210	-
<b>Total Gains</b>	<b>-</b>	<b>-</b>	<b>210</b>	<b>-</b>
<b>Total income other than income from State Government</b>	<b>64 155</b>	<b>66 332</b>	<b>207 020</b>	<b>198 665</b>
<b>NET COST OF SERVICES</b>	<b>26 936</b>	<b>(2 500)</b>	<b>(7 992)</b>	<b>(3 487)</b>
<b>INCOME FROM STATE GOVERNMENT</b>				
Service appropriation	9 487	6 755	49 441	38 675
Assets received	-	18	-	100
Services received free of charge	229	193	1 192	1 106
Royalties for Regions Fund	1 600	4 900	30 470	31 175
<b>Total income from State Government</b>	<b>11 316</b>	<b>11 866</b>	<b>81 103</b>	<b>71 056</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>(15 620)</b>	<b>14 366</b>	<b>89 095</b>	<b>74 543</b>

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.

Coastal Infrastructure		Marine Safety		On-demand Transport		Total	
2019	2018	2019	2018	2019	2018	2019	2018
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
13 137	12 901	12 811	14 260	5 512	6 361	135 303	136 252
32 750	31 435	7 228	8 273	1 848	3 114	114 713	107 528
11 322	11 191	1 391	1 604	391	461	21 031	20 856
3 411	2 521	1 661	758	784	766	17 977	16 844
10 619	5 121	1 306	1 130	16 574	17 483	119 044	91 558
61	26	61	111	2	1	450	283
(3 243)	(3 412)	4 234	4 301	185	14	3 646	4 109
68 057	59 783	28 692	30 437	25 296	28 200	412 164	377 430
14 353	12 979	20 587	19 927	5 768	5 911	271 896	261 681
1	3	36	46	-	-	151	181
14	4 700	13	3	6	-	10 605	19 627
39	46	31	43	240	279	581	689
27 261	24 357	123	2 064	146	1 133	56 350	54 310
-	78	-	-	-	-	-	78
41 668	42 163	20 790	22 083	6 160	7 323	339 583	336 566
2 316	-	-	-	-	-	2 526	-
2 316	-	-	-	-	-	2 526	-
43 984	42 163	20 790	22 083	6 160	7 323	342 109	336 566
24 073	17 620	7 902	8 354	19 136	20 877	70 055	40 864
7 478	5 858	6 723	6 037	3 214	2 451	76 343	59 776
(62)	15	27	8	-	6	(35)	147
180	168	162	173	78	70	1 841	1 710
5 416	532	30	31	3 108	11	40 624	36 649
13 012	6 573	6 942	6 249	6 400	2 538	118 773	98 282
(11 061)	(11 047)	(960)	(2 105)	(12 736)	(18 339)	48 718	57 418

## 2.3 Schedule of Assets and Liabilities by Service

As at 30 June 2019

	Strategic Transport Policy & Integrated Planning			
	Integrated Planning		Driver and Vehicle Services	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
<b>Assets</b>				
Current assets	22 061	15 565	114 935	89 117
Non-current assets	90 494	79 272	471 470	453 885
<b>Total assets</b>	112 554	94 837	586 405	543 002
<b>Liabilities</b>				
Current liabilities	5 341	4 747	27 826	27 180
Non-current liabilities	804	684	4 191	3 918
<b>Total liabilities</b>	6 145	5 431	32 017	31 098
<b>NET ASSETS</b>	106 409	89 406	554 388	511 904

The Schedule of Assets and Liabilities by Service should be read in conjunction with the accompanying notes.

Coastal Infrastructure		Marine Safety		On-demand Transport		Total	
2019	2018	2019	2018	2019	2018	2019	2018
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
17 375	13 498	15 636	13 912	7 742	5 647	177 478	137 739
71 274	68 749	64 139	70 854	30 650	28 762	728 027	701 522
88 649	82 247	79 775	84 766	38 122	34 409	905 505	839 261
4 207	4 117	3 785	4 243	1 809	1 722	42 968	42 009
634	593	570	611	272	248	6 471	6 054
4 840	4 710	4 356	4 854	2 081	1 970	49 439	48 063
83 809	77 537	75 419	79 912	36 040	32 439	856 066	791 198

### 3. Use of our funding

#### Expenses incurred in the delivery of services

This section provides additional information about how the Department'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 Department in achieving its objectives and the relevant notes are:

	Note	2019 \$ 000	2018 \$ 000
Employee benefits expenses	3.1(a)	135 303	136 252
Employee related provisions	3.1(b)	27 729	26 971
Grants and subsidies	3.2	119 044	91 558
Loss on disposal of non-current assets	3.3	(450)	(283)
Other expenditures	3.4	136 336	128 481

#### 3.1(a) Employee benefits expenses

	2019 \$ 000	2018 \$ 000
Wages and salaries	120 410	118 064
Termination benefits	1 385	4 499
Superannuation – defined contribution plans <sup>(a)</sup>	11 783	11 723
Other related expenses	1 725	1 966
<b>Total employee benefits expenses</b>	<b>135 303</b>	<b>136 252</b>

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

**Wages and salaries:** Employee expenses include all costs related to employment including: wages and salaries, fringe benefits tax, and leave entitlements.

**Termination benefits:** Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Department 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 financial year are discounted to present value.

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

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

The Department does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. The Liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Department to the GESB.

### 3.1(a) Employee benefits expenses (continued)

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

### 3.1(b) Employee related provisions

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

	2019 \$ 000	2018 \$ 000
<b>Current</b>		
<i>Employee benefits provision</i>		
Annual leave <sup>(a)</sup>	6 511	7 230
Long service leave <sup>(b)</sup>	14 515	13 402
Deferred salary scheme	3	-
	21 029	20 632
<i>Other provisions</i>		
Employment on-costs <sup>(c)</sup>	290	284
Purchased leave	(61)	1
<b>Total current employee related provisions</b>	21 258	20 917
<b>Non-current</b>		
<i>Employee benefits provision</i>		
Long service leave <sup>(b)</sup>	6 384	5 973
	6 384	5 973
<i>Other provisions</i>		
Employment on-costs <sup>(c)</sup>	87	81
<b>Total non-current employee related provisions</b>	6 471	6 054
<b>Total employee related provisions</b>	27 729	26 971

(a) 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 financial year. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2019 \$ 000	2018 \$ 000
Within 12 months of the end of the financial year	5 940	6 389
More than 12 months after the end of the financial year	571	841
	6 511	7 230

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.

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

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

### 3.1(b) Employee related provisions (continued)

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

	2019 \$ 000	2018 \$ 000
Within 12 months of the end of the financial year	5 000	4 306
More than 12 months after the end of the financial year	15 899	15 069
	20 899	19 375

The provision for long service leave is calculated at present value as the Department does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the financial year on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses', Note 3.4 and are not included as part of the Department's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

	2019 \$ 000	2018 \$ 000
<b>Employment on-costs provision</b>		
Carrying amount at the start of the year	365	400
Additional/ (reversals of) provisions recognised	(134)	(4)
Payments/other sacrifices of economic benefits	146	(31)
Carrying amount at the end of the year	377	365

#### Key sources of estimation uncertainty – long service leave

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

Several estimates and assumptions are used in calculating the Department'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 leave 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

	2019 \$ 000	2018 \$ 000
Aviation (Public Air Route) Subsidies	500	380
Bicycle Boulevards	3 472	3 896
CBD Transport Plan	2 229	2 228
Coastal Projects and Zone Management	1 057	757
Community Police	1 278	1 284
Country Age Pension Fuel Card Scheme <sup>(i)</sup>	26 552	26 163
East Perth Multi Modal Transport Initiatives	-	1 749
Fare Subsidies (Pensioners)	1 566	1 465
Fremantle Port Rail Service	5 944	3 549
Local Projects – Local Jobs	699	1 405
Marine Communications	676	667
National Transport Reforms	316	309
On-Demand Transport – Regional Reform	390	-
On-Demand Transport – Transition Assistance Package <sup>(ii)</sup>	-	2 245
Port Management (Port of Wyndham)	2 526	1 928
Public Transport Authority – CAT Bus Services <sup>(iii)</sup>	15 742	14 894
Recreational Boat Facilities	7 007	1 805
Regional Airport Development Scheme	7 576	2 059
Student Fare Concessions	1 316	1 399
Taxi User Co-payment <sup>(iv)</sup>	2 489	2 262
Taxi User Subsidy Scheme	10 560	9 932
Western Australian Bicycle Network <sup>(v)</sup>	26 074	9 515
Other Grants and Subsidies	1 075	1 667
	119 044	91 558

Transactions in which the Department 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 financial year 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.

- (i) The Country Age Pension Fuel Card provides support for the transport needs of age pensioners living in regional areas.
- (ii) The On-Demand Transport Transition Assistance Package consisted of the Hardship and Transition Adjustment Assistance grants. Both grants were one off payments made to Perth metropolitan taxi plate owners suffering financial hardship following industry changes and reform.
- (iii) The Central Area Transit (CAT) bus services grant provides for disbursements made to the Public Transport Authority from the Perth Parking Fund for administering and operating the free Central Area Transit and the Free Transit Zone services in Perth. (See note 9.7)
- (iv) The Taxi User Co-payment scheme provides taxi travel at a reduced rate for people who have a severe and permanent disability that prevent them using conventional public transport services.
- (v) The Western Australian Bicycle Network grants program provides funding to local government authorities in Western Australia for the design and implementation of bicycle network infrastructure and programs in accordance with State Government priorities set out in the Western Australian Bicycle Network Plan. Payments can contribute up to 50 percent of project costs.

### 3.3 Loss on disposal of non-current assets

	2019 \$ 000	2018 \$ 000
<b>Net proceeds from disposal of non-current assets</b>		
Property, plant and equipment	56	80
Infrastructure	35	-
Intangible assets	-	-
<b>Carrying amount of non-current assets disposed</b>		
Property, plant and equipment	(266)	(137)
Infrastructure	(118)	(147)
Intangible assets	(157)	(79)
Net gain/(loss)	(450)	(283)

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

### 3.4 Other expenditures

	2019 \$ 000	2018 \$ 000
<b>Supplies and services</b>		
Communications	11 985	11 673
Consultants and contractors	40 079	37 232
Consumables	17 374	16 506
Commissions	26 261	22 953
Data processing	330	237
Drivers licence card production	1 105	1 046
Number plate production	2 522	2 416
Repairs and maintenance	12 834	12 839
Travel	1 379	1 236
Other	844	1 390
	114 713	107 528
<b>Accommodation expenses</b>		
Lease rentals	15 797	14 698
Cleaning	2 180	2 146
	17 977	16 844
<b>Other expenses</b>		
Employment on-costs	1 066	1 328
Audit cost <sup>(i)</sup>	215	210
Catering	96	62
Corporate membership fees	268	391
Donations and sponsorship	8	22
Doubtful debts expense	-	67
Expected credit losses expense <sup>(iv)</sup>	(193)	-
Act of Grace payments	-	1
Impairment losses <sup>(ii)</sup>	-	734
Revaluation decrement – Land	-	231
Storage and removal	146	92
Prior year expense <sup>(iii)</sup>	1 976	777
Other	64	194
	3 646	4 109
<b>Total other expenditures</b>	136 336	128 481

(i) Audit cost includes the 2019 fee. See also note 9.7 Remuneration of Auditor.

(ii) See also note 5.1 Property Plant and equipment; note 5.2 Infrastructure; note 5.3 Intangible assets; note 5.4 Construction in process; and note 9.9 Non-current assets classified as held for distribution to owners

(iii) Included within prior year expense is mainly refund of excess funding to the Royalties for Regions Account.

(iv) Expected credit losses were not measured in 2017-18.

### 3.4 Other expenditures (continued)

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

**Repairs and maintenance:** Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated.

**Accommodation expenses:** The Department holds operating leases for a number of branch office buildings, motor vehicles and office equipment. Operating lease payments are expensed on a straight-line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

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

**Doubtful debt expense:** Doubtful debt expense was recognised as the movement in the allowance for doubtful debts. From 2018-19, expected credit losses expense is recognised as the movement in the allowance for expected credit losses. The allowance for expected credit losses of trade receivables is measured at the lifetime expected credit losses at each reporting date. The Department has developed a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment. Please refer to note 6.1.1 Movement in the allowance for impairment of receivables.

**Employee on-cost:** Employee on-costs include workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at Note 3.1(b) Employee related provision. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

## 4. Our funding sources

### How we obtain our funding

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

	Note	2019 \$ 000	2018 \$ 000
Income from State Government	4.1	118 773	98 282
User charges and fees	4.2	271 896	261 681
Grants and contributions	4.3	10 605	19 627
Other revenue	4.4	56 350	54 310
Other income	4.5	-	78
Other gains	4.6	2 526	-

### 4.1 Income from State Government

	2019 \$ 000	2018 \$ 000
Appropriation received during the year:		
Service appropriation <sup>(a)</sup>	75 449	58 519
Amounts authorised by other statutes	894	1 257
	76 343	59 776
<b>Assets transferred (to)/from other State government agencies during the year<sup>(b)</sup>:</b>		
Infrastructure	(35)	-
Property, plant and equipment	-	147
	(35)	147
<b>Services received free of charge from other State government agencies during the year:</b>		
Department of Finance		
Accommodation	679	645
Landgate		
Provision of data	199	209
State Solicitor's Office		
Legal services	349	312
Main Roads Western Australia		
Accommodation	56	43
Secondments	327	-
Modelling services	5	69
Public Transport Authority		
Secondments	73	110
WA Treasury Corporation		
Advisory services	11	51
Department of Planning, Lands and Heritage		
Provision of data	137	271
Department of Primary Industries and Regional Development		
Advisory services	5	-
	1 841	1 710

#### 4.1 Income from State Government (continued)

	2019 \$ 000	2018 \$ 000
<b>Royalties for Regions Funds<sup>(c)</sup></b>		
Country Age Pension Fuel Card Scheme	30 280	31 000
Broome Boating Facilities Upgrade	5 143	500
Geraldton Airport Runway	1 600	4 900
Regional Taxi Transition Fund	3 100	-
Other	501	249
	40 624	36 649
<b>TOTAL INCOME FROM STATE GOVERNMENT</b>	<b>118 773</b>	<b>98 282</b>

(a) **Service appropriation** is recognised as revenue at fair value in the year in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited into the Department's bank account or credited to the Amounts receivable for services (holding account) held at held at Treasury.

Service appropriation funds the net cost of services delivered (as set out in note 2.2).

Appropriation revenue comprises the following:

- Cash component; and
- A receivable (asset).

(b) **Transfer of assets:** Discretionary transfers of assets (including grants) and liabilities between State Government agencies are reported under Income from State Government. Transfers of asset and liabilities in relation to a restructure of administrative arrangements are recognised as distribution to owners by the transferor and contribution by owners by the transferee under AASB 1004 in respect of net assets transferred. Other non-discretionary non-reciprocal transfers of assets and liabilities designated as contributions by owners under Treasurer's instruction 955 *Contributions by Owners Made to Wholly Owned Public Sector Entities* are also recognised directly to equity.

(c) **The Royalties for Regions Fund** is committed to various WA Regional projects and programs.

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

## 4.2 User charges and fees

	2019 \$ 000	2018 \$ 000
Boat registration fees	19 260	18 779
Port charges	1 428	873
Small boat harbour fees	11 123	10 805
Other maritime fees	2 012	1 789
Motor drivers licence application fees	67 310	61 169
Motor vehicle recording, transfer, plate and inspection fees	103 374	102 021
Perth parking licence fees	58 723	57 890
Taxi licence fees	1 016	1 660
Other fees	7 650	6 695
	271 896	261 681

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion of the transaction.

Revenue is received in the form of various registration, examination and licence fees (including Stamp Duty and Third Party Motor Vehicle Insurance). This revenue is received for services provided including undertaking inspections and/or issuing licences associated with the fees. Revenue is generally not refundable and is recognised at the time it is received.

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Department. In accordance with the determination specified in the 2017-18 Budget Statements, the Department retained \$340 million in 2019 (\$337 million in 2018) from the following:

- Regulatory fees and fines
- Grants and contributions
- Sale of goods and services
- Taxation
- GST receipts
- Other receipts

## 4.3 Grants and contributions

	2019 \$ 000	2018 \$ 000
Commonwealth grants	777	1 034
General government grants	9 684	18 154
Other	144	439
	10 605	19 627

Revenue is recognised at fair value when the Department obtains control over the assets comprising the contributions usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined, and the services would be purchased if not donated.

#### 4.4 Other revenue

	2019 \$ 000	2018 \$ 000
Commissions	26 302	24 355
Rents and leases	17 064	17 121
Recoups of operating expenses	4 891	1 872
Harbour utility charges	5 484	5 432
Service level agreements	2 112	3 849
Other	497	1 681
	56 350	54 310

Revenue from other operating activities, including rendering of services and the sale of assets is recognised when the Department has passed control of the goods or other assets or delivery of the service to the customer.

Recoupment of operating activities is recognised when invoiced.

#### 4.5 Other income

	2019 \$ 000	2018 \$ 000
Net assets (transferred)/received	-	78
	-	78

#### 4.6 Other gains

	2019 \$ 000	2018 \$ 000
Revaluation increment – Land	2 526	-
	2 526	-

## 5. Key assets

### Assets the Department utilises for economic benefit or service potential

This section includes information regarding the key assets the Department 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	2019 \$ 000	2018 \$ 000
Property, plant and equipment	5.1	148 510	148 578
Infrastructure	5.2	268 079	267 505
Intangible assets	5.3	40 418	36 184
Construction in progress	5.4	13 122	11 773

### 5.1 Property, plant and equipment

	Cost/Fair value \$ 000	Accumulated depreciation \$000	Accumulated impairment losses \$ 000	Carrying amount \$ 000
<b>2019</b>				
<i>At fair value:</i>				
Land	126 206	-	9 786	116 420
Buildings	17 568	-	-	17 568
	143 774	-	9 786	133 988
<i>At cost:</i>				
Refurbishments, furniture and fittings	13 443	8 735	-	4 708
Plant and equipment	12 559	8 020	-	4 539
Computer hardware	15 503	12 088	-	3 415
Vehicles	1 226	707	-	519
Vessels	4 103	2 762	-	1 341
	46 834	32 312	-	14 522
<b>Total</b>	<b>190 608</b>	<b>32 312</b>	<b>9 786</b>	<b>148 510</b>
<b>2018</b>				
<i>At fair value:</i>				
Land	126 258	-	12 312	113 946
Buildings	18 033	11	-	18 022
	144 291	11	12 312	131 968
<i>At cost:</i>				
Refurbishments, furniture and fittings	13 050	8 842	-	4 208
Plant and equipment	12 063	7 339	-	4 724
Computer hardware	15 540	9 941	-	5 599
Vehicles	1 113	600	-	513
Vessels	4 009	2 443	-	1 566
	45 775	29 165	-	16 610
<b>Total</b>	<b>190 066</b>	<b>29 176</b>	<b>12 312</b>	<b>148 578</b>

## 5.1 Property, plant and equipment (continued)

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the financial year are set out in the table below.

	Carrying amount at start of year \$ 000	Additions \$ 000	Revaluation \$ 000	Impairment losses reversed \$ 000
<b>2019</b>				
Land	113 946	-	-	2 526
Buildings	18 022	-	927	-
Refurbishments, furniture and fittings	4 208	1 514	-	-
Plant and equipment	4 724	951	-	-
Computer hardware	5 599	97	-	-
Vehicles	513	130	-	-
Vessels	1 566	94	-	-
	148 578	2 786	927	2 526
<b>2018</b>				
Land	121 129	-	-	-
Buildings	20 009	187	(345)	-
Refurbishments, furniture and fittings	4 798	752	-	-
Plant and equipment	4 420	1 257	-	-
Computer hardware	7 431	661	-	-
Vehicles	357	295	-	-
Vessels	1 915	-	-	-
	160 059	3 152	(345)	-

Information on fair value measurements is provided in note 8.3.

Impairment losses \$ 000	Disposals \$ 000	Write-offs \$ 000	Transfers \$ 000	Depreciation \$ 000	Held for distribution to owners \$ 000	Carrying amount at end of year \$ 000
-	-	-	(52)	-	-	116 420
-	-	-	-	(1 381)	-	17 568
-	(58)	-	-	(956)	-	4 708
-	(169)	(2)	-	(965)	-	4 539
-	(39)	-	-	(2 242)	-	3 415
-	-	-	-	(124)	-	519
-	-	-	-	(319)	-	1 341
-	(266)	(2)	(52)	(5 987)	-	148 510
(231)	-	-	48	-	(7 000)	113 946
-	-	-	78	(1 387)	(520)	18 022
-	(94)	-	-	(1 162)	(86)	4 208
-	(24)	-	-	(918)	(11)	4 724
-	(14)	-	-	(2 479)	-	5 599
-	(5)	-	-	(134)	-	513
-	-	-	(8)	(341)	-	1 566
(231)	(137)	-	118	(6 421)	(7 617)	148 578

## 5.1 Property, plant and equipment (continued)

### Capitalisation/expensing of assets

Items of property, plant and equipment and infrastructure costing \$5,000 or more are recognised as assets, and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment and infrastructure costing less than \$5,000 are immediately expensed directly to the Statement of Comprehensive Income (other than where they form part of a group of similar items which is significant in total).

### Initial recognition and measurement

Property, plant and equipment and infrastructure are initially recognised at cost. For items of property, plant and equipment and infrastructure acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

### Subsequent measurement

After initial recognition of an asset, the revaluation model is used for the measurement of land and buildings, and the cost model for all other property, plant and equipment and infrastructure. Land and buildings are carried at fair value less accumulated depreciation (buildings only) and accumulated impairment losses. All other items of property, plant and equipment and infrastructure are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market values determined by reference to recent market transactions.

Where market-based evidence is not available, the fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. current replacement cost.

Land assets were last revalued as at 1 July 2018 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2019 and recognised at 30 June 2019. In undertaking the revaluation, fair value was determined by reference to market value: \$3,699,000 (2018: \$3,764,000). For the remaining balance, fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

Building assets were last revalued as at 1 July 2018 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2019 and recognised at 30 June 2019. In undertaking the revaluation, fair value was determined by reference to market value: \$2,096,000 (2018: \$2,156,000). For the remaining balance, fair value of buildings was determined on the basis of current replacement cost.

When buildings are revalued, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount. Fair value for restricted use land is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land). Independent valuations of land and buildings are provided 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 financial year.

The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Information on fair value measurements is provided in note 8.3.

## 5.1 Property, plant and equipment (continued)

### Derecognition

Upon disposal or derecognition of an item of property, plant and equipment, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

### Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets.

### 5.1.1 Depreciation and impairment

Charge for the year

	2019 \$ 000	2018 \$ 000
<b>Depreciation</b>		
Buildings	1 381	1 387
Refurbishments, furniture and fittings	956	1 162
Plant and equipment	965	918
Computer hardware	2 242	2 479
Vehicles and vessels	443	475
	5 987	6 421

### Finite useful lives

All non-current assets 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 useful lives of key assets are reviewed annually.

Land and non-current assets classified as held for distribution to owners are not depreciated. Other assets are depreciated using the straight-line method at rates that are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Buildings	20 to 40 years
Computer hardware	4 to 7 years
Refurbishments, furniture and fittings	3 to 20 years
Plant and equipment	4 to 20 years
Vehicles	5 to 20 years
Vessels	10 years

### Impairment

Non-financial assets, including items of plant and equipment as well as infrastructure are tested for impairment 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.

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 Department 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.

### 5.1.1 Depreciation and impairment (continued)

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.

Please refer to note 5.3 for guidance in relation to the impairment assessment that has been performed for intangible assets.

## 5.2 Infrastructure

	2019 \$ 000	2018 \$ 000
<b>Infrastructure</b>		
At cost	435 936	426 091
Accumulated depreciation	(167 209)	(157 938)
Accumulated impairment losses	(648)	(648)
	268 079	267 505

### Reconciliation

Reconciliations of the carrying amounts of infrastructure at the beginning and end of the financial year are set out below:

	2019 \$ 000	2018 \$ 000
<b>Infrastructure</b>		
Carrying amount at the start of the year	267 505	252 542
Additions	10 175	25 162
Disposals	(118)	(147)
Transfers	(34)	-
Depreciation	(9 449)	(9 178)
Impairment losses	-	(648)
Held for distribution to owners	-	(226)
<b>Carrying amount at the end of the year</b>	<b>268 079</b>	<b>267 505</b>

The Infrastructure policies are outlined in note 5.1.

### 5.2.1 Depreciation and impairment

Charge for the year

	2019 \$ 000	2018 \$ 000
<b>Depreciation</b>		
Infrastructure	9 449	9 178
	9 449	9 178
<b>Impairment</b>		
Infrastructure	-	648
	-	648

The Infrastructure policies are outlined in note 5.1.1.

### Finite useful lives

Infrastructure assets are predominantly maritime infrastructure assets.

All infrastructure assets 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.

### 5.2.1 Depreciation and impairment (continued)

The expected useful lives for the Department's main types of infrastructure assets are:

Breakwaters and groynes	50 to 100 years
Jetties and boat pens	15 to 50 years
Navigation aids	5 to 50 years
Channel development	100 years

### 5.3 Intangible assets

	2019 \$ 000	2018 \$ 000
<b>Software</b>		
At cost	96 945	87 395
Accumulated amortisation	(56 527)	(51 211)
	40 418	36 184

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

	2019 \$ 000	2018 \$ 000
<b>Software</b>		
Carrying amount at the start of the year	36 184	30 232
Additions	9 986	11 288
Disposals	(157)	(79)
Transfers	-	-
Impairment losses	-	-
Amortisation expense	(5 595)	(5 257)
Carrying amount at the end of the year	40 418	36 184

#### Initial recognition

Intangible assets, both externally acquired and internally generated, costing \$5,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful lives. Costs incurred below this threshold are immediately expensed directly to the Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all 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.

Costs incurred in the research phase of a project are immediately expensed.

### 5.3 Intangible assets (continued)

#### 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.

#### Computer software

Software that is an integral part of the related hardware is recognised as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

#### 5.3.1 Amortisation and impairment

Charge for the year

	2019 \$ 000	2018 \$ 000
<b>Amortisation</b>		
Intangible assets	5 595	5 257
	5 595	5 257
<b>Impairment</b>		
Intangible assets	-	-
	-	-

As at 30 June 2019 there were no indications of impairment to intangible assets.

The Department held no goodwill or intangible assets with an indefinite useful life during the financial year. Intangible assets with finite lives are amortised over the year of the expected benefit (estimated useful life) on the straight-line basis using rates which are reviewed annually. All intangible assets controlled by the Department have a finite useful life and zero residual value.

The expected useful life for intangible assets is 3 to 20 years.

#### Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified.

The policy regarding testing for impairment is outlined in note 5.1.1.

### 5.4 Construction in progress

	2019 \$ 000	2018 \$ 000
<b>At cost:</b>		
Vehicles and vessels	364	270
Computer hardware	286	229
Buildings and refurbishments	117	248
Intangibles	7 896	7 997
Infrastructure	4 459	3 029
	13 122	11 773

Reconciliations of the carrying amounts of construction in progress at the beginning and end of the financial year are set out below.

	2019 \$ 000	2018 \$ 000
Carrying amount at the start of the year	11 773	25 638
Expenditure during the year	23 746	24 017
Transfers	-	155
Non-current assets commissioned during the year	(22 397)	(37 918)
Amounts expensed	-	(119)
Carrying amount at the end of the year	13 122	11 773

Assets under construction are not depreciated until commissioned.

## 6. Other assets and liabilities

This section sets out those assets and liabilities that arose from the Department's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Note	2019 \$ 000	2018 \$ 000
Receivables	6.1	8 513	15 203
Inventory	6.2	514	543
Amounts receivable for services	6.3	256 291	236 457
Other current assets	6.4	3 824	5 088
Payables	6.5	(21 280)	(20 362)
Other current liabilities	6.6	(430)	(730)

### 6.1 Receivables

	2019 \$ 000	2018 \$ 000
<b>Current</b>		
Receivables	6 861	13 049
Allowance for impairment of receivables	(1 641)	(1 633)
	5 220	11 416
Goods and Services Tax receivable	3 063	3 442
Interest receivable	99	181
Staff debtors	41	74
Other debtors	90	90
	8 513	15 203

Receivables are recognised at original invoice amount less any allowance for uncollectable amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

#### 6.1.1 Movement of the allowance for impairment of receivables

	2019 \$ 000	2018 \$ 000
<b>Reconciliation of changes in the allowance for impairment of receivables:</b>		
Balance at the start of the year	1 633	1 644
Remeasurement under AASB 9	265	-
Restated balance at start of period	1 898	-
Doubtful debt expense	-	64
Expected credit losses expense	(193)	-
Amounts written off during the year	-	(75)
Amount recovered during the year	-	-
<b>Balance at end of the year</b>	<b>1 641</b>	<b>1 633</b>

The maximum exposure to credit risk at the end of the financial year for receivables is the carrying amount of the asset inclusive of any allowance for impairment as shown in Note 8.1 Financial Instruments disclosure.

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

## 6.2 Inventories

Closing Inventory comprises:

	2019 \$ 000	2018 \$ 000
Motor vehicle plates (at cost)	514	543
<b>Total Inventories</b>	514	543

Inventories are measured at the lower of cost and net realisable value.

## 6.3 Amounts receivable for services (Holding Account)

	2019 \$ 000	2018 \$ 000
Non-current	256 291	236 457

Amounts receivable for services represent the non-cash component of service appropriation. It is restricted in that it can only be used for asset replacement or payment of leave liability.

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

The Department receives funding on an accrual basis. The appropriations are paid partly in cash and partly as an asset (holding account receivable). The accrued amount receivable is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

## 6.4 Other current assets

	2019 \$ 000	2018 \$ 000
Prepayments	3 824	5 088

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 financial year covering a term extending beyond that period.

## 6.5 Payables

	2019 \$ 000	2018 \$ 000
<b>Current</b>		
Trade payables	20 027	19 338
Accrued expenses	809	613
Accrued salaries	444	411
	21 280	20 362

**Payables** are recognised at the amounts payable when the Department becomes obliged to make future payments because of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

**Accrued salaries** represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year-end. The Department considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (See Note 7.1.1 'Restricted cash and cash equivalents') consists of amounts paid annually, from Department appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in financial years with 27 pay days instead of the normal 26. No interest is received on this account.

## 6.6 Other current liabilities

	2019 \$ 000	2018 \$ 000
<b>Current</b>		
Accruals	186	184
Income received in advance	244	440
Other liabilities	-	106
	430	730

## 7. Financing

This section sets out the material balances and disclosures associated with the financing and cash flows of the Department.

	<b>Note</b>
Cash and cash equivalents	7.1
Reconciliation of cash	7.1.1
Reconciliation of operating activities	7.1.2
Commitments	7.2
Capital commitments	7.2.1
Other expenditure commitments	7.2.2
Non-cancellable operating lease commitments	7.2.3
Minimum lease revenue commitments	7.2.4

### 7.1 Cash and cash equivalents

#### 7.1.1 Reconciliation of cash

	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>\$ 000</b>	<b>\$ 000</b>
<b>Cash and cash equivalents</b>		51 631	31 005
		51 631	31 005
Includes cash received as capital contributions remaining unspent at year-end of \$10,260,000 (2018: \$3,984,000).			
<b>Restricted cash and cash equivalents</b>	8.1		
<b>Current</b>			
Perth Parking Licensing Account <sup>(i)</sup>		93 435	54 093
Taxi Industry Development Account <sup>(ii)</sup>		4 153	12 269
Royalties for Regions <sup>(iii)</sup>		7 559	11 703
Indian Ocean Territories Service Delivery Program <sup>(iv)</sup>		77	63
Commonwealth Paid Parental Leave Scheme <sup>(v)</sup>		15	15
		105 239	78 143
<b>Non-current</b>			
Accrued salaries suspense account <sup>(vi)</sup>		1 607	1 025
		1 607	1 025
<b>Balance at the end of the year</b>		<b>158 477</b>	<b>110 173</b>

(i) Funds held to meet the costs of administering the *Perth Parking Management Act 1999* (see note 9.7).

(ii) Funds held to meet the costs of administering the *Taxi Act 1994* such as board members' remuneration, the cost of taxi plates surrendered to the Minister, and research grants for research, promotion and development of projects benefitting the taxi industry (see note 9.7).

(iii) Unspent funds are committed to project and programs in WA regional areas.

(iv) Funds held to provide services to the Indian Ocean Territories (see note 9.12).

(v) Funds to facilitate the access by eligible employees to Paid Parental Leave.

(vi) Funds held in suspense account for meeting the 27th pay that occurs every 11th year.

For 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.

## 7.1.2 Reconciliation of net cost of services to net cash flows provided by/ (used in) operating activities

	Note	2019 \$ 000	2018 \$ 000
Net cost of services		(70 055)	(40 864)
<b>Non-cash items:</b>			
Depreciation and amortisation expense	5.1, 5.2, 5.3	21 031	20 856
Doubtful debt expense	3.4	-	67
Expected credit losses	3.4	(193)	-
Loss on disposal of non-current assets	3.3	450	283
Services received free of charge	4.1	1 841	1 710
Impairment losses	3.4	-	734
Assets assumed/(transferred)	4.5	-	(78)
Asset revaluation decrement – Land	3.4	-	231
Other gains	4.6	(2 526)	-
<b>(Increase)/decrease in assets</b>			
Current inventories		29	14
Current receivables <sup>(i)</sup>		6 311	(5 921)
Other current assets		1 264	469
<b>Increase/(decrease) in liabilities</b>			
Current payables <sup>(i)</sup>		918	(1 054)
Current provisions		341	(1 941)
Other current liabilities		(300)	(43)
Non-current provisions		417	(596)
Net GST receipts/payments <sup>(ii)</sup>		1 038	(111)
Change in GST in receivables/payables <sup>(iii)</sup>		(729)	(178)
<b>Net cash used in operating activities</b>		<b>(40 163)</b>	<b>(26 422)</b>

(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 is the net GST paid/received, i.e. cash transactions.

(iii) This reverses out the GST in receivables and payables.

The Department is not exposed to changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes.

## 7.2 Commitments

### 7.2.1 Capital expenditure commitments

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

	2019 \$ 000	2018 \$ 000
Within one year:	14 059	5 579
Later than one year but not later than five years	28 271	94
	42 330	5 673
Bandy Creek weir reinstalment project	144	347
Beadon Creek training wall upgrades	3 923	-
Hillarys Boat Harbour and Two Rocks Marina upgrade	-	4 612
Information technology assets	37 255	55
Property fit out	553	508
Recreational boating facilities	-	151
Transforming Bunbury's Waterfront	455	-
	42 330	5 673

### 7.2.2 Other expenditure commitments

Other expenditure commitments (inclusive of GST) contracted for at the end of the financial year but not recognised as liabilities, are payable as follows:

	2019 \$ 000	2018 \$ 000
Within one year:	137 039	18 329
Later than one year but not later than five years	13 504	2 401
	150 543	20 730
The other expenditure commitments include amounts for:		
Fremantle Port Rail service support	1 788	2 897
Freight Logistics Council	-	200
Human Resource Management initiatives	233	692
Information technology systems	18 213	3 935
On-demand Transport initiatives	3 240	442
Port Hedland Spoilbank Marina	1 568	-
Recreational boating facilities	3 082	-
Regional airport facility grants	-	11 697
Regional Taxi Transition Scheme	3 100	-
Regulated Regular Public Transport Air Service	550	550
Voluntary Taxi Plate Buy-back Scheme	118 620	-
Your Move Service Platform	-	122
Other minor commitments	149	195
	150 543	20 730

### 7.2.3 Non-cancellable operating lease commitments

Commitments in relation to leases contracted for at the end of the financial year but not recognised in the financial statements are payables as follows:

	2019 \$ 000	2018 \$ 000
Within one year:	13 302	12 082
Later than one year but not later than five years	37 401	36 530
Later than five years	26 795	35 886
	77 498	84 498

#### Judgements made by management in applying accounting policies operating lease commitments

The Department has entered into a number of leases for buildings for branch office accommodation. Some of these leases relate to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

### 7.2.4 Minimum lease revenue commitments

Future minimum rentals under non-cancellable operating leases are receivable as follows:

	2019 \$ 000	2018 \$ 000
Within one year	15 270	15 612
Later than one year but not later than five years	54 891	53 804
Later than five years	142 110	142 119
	212 271	211 535

## 8. Risks and Contingencies

This section sets out the Department's key risk management policies and measurement techniques.

	<b>Note</b>
Financial risk management	8.1
Contingent assets	8.2.1
Contingent liabilities	8.2.2
Fair value measurements	8.3

### 8.1 Financial risk management

Financial instruments held by the Department are cash and cash equivalents (restricted and non-restricted), receivables and payables. The Department has limited exposure to financial risks and its 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 Department's receivables defaulting on their contractual obligations resulting in financial loss to the Department.

The maximum exposure to credit risk at the end of the financial year in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at Note 8.1(c) 'Financial instruments disclosures' and note 6.1 'Receivables'.

Credit risk associated with the Department's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than Government, the Department trades only with recognised, creditworthy third parties. The Department 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 Department's exposure to bad debts is minimal. At the end of the financial year there were no significant concentrations of credit risk.

##### *Liquidity risk*

Liquidity risk arises when the Department is unable to meet its financial obligations as they fall due.

The Department is exposed to liquidity risk through its trading in the normal course of business.

The Department has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

##### *Market risk*

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Department's income or the value of its holdings of financial instruments. The Department does not trade in foreign currency and is not materially exposed to other price risks (for example, equity securities or commodity prices changes).

Other than as detailed in the interest rate sensitivity analysis table at Note 8.1(e) Financial instruments disclosures, the Department is not exposed to interest rate risk as it has no borrowings, and cash and cash equivalents are non-interest bearing (apart from certain restricted cash accounts).

## 8.1 Financial risk management (continued)

### (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 financial year are:

	2019 \$ 000	2018 \$ 000
<b>Financial Assets</b>		
Cash and cash equivalents	51 631	31 005
Restricted cash and cash equivalents	106 846	79 168
Receivables <sup>(i)</sup>	5 449	11 761
Amounts receivable for services	256 291	236 457
	420 217	358 391
<b>Financial Liabilities</b>		
Payables	21 280	20 362
Other current liabilities	186	184
	21 466	20 546

(i) Receivables excludes GST recoverable from the ATO (statutory receivable).

### (c) Credit risk exposure

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

	Days past due					
	Total \$ 000	Current \$ 000	< 30 Days \$ 000	31-60 Days \$ 000	61-90 Days \$ 000	>90 Days \$ 000
<b>30 June 2019</b>						
Expected credit loss rate		1.34%	4.1%	20.1%	84.4%	96.5%
Estimated total gross carrying amount at default <sup>(i)</sup>	7 091	4 705	640	168	38	1 540
Expected credit losses	(1 641)	(63)	(26)	(34)	(32)	(1 486)
<b>1 July 2018 (Remeasurement)</b>						
Expected credit loss rate		1.62%	1.31%	12.8%	80.7%	92.2%
Estimated total gross carrying amount at default <sup>(i)</sup>	13 394	4 633	6 699	194	109	1 759
Expected credit losses	(1 898)	(75)	(88)	(25)	(88)	(1 622)

(i) Total gross carrying amount at default excludes GST recoverable from the ATO (statutory receivable).

## 8.1 Financial risk management (continued)

### (d) Liquidity risk and interest rate exposure

The following table details the Department's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amount of each item.

#### *Interest rate exposures and maturity analysis of financial assets and financial liabilities*

	Interest rate exposure			
	Weighted Average Effective Interest Rate %	Carrying Amount \$ 000	Variable Interest Rate \$ 000	Non-Interest Bearing \$ 000
<b>2019</b>				
<b><i>Financial Assets</i></b>				
Cash and cash equivalents	2.08	51 631	17 066	34 565
Restricted cash and cash equivalents	2.08	106 846	4 153	102 693
Receivables <sup>(i)</sup>	-	5 449	-	5 449
Amounts receivable for services	-	256 291	-	256 291
		420 217	21 219	398 998
<b><i>Financial Liabilities</i></b>				
Payables	-	21 280	-	21 280
Other current liabilities		186	-	186
		21 466	-	21 466

(i) Receivables excludes the GST recoverable from the Australian Taxation Office (statutory receivable).

	Interest rate exposure			
	Weighted Average Effective Interest Rate %	Carrying Amount \$ 000	Variable Interest Rate \$ 000	Non-Interest Bearing \$ 000
<b>2018</b>				
<b><i>Financial Assets</i></b>				
Cash and cash equivalents	1.96	31 005	16 679	14 326
Restricted cash and cash equivalents	1.96	79 168	12 269	66 899
Receivables <sup>(i)</sup>	-	11 761	-	11 761
Amounts receivable for services	-	236 457	-	236 457
		358 391	28 948	329 443
<b><i>Financial Liabilities</i></b>				
Payables	-	20 362	-	20 362
Other current liabilities		184	-	184
		20 546	-	20 546

(i) Receivables excludes the GST recoverable from the Australian Taxation Office (statutory receivable).

	Interest rate exposure		Maturity date			
	Nominal Amount \$ 000	Up to 1 month \$ 000	1-3 Months \$ 000	3 Months to 1 year \$ 000	1-5 Years \$ 000	More than 5 years \$ 000
	51 631	51 631	-	-	-	-
	106 846	106 846	-	-	-	-
	5 449	5 449	-	-	-	-
	256 291	-	-	-	256 291	-
	420 217	163 926	-	-	256 291	-
	21 280	21 280	-	-	-	-
	186	-	186	-	-	-
	21 466	21 280	186	-	-	-

	Interest rate exposure		Maturity date			
	Nominal Amount \$ 000	Up to 1 month \$ 000	1-3 Months \$ 000	3 Months to 1 year \$ 000	1-5 Years \$ 000	More than 5 years \$ 000
	31 005	31 005	-	-	-	-
	79 168	79 168	-	-	-	-
	11 761	11 761	-	-	-	-
	236 457	-	-	-	236 457	-
	358 391	121 934	-	-	236 457	-
	20 362	20 362	-	-	-	-
	184	-	184	-	-	-
	20 546	20 362	184	-	-	-

## 8.1 Financial risk management (continued)

### (e) Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Department's financial assets and liabilities at the end of the financial year on the surplus for the year and equity for a 1% change in interest rates. It is assumed that the change in interest rates is being held constant throughout the financial year.

	Carrying amount \$ 000	-100 basis point		+100 basis point	
		Surplus \$ 000	Equity \$ 000	Surplus \$ 000	Equity \$ 000
<b>2019</b>					
<b>Financial Assets</b>					
Cash assets	17 066	(171)	(171)	171	171
Restricted cash assets	4 153	(42)	(42)	42	42
Total Increase/(Decrease)	21 219	(213)	(213)	213	213
<b>2018</b>					
<b>Financial Assets</b>					
Cash assets	16 679	(167)	(167)	167	167
Restricted cash assets	12 269	(123)	(123)	123	123
Total Increase/(Decrease)	28 948	(290)	(290)	290	290

## 8.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at nominal value.

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

### 8.2.1 Contingent assets:

The Department has no contingent assets as at 30 June 2019.

### 8.2.2 Contingent liabilities:

The Department's policy is to disclose, as a contingency, any obligation which may arise due to special circumstances or events. At the date of this report, the Department is not aware of any potential future obligation:

#### Contaminated sites

Under the *Contaminated Sites Act 2003*, the Department is required to report known and suspected contaminated sites to the Department of Water and Environmental 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 Department may have a liability in respect of investigation or remediation expenses.

The Department is not aware of any contaminated sites, and the Department has not reported any suspected contaminated sites to DWER during the financial year.

### 8.3 Fair value measurements

	Level 1 \$ 000	Level 2 \$ 000	Level 3 \$ 000	Fair value at end of year \$ 000
<b>Recurring fair value measurements</b>				
<b>2019</b>				
Non-current assets classified as held for distribution to owners (Note 9.9)	-	7 520	-	7 520
Land (Note 5.1)	-	3 699	112 721	116 420
Buildings (Note 5.1)	-	2 096	15 472	17 568
	-	13 315	128 193	141 508

Transfers into and transfers out of the fair value hierarchy level are recognised on the date of the event or change in circumstances that caused the transfer.

	Level 1 \$ 000	Level 2 \$ 000	Level 3 \$ 000	Fair value at end of year \$ 000
<b>Recurring fair value measurements</b>				
<b>2018</b>				
Non-current assets classified as held for distribution to owners (Note 9.9)	-	7 520	-	7 520
Land (Note 5.1)	-	3 764	110 182	113 946
Buildings (Note 5.1)	-	2 156	15 866	18 022
	-	13 440	126 048	139 488

There was a transfer of \$7,520,000 from Level 2 during 2018. This transfer related to the Welshpool Vehicle Examination Centre property which was assessed as surplus to requirements and was available for immediate distribution to owners. The property has been classified as Non-current assets held for distribution to owners.

Land and buildings classified as held for distribution to owners during the period are recognised at the lower of carrying amount and fair value less costs to distribute. The fair value of these assets has been determined by reference to market evidence of sale prices of comparable assets.

#### Valuation techniques to derive Level 2 and Level 3 fair values

##### *Land and buildings (Level 2 fair values)*

Level 2 fair values of land and buildings are derived using the market approach.

Level 2 valuation inputs were used to determine the fair value of market type land and building assets.

Fair values have been derived from sale prices of comparable land and buildings after adjusting for differences in key attributes such as property size, assuming open and liquid market transactions and that the land is in a vacant and marketable condition. Adjustments are made for comparable utility. The most significant inputs into this valuation approach is price per square metre.

##### *Land and buildings (Level 3 fair values)*

Level 3 valuation inputs were used to determine the fair value of non-market or current use type land and building assets. Assets were valued at the Level 3 valuation hierarchy where there was no observable market evidence of sale prices for comparable sites or where significant Level 3 inputs were used on a recurring basis.

### 8.3 Fair value measurements (continued)

Land with public use restrictions have been categorised as Level 3 due to adjustments by Level 3 inputs to the market approach; including restoration costs (low restricted use land) and adjustments to recognise low level utility (high restricted use land).

#### *Level 3 fair values of buildings are derived using the cost approach.*

Fair values for existing use specialised buildings are valued at replacement cost and 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. While unit rates based on square metres can be supported from market evidence, other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the determination of fair value, and have therefore been classified as having been valued using Level 3 valuation inputs.

There were no changes in the valuation techniques during the year.

#### **Fair value measurements using significant unobservable inputs (Level 3)**

The following table presents the changes in the fair value of assets measured using significant unobservable inputs (Level 3) for recurring fair value measurements.

	Land \$ 000	Buildings \$ 000
<b>2019</b>		
Fair value at start of year	110 182	15 866
Additions	-	-
Revaluation increments/(decrements) recognised in Profit or Loss	2 591	-
Revaluation increments/(decrements) recognised in Other Comprehensive Income	-	838
Transfers from/(to) Level 2	-	-
Disposals	(52)	-
Depreciation expense	-	(1 232)
Fair value at end of year	112 721	15 472
Total gains or losses for the year included in profit or loss, under 'Other gains'		
	2 591	-
<b>2018</b>		
Fair value at start of year	110 199	16 993
Additions	48	266
Revaluation increments/(decrements) recognised in Profit or Loss	(65)	-
Revaluation increments/(decrements) recognised in Other Comprehensive Income	-	(169)
Transfers from/(to) Level 2	-	-
Disposals	-	-
Depreciation expense	-	(1 224)
Fair value at end of year	110 182	15 866
Total gains or losses for the year included in profit or loss, under 'Other gains'		
	-	-

### 8.3 Fair value measurements (continued)

#### Information about significant unobservable inputs (Level 3) in fair value measurements

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurement.

There were no significant interrelationships between the unobservable inputs.

Description	Fair value 2019 \$ 000	Fair value 2018 \$ 000	Valuation technique(s)	Unobservable inputs
Land	112 721	110 182	Market approach	Selection of land with similar approximate utility
Buildings	15 472	15 866	Current replacement cost	Consumed economic benefit/obsolescence of asset Historical cost per square metre floor area (m <sup>2</sup> )

#### Valuation processes

An annual assessment of land and building fair values are undertaken by the Western Australian Land Information Authority (Valuations and Property Analytics) and are determined by professionally qualified valuers.

Generally, every four or five years (depending on location) a principle valuation calculation is performed by physical inspection or verification of the asset. In other years, fair values are determined by indexing the previous year's valuation amount by a factor which represents the analysis of the movement in valuation inputs from year to year. Changes in Level 2 and Level 3 fair values of land and buildings are analysed by the Department at the end of each financial year.

#### Basis of valuation

In the absence of market based evidence, due to the specialised nature of some land and buildings, these assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service as authorised by legislation. Many of the Department's land and building assets have a restricted use for maritime purposes under the Marine and Harbours Act.

The main Level 3 inputs used are derived and evaluated as follows:

#### *Selection of land with restricted utility*

Due to the restricted nature and unique characteristics of some land, there is no observable market evidence of sale prices. Fair values for restricted use land is determined by comparison with market evidence for land with low level utility and adjustments made to the price per square metre. Relevant comparators of land with low level utility are selected by the Western Australian Land Information Authority (Valuations and Property Analytics).

#### *Consumed economic benefit/obsolescence of assets*

Represents the difference between the replacement cost of buildings and its current condition. This is estimated by the Western Australian Land Information Authority (Valuations and Property Analytics).

#### *Historical cost per square metre floor area (m<sup>2</sup>)*

The cost of constructing specialised buildings are obtained from actual construction costs per square metre of other similar or reference buildings, historical building costs, quantity surveyors and standard rates from construction guides.

## 9. Other disclosures

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

	<b>Note</b>
Services provided free of charge	9.1
Initial application of Australian Accounting Standards	9.2
Future impact of Australian standards issued not yet operative	9.3
Key management personnel	9.4
Related party transactions	9.5
Jointly controlled assets	9.6
Special purpose accounts	9.7
Remuneration of auditors	9.8
Non-current assets classified as held for distribution to owners	9.9
Equity	9.10
Supplementary financial information	9.11
Indian Ocean Territories Service Level Agreement	9.12
Explanatory statement	9.13
Events occurring after the end of the financial year	9.14

### 9.1 Services provided free of charge

During the year the following services were provided to other agencies free of charge for functions outside the normal operations of the Department:

		<b>2019</b>	<b>2018</b>
		<b>\$ 000</b>	<b>\$ 000</b>
Department of Planning, Lands and Heritage	Technical review and support	100	200
Department of Primary Industries and Regional Development	Technical functionality	336	-
Department of Water and Environmental Regulation	Technical advice	-	100
Landcorp	Technical review	75	-
Office of the Environmental Protection Authority	Technical review	50	-
WA Conservation and Parks Commission	Technical advice	-	10
Western Australian Police Service	Provision of information	-	65
		561	375

### 9.2 Initial application of Australian Accounting Standards

#### AASB 9 Financial instruments

AASB 9 Financial instruments replaces AASB 139 Financial instruments: Recognition and Measurements for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Department applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Department has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in Accumulated surplus.

## 9.2 Initial application of Australian Accounting Standards (continued)

The effect of adopting AASB 9 as at 1 July 2018 was, as follows:

	Adjustments	1 July 2018 \$ 000
<b>Assets</b>		
Trade receivables	(a),(b)	(265)
<b>Total Assets</b>		(265)
Total adjustments on Equity		
Accumulated surplus	(a),(b)	(265)
		(265)

The nature of these adjustments are described below:

### (a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss. The classification is based on two criteria: the Department's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Department's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact to the Department. The following are the changes in the classification of the Department's financial assets:

- Trade receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.
- The Department did not designate any financial assets as at fair value through profit and loss.

In summary, upon the adoption of AASB 9, the Department had the following reclassifications as at 1 July 2018:

	AASB 9 Category			
		Amortised cost \$ 000	Fair value through OCI \$ 000	Fair Value through P/L \$ 000
<b>Assets</b>				
Trade receivables*	11 761	11 496	-	-
Amounts receivable for services	236 457	236 457	-	-
<b>Total Assets</b>		247 953	-	-

\*The change in carrying amount is a result of additional impairment allowance. See discussion on impairment below.

## 9.2 Initial application of Australian Accounting Standards (continued)

### (b) Impairment

The adoption of AASB 9 has fundamentally changed the Department's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss approach. AASB 9 requires the Department to recognise an allowance for expected credit losses for all financial assets not held at fair value through profit or loss.

Upon adoption of AASB 9, the Department recognised an additional impairment on its Trade receivables of \$265,000 which resulted in a decrease in Accumulated surplus of \$265,000 as at 1 July 2018.

Set out below is the reconciliation of the ending impairment allowance in accordance with AASB 139 to the opening loss allowances determined with AASB 9.

	Impairment under AASB 139 at 30 June 2018 \$ 000	Remeasurement \$ 000	Expected Credit Loss under AASB 9 at 1 July 2018 \$ 000
<b>Assets</b>			
Receivables under AASB 139/ Financial assets at amortised cost under AASB 9	1 633	265	1 898
	1 633	265	1 898

## 9.3 Future impact of Australian standards issued not yet operative

The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurer's instruction 1101 'Application of Australian Accounting Standards and Other Pronouncements' or by an exemption from Treasurer's instruction 1101. Where applicable, the Department plans to apply the following Australian Accounting Standards from their application date.

### Operative for financial years commencing after 1 Jan 2019

#### AASB 15 Revenue from Contracts with Customers

##### *Nature of Change*

This Standard establishes the principles that the Department shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The mandatory application date of this Standard is currently 1 January 2019 after being amended by AASB 2016-7.

##### *Impact*

The Department's income is principally derived from appropriations which will be measured under AASB 1058 and will be unaffected by this change. However, the Department has not yet determined the potential impact of the Standard on 'User charges and fees' and 'Sales' revenue. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the Department has discharged its performance obligations.

### 9.3 Future impact of Australian standards issued not yet operative (continued)

#### **AASB 16 Leases**

##### *Nature of Change*

This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

##### *Impact*

Whilst the impact of AASB 16 has not yet been quantified, most of the Department's non-cancellable operating leases will be brought onto the Statement of Financial Position. Interest and amortisation expense will increase, and rental expense will decrease. This includes current year commitments.

#### **AASB 1058 Income of Not-for-Profit Entities**

##### *Nature of Change*

This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an agency.

##### *Impact*

The Department anticipates that the application will not materially impact appropriation or untied grant revenues.

#### **AASB 2016-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors**

##### *Nature of Change*

This Standard amends AASB 15 to add requirements and authoritative implementation guidance for application by not-for-profit public sector licensors to transactions involving the issue of licences. There is no financial impact as the Agency does not issue licences.

#### **AASB 2016-5 Amendments to Australian Accounting Standards Australian Implementation Guidance for Not-for-Profit Entities**

##### *Nature of Change*

This Standard amends the mandatory effective date of AASB 1059 so that AASB 1059 is required to be applied for annual reporting periods beginning on or after 1 January 2020 instead of 1 January 2019. There is no financial impact.

#### **AASB 2016-8 Amendments to Australian Accounting Standards – Deferral of AASB 1059**

##### *Nature of Change*

This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.

### 9.3 Future impact of Australian standards issued not yet operative (continued)

#### Operative for financial years commencing after 1 Jan 2020

##### AASB 1059 Service Concession Arrangements: Grantors

###### *Nature of Change*

This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public sector agency by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided. The Department has not identified any public private partnerships within scope of the Standard.

### 9.4 Key Management Personnel

The Department has determined key management personnel to include cabinet ministers and senior officers of the Department. The Department 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 Department for the financial year are presented within the following bands:

	2019	2018
<b>Compensation Band (\$)</b>		
40 001 – 50 000	1	-
100 001 – 110 000	1	-
160 001 – 170 000	1	-
180 001 – 190 000	2	1
190 001 – 200 000	2	1
200 001 – 210 000	3	2
210 001 – 220 000	3	1
220 001 – 230 000	-	1
250 001 – 260 000	2	-
310 001 – 320 000	-	1
340 001 – 350 000	1	-
370 001 – 380 000	-	1
380 001 – 390 000	1	-
450 001 – 460 000	1	-
500 001 – 510 000	-	1
	<b>2019</b>	<b>2018</b>
	<b>\$ 000</b>	<b>\$ 000</b>
<b>Short term employee benefits</b>	3 126	1 989
Post employment benefits	381	220
Other long term benefits	344	205
Termination benefits	196	-
<b>Total compensation of senior officers</b>	<b>4 047</b>	<b>2 414</b>

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

## 9.5 Related Party Transactions

The Department is a wholly owned public-sector entity that is controlled by the State of Western Australia.

Related parties of the Department 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 Department 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.

	Note	\$ 000
Such transactions include:		
Income from State Government	4.1	118 773
Equity contributions	9.10	22 240
Superannuation payments (GESB portion)	3.1(a)	10 532
Lease rentals payments to the Department of Finance (Government Office Accommodation and State Fleet) and the Department of Communities (Government Regional Officer Housing)	3.1 & 3.4	10 905
Insurance payments to the Insurance Commission and RiskCover fund	3.4	3 433
Remuneration for services provided by the Auditor General	9.8	186
Payments for repairs and maintenance, Government Campus Network and ICT to the Department of Finance	3.4	1 680
Transfer of excess On-demand Transport funding to the Department of Treasury	9.10	6 700
Recoupment of salaries and wages for seconded employees from the Department of Finance	3.1	93
Refund of prior years Royalties for Regions Revenue to Treasury	3.4	1 825
Western Australian Bicycle Network, National Transport Reforms, CBD Transport Plan, East Perth Multi Modal Transport grants provided to Main Roads Western Australia	3.2	19 260
Payments for Strategic Transport Modelling Review, Connected Portfolio Project, and repairs and maintenance to Main Roads Western Australia	3.4	1 245
Central Area Transit (CAT) bus service and Local Projects – Local Jobs grants provided to Public Transport Authority of Western Australia	3.2	15 760
Marine Communications and Community Police grants provided to Western Australia Police Service	3.2	1 954
Contribution for the Support and Maintenance of the WAPOL Biometric Facial Recognition System to Western Australia Police Service	3.4	168

### Material transactions with other related parties

Outside of normal citizen type transactions with the Department, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

## 9.6 Jointly controlled assets

The following represents the Department's 50% ownership interest in the Marine Operations Centre with the Department of Primary Industries and Regional Development. The jointly controlled assets are included in the financial statements.

	2019 \$ 000	2018 \$ 000
<b>Non-current assets</b>		
Property, plant and equipment	3 565	3 412
Infrastructure	68	78
<b>Total assets</b>	<b>3 633</b>	<b>3 490</b>

## 9.7 Special purpose accounts

	2019 \$ 000	2018 \$ 000
<b>Deposits</b>		
Opening balance	4 378	4 330
Receipts		
Deposits – Bonds	60	193
Deposits – Trade Plates	160	162
Interest	75	18
	295	373
Payments		
Refunds – Bonds	(887)	(51)
Refunds – Trade Plates	(149)	(274)
	(1 036)	(325)
Closing balance	3 637	4 378

The Account holds deposits for performance bonds and motor vehicle trade plate deposits. These monies are held in a private trustee capacity, and in accordance with Treasurer's instruction 1101A Financial Reporting by Departments are only reported in these notes to the financial statements.

	2019 \$ 000	2018 \$ 000
<b>Receipts in Suspense</b>		
Opening balance	6 590	6 030
Receipts credited to the suspense account	6 201	7 523
Refunds and subsequent allocations	(5 909)	(6 963)
Closing balance	6 882	6 590

The purpose of this account is to hold funds pending identification of the purpose for which these monies were received. Upon identification, these funds are subsequently allocated to relevant revenue accounts or refunded to the customer.

## 9.7 Special purpose accounts (continued)

	2019 \$ 000	2018 \$ 000
<b>Perth Parking Licensing Account</b>		
Opening balance	54 093	23 257
Receipts		
Licence fees (see note 4.2)	58 723	57 890
	58 723	57 890
Payments		
Grants to State government agencies (see note 3.2)	(17 971)	(24 910)
Grants to local shires	-	(1 277)
Employee costs	(606)	(582)
Supplies and services	(804)	(285)
	(19 381)	(27 054)
Closing balance (see note 7.1.1)	93 435	54 093

This account was established in July 1999 under the *Perth Parking Management Act 1999* (the Act) to set aside funds to be used to encourage a balanced transport system for gaining access to the Perth city area. All licence fee revenue generated by the Perth Parking Levy is reinvested into transport services and infrastructure within the Perth Parking Management Area from which it is generated, to deliver a more balanced transport system, including the ongoing provision of the Perth CAT bus system, free public transport within the Free Transit Zone, an incident response service and clearway towing, and administration of the Act.

	2019 \$ 000	2018 \$ 000
<b>Taxi Industry Development Account</b>		
Opening balance	12 269	13 183
Receipts		
Service appropriation	1500	1 365
Licence fees	745	965
Interest income	271	256
Other revenue	5	68
	2 521	2 654
Payments		
Grants and subsidies	(2 314)	(1 163)
Consultants' fees	(128)	(791)
Employee costs	(1 188)	(1 296)
Other payments	(307)	(318)
Transfer to the Consolidated Fund	(6 700)	-
	(10 637)	(3 568)
Closing balance (see note 7.1.1)	4 153	12 269

The purpose of this Account is to hold funds received by the Department for the purposes of the *Taxi Act 1994*.

## 9.7 Special purpose accounts (continued)

	2019 \$ 000	2018 \$ 000
<b>Taxi Fare Evasion Recoupment Account</b>		
Opening balance	-	-
Receipts credited to the suspense account	1	1
Refunds and subsequent allocations	(1)	(1)
Closing balance	-	-

The purpose of this Account is to reimburse taxi drivers with monies collected from passengers who failed to pay their fare.

## 9.8 Remuneration of Auditor

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

	2019 \$ 000	2018 \$ 000
Auditing the accounts, financial statements and key performance indicator.	186	184

The expense is included in Note 3.4 Other expenses.

## 9.9 Non-current assets classified as held for distribution to owners

The following table represents a summary of assets held for distribution to owners:

	2019 \$ 000	2018 \$ 000
<b>Opening balance</b>		
Land	7 000	-
Buildings	520	-
Other plant, equipment and infrastructure	323	-
Less write-down to fair value less costs to distribute	(86)	-
	7 757	-
<b>Assets reclassified as held for distribution to owners</b>		
Land	-	7 000
Buildings	-	520
Other plant, equipment and infrastructure	-	323
Less write-down to fair value less costs to distribute	-	(86)
	-	7 757
<b>Total assets classified as held for distribution to owners</b>		
Land	7 000	7 000
Buildings	520	520
Other plant, equipment and infrastructure	323	323
Less write-down to fair value less costs to distribute	(86)	(86)
	7 757	7 757
<b>Less assets distributed</b>		
Land	-	-
Buildings	-	-
Other plant, equipment and infrastructure	-	-
Less write-down to fair value less costs to distribute	-	-
	-	-
<b>Closing balance</b>		
Land	7 000	7 000
Buildings	520	520
Other plant, equipment and infrastructure	323	323
Less write-down to fair value less costs to distribute	(86)	(86)
	7 757	7 757

The Welshpool Vehicle Examination Centre property has been assessed as surplus to requirements and is available for immediate distribution to owners. However, the Department of Planning, Lands and Heritage is undertaking due diligence in relation to the appropriate zoning of the property prior to marketing. A specialist selling agent will then be appointed, if required, to market the property with an expected sale date within the next twelve months.

The Department has classified this property as held for distribution to owners until the date of sale.

## 9.10 Equity

	2019 \$ 000	2018 \$ 000
<b>CONTRIBUTED EQUITY</b>		
Balance at the start of the financial year	499 071	484 517
<i>Contributions by owners</i>		
Capital contributions	20 634	18 287
Transfer of net assets		
• Regional Development Headwords Fund	1 606	3 488
• Department of Planning, Lands and Heritage	-	49
	22 240	21 824
<i>Distributions to owners</i>		
• Public Transport Authority	-	(7 270)
• Department of Treasury	(6 700)	-
• Department of Planning Lands and Heritage	(52)	-
	(6 752)	(7 270)
Balance at the end of the financial year	514 559	499 071
<b>RESERVES</b>		
<i>Asset Revaluation Surplus</i>		
Balance at the start of the financial year	1 903	2 248
Net revaluation increments/(decrements)		
• Buildings	927	(345)
Balance at the end of the financial year	2 830	1 903
<b>ACCUMULATED SURPLUS</b>		
Balance at the start of the financial year	290 224	232 806
Change in accounting policy	(265)	-
Restated balance at the start of the financial year	289 959	232 806
Result for the year	48 718	57 418
Balance at the end of the financial year	338 677	290 224
Total equity at the end of the financial year	856 066	791 198

## 9.11 Supplementary financial information

### (a) Write-offs

Public and other property, revenue and debts due to the State were written-off in accordance with section 48 of the *Financial Management Act 2006* under the authority of:

	2019 \$ 000	2018 \$ 000
(i) Bad Debts		
The Accountable Authority	107	75
	107	75

Of the debts written off, \$0.105m had been previously provided for.

	2019 \$ 000	2018 \$ 000
(ii) Assets		
The Accountable Authority	2	-

### (b) Losses through theft, defaults and other causes

The Department suffered no losses of public money or other property through theft, defaults or other causes during the current financial year.

### (c) Gifts of public property

The Department provided no gifts of public property during the current financial year.

## 9.12 Indian Ocean Territories Service Level Agreement

The provision of services to the Indian Ocean Territories is recouped from the Commonwealth government.

	2019 \$ 000	2018 \$ 000
Balance at the start of the year	63	-
Receipts	809	947
Payments	(795)	(884)
Balance at the end of the year	77	63

### 9.13 Explanatory statement (Controlled Operations)

All variances between estimates (original budget) and actual results for 2019 and between the actual results for 2019 and 2018 are shown below. Narratives are provided for selected major variances which are generally greater than 5% and \$7,549,000 for the Statement of Comprehensive Income and Cash flows; and 5% and \$16,785,000 for the Statement of Financial Position.

#### Statement of Comprehensive Income Variances

	Variance note	Estimate 2019 \$ 000	Actual 2019 \$ 000	Actual 2018 \$ 000	Variance between estimate and actual \$ 000	Variance between actual result for 2019 and 2018 \$ 000
<b>COST OF SERVICES</b>						
<i>Expenses</i>						
Employee benefits expense		139 421	135 303	136 252	(4 118)	(949)
Supplies and services		122 062	114 713	107 528	(7 349)	7 185
Depreciation and amortisation expense		22 368	21 031	20 856	(1 337)	175
Accommodation expenses		18 597	17 977	16 844	(620)	1 113
Grants and subsidies	1, A	132 012	119 044	91 558	(12 968)	27 486
Loss on disposal of non-current assets		-	450	283	450	167
Other expenses		1 692	3 646	4 109	1 954	(463)
<b>Total cost of services</b>		<b>436 152</b>	<b>412 166</b>	<b>377 430</b>	<b>(23 987)</b>	<b>34 736</b>
<b>Income</b>						
<i>Revenue</i>						
User charges and fees		270 410	271 896	261 681	1 486	10 215
Sales		30	151	181	121	(30)
Grants and contributions	B	10 110	10 605	19 627	495	(9 022)
Interest revenue		296	581	689	285	(108)
Other revenue		55 895	56 350	54 310	455	2 040
Other income		-	-	78	-	(78)
<b>Total revenue</b>		<b>336 741</b>	<b>339 583</b>	<b>336 566</b>	<b>2 842</b>	<b>3 017</b>
<i>Gains</i>						
Other gains		-	2 526	-	2 526	2 526
<b>Total gains</b>		<b>-</b>	<b>2 526</b>	<b>-</b>	<b>2 526</b>	<b>2 526</b>
<b>Total income other than income from State Government</b>		<b>336 741</b>	<b>342 109</b>	<b>336 566</b>	<b>5 368</b>	<b>5 543</b>
<b>NET COST OF SERVICES</b>		<b>99 411</b>	<b>70 055</b>	<b>40 864</b>	<b>(29 355)</b>	<b>29 193</b>

## 9.13 Explanatory statement (Controlled Operations) (continued)

### Statement of Comprehensive Income Variances (continued)

	Variance note	Estimate 2019 \$ 000	Actual 2019 \$ 000	Actual 2018 \$ 000	Variance between estimate and actual \$ 000	Variance between actual result for 2019 and 2018 \$ 000
<b>INCOME FROM STATE GOVERNMENT</b>						
Service appropriation	C	78 558	76 343	59 776	(2 215)	16 567
Assets received		-	(35)	147	(35)	(182)
Services received free of charge		1 989	1 841	1 710	(148)	131
Royalty for Regions Fund		42 914	40 624	36 649	(2 290)	3 975
<b>Total income from State Government</b>		123 461	118 773	98 282	(4 688)	20 491
<b>SURPLUS FOR THE YEAR</b>		24 050	48 718	57 418	24 667	(8 701)
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>Items not reclassified subsequently to profit or loss</b>						
Changes in asset revaluation reserve		-	927	(345)	927	1 272
<b>Total other comprehensive income</b>		-	927	(345)	927	1 272
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		24 050	40 645	57 073	25 594	(7 429)

## 9.13 Explanatory statement (Controlled Operations) (continued)

### Statement of Comprehensive Income Variances

#### Major Estimate and Actual (2019) Variance Narratives

1. Grants and Subsidies actual expenditure is less than estimate by \$13.0 million (-9.8%) primarily due to the deferral of Busselton-Margaret River Regional Airport Upgrade project (\$9.5 million), underspends associated with the Country Age Pension Fuel Card Subsidy (\$4.4 million); and delays to the Broome Boating Facilities Upgrade project (\$0.8 million).  
This has been offset by increased Taxi User Subsidy Scheme (TUSS) payment (\$2.3 million) due to increased number of approved applications for participation in TUSS.

#### Major Actual (2019) and Comparative (2018) Variance Narratives

- A. Grants and Subsidies increased in 2019 by \$27.5 million (30.0%) mainly due to increased grants for Western Australian Bicycle Network (\$16.6 million); Geraldton Runway Renewal project funded from Royalties for Region funding (\$6.5 million); and increased rail subsidy for Fremantle Container Rail Service (\$1.9 million).
- B. Grants and Subsidies revenue decreased by \$9.0 million (46.0%) mainly due to the reduction in funding for Bike Boulevard (Safe Active Streets) of \$3.0 million in 2019 when compared to 2018, \$4.5 million decrease for Burswood Jetty provided by Public Transport Authority (PTA) on completion of project; and reduction of \$1.2 million, a result of the completion of Cockburn/Midland Licensing centres fit out.
- C. Service Appropriation increased by \$16.6 million (27.7%) mainly due to \$15.7 million for Principal Shared Paths being brought forward from 2020-21 to 2018-19; increased funding to Westport of \$2.0 million to complete Westport Strategy and preferred options (of which \$1.0 million was brought forward from 2020-21 to 2018-19); funding of Port Hedland Spoilbank Marina of \$3.0 million and supplementary funding of \$1.7 million for Taxi User Subsidy Scheme.

This increase has been mainly offset by Government Endorsed corrective/efficiency measures of \$4.3 million and reduced funding for travel survey of \$1.0 million.

## 9.13 Explanatory statement (Controlled Operations) (continued)

### Statement of Financial Position Variances

	Variance note	Estimate 2019 \$ 000	Actual 2019 \$ 000	Actual 2018 \$ 000	Variance between estimate and actual \$ 000	Variance between actual result for 2019 and 2018 \$ 000
<b>ASSETS</b>						
<i>Current Assets</i>						
Cash and cash equivalents	1,A	13 108	51 631	31 005	38 523	20 626
Restricted cash and cash equivalents	B	93 425	105 239	78 143	11 814	27 096
Inventories		-	514	543	514	(29)
Receivables		9 063	8 513	15 203	(550)	(6 690)
Other current assets		6 281	3 824	5 088	(2 457)	(1 264)
Non-current assets classified as held for distribution to owners		-	7 757	7 757	7 757	-
<b>Total Current Assets</b>		121 877	177 478	137 739	55 601	39 739
<i>Non-Current Assets</i>						
Restricted cash and cash equivalents		871	1 607	1 025	736	582
Amounts receivable for services	C	256 332	256 291	236 457	(41)	19 834
Property, plant and equipment		152 358	148 510	148 578	(3 848)	(68)
Infrastructure	2	212 623	268 079	267 505	55 456	574
Intangible assets		28 670	40 418	36 184	11 748	4 234
Construction in progress	3	85 452	13 122	11 773	(72 330)	1 349
<b>Total Non-Current Assets</b>		736 306	728 027	701 522	(8 279)	26 505
<b>TOTAL ASSETS</b>		858 183	905 505	839 261	47 322	66 244
<b>LIABILITIES</b>						
<i>Current Liabilities</i>						
Payables		20 881	21 280	20 362	399	918
Employee related provisions		21 524	21 258	20 917	(266)	341
Other current liabilities		2 586	430	730	(2 156)	(300)
<b>Total Current Liabilities</b>		44 991	42 968	42 009	(2 023)	959
<i>Non-Current Liabilities</i>						
Employee related provisions		6 742	6 471	6 054	(271)	417
<b>Total Non-Current Liabilities</b>		6 742	6 471	6 054	(271)	417
<b>TOTAL LIABILITIES</b>		51 733	49 439	48 063	(2 294)	1 376
<b>NET ASSETS</b>		806 450	856 066	791 198	49 616	64 868
<b>EQUITY</b>						
Contributed equity		510 646	514 559	499 071	3 913	15 488
Reserves		2 248	2 830	1 903	582	927
Accumulated surplus	4,D	293 556	338 677	290 224	45 121	48 453
<b>TOTAL EQUITY</b>		806 450	856 066	791 198	49 616	64 868

## 9.13 Explanatory statement (Controlled Operations) (continued)

### Statement of Financial Position Variances

#### Major Estimate and Actual (2019) Variance Narratives

1. Cash and cash equivalents are greater than estimate by \$38.5 million (293.9%) mainly due to underspend in Capital projects of \$10.3 million from project delays; \$6.0 million in grant revenue received from Main Roads WA for Safe Active Street – Bike Boulevard relating to prior years, underspend of \$4.3 million in employment costs due to delays in recruitment and reduction in leave liability; and general underspend in recurrent activities (including programs such as Westport, Big Data, Port Hedland Marina) and operating surplus from 2018 operations.
2. Infrastructure actual exceeded estimate by \$55.5 million (26.1%) primarily due to several infrastructure projects being finalised and commissioned in 2019.
3. Construction in progress trailed estimate by \$72.3 million (-84.6%) due to several projects being finalised and commissioned in 2018-19 (refer to note on Infrastructure).
4. Accumulated surplus in 2019 exceeds estimate by \$45.1 million (15.4%). \$20.7 million is due to increase in the opening surplus for 2018 operations; and \$24.4 million relates to accumulated surplus for 2019 mainly due to cost of services being less than estimate by \$24.0 million.

#### Major Actual (2019) and Comparative (2018) Variance Narratives

- A. Cash and cash equivalents in 2019 compared to prior year is greater by \$20.6 million (66.5%) primarily due to greater underspend in capital projects of \$6.3 million when compared to 2018; cash surplus in operating and investing activities in 2019 of \$9.0 million; and decrease in accounts receivables in 2019 of \$6.7 million.
- B. Restricted cash and cash equivalent increased by \$27.1 million (34.7%) primarily due to Perth Parking Fund increases in 2019 of \$39.3 million resulting from the completion of the CAT Bus Replacement in 2018 and Government initiated expenditure strategies in 2019.  
The increase has been offset by reimbursement to Consolidated Account of \$6.7 million from Taxi Industry Development Account (TIDA) for funding received from appropriation to fund Transition Assistance Hardship payments and associated administrative costs; and utilisation of funds of \$4.9 million from Royalties for Region for Geraldton Airport Runway in 2019.
- C. Amounts receivable for services increased by \$19.8 million (8.4%) representing an increase in the non-cash component of service appropriation.
- D. 2019 accumulated surplus exceeds 2018 by \$48.5 million (16.7%). This variance relates to an increased surplus of \$48.7 million for 2018-19 mainly due to an additional \$39.4 million added to Perth Parking Fund, delay in administration of regional taxi grant and general underspend in recurrent activities (including programs such as Westport, Big Data and Port Hedland Marina).

## 9.13 Explanatory statement (Controlled Operations) (continued)

### Statement of Cash Flows Variances

	Variance note	Estimate 2019 \$ 000	Actual 2019 \$ 000	Actual 2018 \$ 000	Variance between estimate and actual \$ 000	Variance between actual result for 2019 and 2018 \$ 000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>						
Service appropriation	A	58 683	56 509	39 901	(2 174)	16 608
Capital appropriation		17 689	20 634	18 287	2 945	2 347
Cash transferred (to)/from other agencies		(13 900)	(6 700)	(7 270)	7 200	570
Royalties for Regions Fund	1	50 693	42 230	40 137	(8 463)	2 093
<b>Net cash provided by State Government</b>		113 165	112 673	91 055	(492)	21 618
Utilised as follows:						
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>						
<i>Payments</i>						
Employee benefits		(139 065)	(134 760)	(138 823)	4 305	4 063
Supplies and services		(118 717)	(112 197)	(109 710)	6 520	(2 487)
Accommodation		(18 597)	(16 804)	(17 720)	1 793	916
Grants and subsidies	2, B	(132 012)	(118 752)	(86 923)	13 260	(31 829)
GST payments on purchases		(26 706)	(26 859)	(23 114)	(153)	(3 745)
Other payments		(3 048)	(4 342)	(2 282)	(1 294)	(2 060)
<i>Receipts</i>						
Sale of goods and services		30	152	180	122	(28)
User charges and fees		270 410	270 397	261 809	(13)	8 588
Grants and contributions		10 110	16 791	12 986	6 681	3 805
Interest received		296	663	674	367	(11)
GST receipts on sales		26 706	7 937	7 361	(18 769)	576
GST receipts from taxation authority		-	19 959	15 642	19 959	4 317
Other receipts		55 895	57 652	53 498	1 757	4 154
<b>Net cash used in operating activities</b>		(74 698)	(40 163)	(26 422)	34 535	(13 741)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<i>Payments</i>						
Purchase of non-current physical assets	3	(32 405)	(24 296)	(25 421)	8 109	1 125
<i>Receipts</i>						
Proceeds from sale of non-current physical assets		7 500	90	89	(7 410)	1
<b>Net cash used in investing activities</b>		(24 905)	(24 206)	(25 332)	699	1 126
Net decrease in cash and cash equivalents	4,C	13 562	48 304	39 301	34 742	9 003
Cash and cash equivalents at the beginning of the year	5,D	93 842	110 173	70 872	16 331	39 301
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		107 404	158 477	110 173	51 073	48 304

## 9.13 Explanatory statement (Controlled Operations) (continued)

### Statement of Cash Flows Variances

#### Major Estimate and Actual (2019) Variance Narratives

1. Royalties for Region fund is less than estimate by \$8.5 million (-16.7%) mainly due to delays to Transforming Bunbury Waterfront Stage 2 (\$6.2 million) caused by discovery of adverse geotechnical conditions during preliminary site inspections.
2. Grants and Subsidies payments were less than estimated by \$13.3 million (-10.0%) primarily due to the deferral of the Busselton-Margaret River Regional Airport Upgrade project (\$9.5 million), underspend associated with the Country Age Pension Fuel Card Subsidy (\$4.4 million); and delays to the Broome Boating Facilities Upgrade project (\$0.8 million). This has been offset by increased Taxi User Subsidy Scheme (TUSS) payments (\$2.3 million) due to increased number of approved applications for participation in TUSS.
3. Budget estimate for purchase of non-current physical assets is greater than actuals by \$8.1 million primarily due to delays in capital projects such as Transforming Bunbury's Waterfront Stage 2 due to adverse geotechnical conditions (\$4.2 million); underspend in Two Rocks Marina as a result of changes in scoping of works (\$1.1 million); and underspend in Driver and Vehicle Services Reform Program and Information Technology due to prioritisation of resources to On Demand Transport system enhancement (\$2.3 million).
4. The net increase in cash and cash equivalents of \$34.7 million (256.2%) is primarily due to reduced grant payments resulting from deferrals and underspend in 2019 (\$13.3 million); underspend in operating activities in 2019 (\$10.8 million); capital projects delays (\$8.1 million); expected transfer to Consolidated Account (\$7.2 million) that did not occur in 2019 because Welshpool Vehicle Examination Centre did not sell; and increase in grant receipts of (\$6.0 million) mainly from Main Roads WA for Safe Active Streets – Bike Boulevard relating to prior years.  

This has been partially offset by reduced Royalties for Region funding (\$8.5 million) mainly due to deferral of \$4.2 million for Transforming Bunbury Waterfront Stage 2 to 2019-20 and underspend In Country Age Pension Fuel Card Scheme.
5. The increase in cash and cash equivalents at the beginning of the period exceeds estimate by \$16.3 million (17.4%) mainly due to receipt of \$6.0 million for Two Rocks Redevelopment; \$4.9 million for Geraldton Airport Runway from Royalties for Region and \$5.9 million for Capital carryover (including \$1.9 million for Bunbury Waterfront).

## 9.13 Explanatory statement (Controlled Operations) (continued)

### Major Actual (2019) and Comparative (2018) Variance Narratives

A. Service Appropriation increased by \$16.6 million (41.6%) mainly due to \$15.7 million for Principal Shared Paths being brought forward from 2020-21 to 2018-19; increased funding to Westport of \$2.0 million to complete Westport Strategy and preferred options (of which \$1.0 million was brought forward from 2020-21 to 2018-19); funding of Port Hedland Spoilbank Marina of \$3.0 million and supplementary funding of \$1.7 million for Taxi User Subsidy Scheme.

This increase has been mainly offset by Government Endorsed corrective/efficiency measures of \$4.3 million and reduced funding for travel survey of \$1.0 million.

B. Grants and Subsidies increased in 2019 by \$31.8 million (36.6%) mainly due to increased grants for Principal Shared Path program (\$15.7 million); Geraldton Runway Renewal project (\$6.5 million) funded from Royalties for Region; Regional Airport Development Scheme grant payment (\$4.8 million); grant payment to local government for Recreational Boating Facilities Scheme (\$4.7 million); rail subsidy for Fremantle Container Rail Service (\$2.4 million) offset by reduction of On Demand Transport Reform hardship payments (-\$2.7 million) when compared to 2019 as these payments were completed in 2018.

C. The net increase in cash and cash equivalents of \$9.0 million (22.9%) in 2019 is primarily due to the increase in receipts from user fees and charges (\$8.6 million) and increase in grant and contribution receipts (\$3.8 million) mainly a result of payment from Main Roads for Safe Active Streets – Bike Boulevard.

D. The increase in cash and cash equivalents at the beginning of the period 2019 exceeds 2018 by \$39.3 million (55.5%) is mainly due to the increase in Perth Parking Licence Account of \$31.9 million.

## 9.14 Events occurring after the end of the financial year

There are no significant events occurring after the reporting date.

## 10. Administered disclosures

This section sets out all the statutory disclosures regarding the financial performance of the Department.

	<b>Note</b>
Disclosure of administered income and expenses by service	10.1
Explanatory statement for administered items	10.2
Administered assets and liabilities	10.3

## 10.1 Disclosure of administered expenses and income by service

	Strategic Transport Policy & Integrated Planning		Driver and Vehicle Services	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
<b>Expenses</b>				
<b>Transfer Payments</b>				
Consolidated Account	-	-	1 350 039	1 286 846
Department of Local Government, Sport and Cultural Industries	-	-	60	59
Insurance Commission of Western Australia	-	-	970 911	938 490
WA Coastal Shipping Commission	100	100	-	-
Federal and Interstate Agencies	-	-	-	1 351
Road Trauma Trust Account	-	-	76 526	79 837
Other expenses	-	-	-	421
<b>Total administered expenses</b>	<b>100</b>	<b>100</b>	<b>2 397 536</b>	<b>2 307 004</b>
<b>Income</b>				
For transfer to the Consolidated Account or Agencies				
Appropriations for transfer to the:				
WA Coastal Shipping Commission	100	100	-	-
<b>Infringements</b>				
Plate and transfer infringements	-	-	8 058	8 190
Speed and red-light infringements	-	-	105 468	108 502
Final demand traffic infringements	-	-	2 134	2 364
On-demand Transport Levy	-	-	-	-
<b>Motor vehicle registrations</b>				
Motor vehicle fees	-	-	60	59
Motor vehicle registrations	-	-	948 835	894 449
Stamp duty	-	-	361 494	354 463
Third party motor vehicle insurance premiums	-	-	735 396	710 903
Catastrophic Injury Support Scheme	-	-	235 515	227 587
Collection of interstate licencing fees	-	-	4	1 351
Collection of vessel survey fees	-	-	-	-
<b>Total administered income</b>	<b>100</b>	<b>100</b>	<b>2 396 964</b>	<b>2 307 868</b>

The Department does not administer receipts or payments on behalf of Service 3 (Coastal Infrastructure), and it is excluded from the note.

Marine Safety		On-demand Transport		Total	
2019	2018	2019	2018	2019	2018
\$000	\$000	\$000	\$000	\$000	\$000
-	-	-	-	1 350 039	1 286 846
-	-	-	-	60	59
-	-	-	-	970 911	938 490
-	-	-	-	100	100
-	1 949	-	-	-	3 300
-	-	-	-	76 526	79 837
-	-	-	-	-	421
-	1 949	-	-	2 397 636	2 309 053
-	-	-	-	100	100
-	-	-	-	8 058	8 190
-	-	-	-	105 468	108 502
-	-	-	-	2 134	2 364
-	-	5 213	-	5 213	-
-	-	-	-	60	59
-	-	-	-	948 835	894 449
-	-	-	-	361 494	354 463
-	-	-	-	735 396	710 903
-	-	-	-	235 515	227 587
-	-	-	-	4	1 351
-	1 947	-	-	-	1 947
-	1 947	5 213	-	2 402 277	2 309 915

## 10.2 Explanatory statement for Administered Items

All variances between estimates (original budget) and actual results for 2019 and between the actual results for 2019 and 2018 are shown below. Narratives are provided for key major variances, which are generally greater than 5% and \$20,761,000.

	Variance note	Estimate 2019 \$ 000	Actual 2019 \$ 000	Actual 2018 \$ 000	Variance between estimate and actual \$ 000	Variance between actual result for 2019 and 2018 \$ 000
<b>Expenses</b>						
Transfer Payments						
Consolidated Account	1	947 793	1 350 039	1 286 846	402 246	63 193
Department of Local Government, Sport and Cultural Industries		60	60	59	-	1
Insurance Commission of Western Australia	2	-	970 911	938 490	970 911	32 421
Western Australian Coastal Shipping Commission		100	100	100	-	-
Federal and Interstate Agencies		-	-	3 300	-	(3 300)
Road Trauma Trust Account		90 114	76 526	79 837	(13 588)	(3 311)
Other expenses		-	-	421	-	(421)
<b>Total administered expenses</b>		<b>1 038 067</b>	<b>2 397 636</b>	<b>2 309 053</b>	<b>1 359 569</b>	<b>88 583</b>
<b>Income</b>						
For transfer to the Consolidated Account or Agencies						
Appropriations for transfer to the:						
Western Australian Coastal Shipping Commission		100	100	100	-	-
Infringements						
Plate and transfer infringements		8 474	8 058	8 190	(416)	(132)
Speed and red-light infringements		113 142	105 468	108 502	(7 674)	(3 034)
Final demand fees – traffic infringements		2 469	2 134	2 364	(335)	(230)
On-demand Transport Levy		2 500	5 213	-	5 213	2 713
Motor vehicle registrations						
Motor vehicle fees		60	60	59	-	1
Motor vehicle registrations	A	911 322	948 835	894 449	37 513	54 386
Stamp duty	3	-	361 494	354 463	361 494	7 031
Third party motor vehicle insurance premiums	4	-	735 396	710 903	735 396	24 493
Catastrophic Injury Support Scheme	5	-	235 515	227 587	235 515	7 928
Collection of interstate licencing fees		-	4	1 351	4	(1 347)
Collection of vessel survey fees		-	-	1 947	-	(1 947)
<b>Total administered income</b>		<b>1 038 067</b>	<b>2 402 277</b>	<b>2 309 915</b>	<b>1 364 210</b>	<b>92 362</b>

## 10.2 Explanatory statement for Administered Items (continued)

### Major Estimate and Actual (2019) Variance Narratives

1. Consolidated Account transfer payments exceeded estimates by \$402.2 million (42.4%) due to stamp duty on motor vehicle registrations collected on behalf of the Office of State Revenue and transferred to the Consolidated Account. This item is not reflected in the Department's budget statement.
2. Insurance Commission of Western Australia transfer payments totalled \$970.9 million from Third Party insurance premiums (\$735.4 million) and Catastrophic Injury Support Scheme (\$235.5 million) collected on behalf and transferred to Insurance Commission of Western Australia. This item is not reflected in the Department's budget statement.
3. Stamp Duty revenue collected amounted to \$361.2 million due to stamp duty on motor vehicle registration collected on behalf of the Office of State Revenue. This item is not reflected in the Department's budget statements.
4. Third Party Motor Vehicle Insurance premiums totalled \$735.4 million collected on behalf of, and transferred to the Insurance Commission of Western Australia. This item is not reflected in the Department's budget statement.
5. Catastrophic Injury Support Scheme totalled \$235.5 million collected on behalf of, and transferred to Insurance Commission of Western Australia. This item is not reflected in the Department's budget statement.

### Major Actual (2019) and Comparative (2018) Variance Narratives

- A. Motor vehicle registration fee revenue increased by \$54.4 million (6.1%) due to an annual fee increase and growth in the number of registered vehicles.

## 10.3 Administered assets and liabilities

	2019 \$ 000	2018 \$ 000
<b>Current assets</b>		
Cash	19 294	13 559
Accounts receivable <sup>(i)</sup>	5 689	6 750
<b>Total current assets</b>	24 983	20 309
<b>Total administered assets</b>	24 983	20 309
<b>Current liabilities</b>		
Payables	7 118	6 745
Accruals and interest payable	6 461	6 318
<b>Total current liabilities</b>	13 579	13 063
<b>Total administered liabilities</b>	13 579	13 063
<b>(i) Notes to the Schedule of Administered Items – Accounts Receivable</b>		
Current Receivables	15 607	16 471
Allowance for impairment of receivables	(9 918)	(9 721)
	5 689	6 750

# CERTIFICATION OF KEY PERFORMANCE INDICATORS

**For the year ended 30 June 2019**

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess Department of Transport's performance, and fairly represent the performance of the Department of Transport for the financial year ended 30 June 2019.

A handwritten signature in black ink, appearing to read 'Richard Sellers', with a long horizontal flourish extending to the right.

**Richard Sellers**  
Director General  
30 August 2019

# KEY PERFORMANCE INDICATORS

For the year ended 30 June 2019

## DoT's Outcome Structure and links to the overall Government Goals

The transport function is integral to business and commerce and is important for social interaction and connecting communities. DoT's focus is on strategic transport policy and planning, regulation, and the delivery of safe and sustainable transport services and programs. This includes the licensing of drivers, vehicles, aircraft and vessels; developing and planning infrastructure; and setting and ensuring service and safety standards across the range of public and commercial transport systems in Western Australia.

Together with its portfolio partners, DoT has the expertise to deliver integrated transport plans and policy and high-quality services needed

to connect a complex, interrelated economic and social network. DoT connects people with goods and services through an intricate system of roads, railways, airports, ports and waterways and keeps people safe within those networks through an integrated approach to planning, licensing, and education and compliance strategies.

The breadth and diversity of DoT's functions and service means that DoT contributes to three of the Government's strategic goals outlined in the following table.

Under an Outcome Based Management Framework, DoT contributes to three of the Government's goals:

State Government Goals	DoT Outcomes	DoT Services
<p><b>Future Jobs and Skills:</b> Grow and diversify the economy, create jobs and support skills development.</p>	<p><b>Outcome 1.</b> Integrated transport systems that facilitate economic development.</p>	<p><b>Service 1.</b> Strategic Transport Policy and Integrated Planning</p>
<p><b>Strong Communities:</b> Safe communities and supported families.</p>	<p><b>Outcome 2.</b> Vehicles and road users that meet established vehicle standards and driver competencies to deliver safe vehicles and safe drivers.</p>	<p><b>Service 2.</b> Driver and Vehicle Services</p>
<p><b>Better Places:</b> A quality environment with liveable and affordable communities and vibrant regions.</p>	<p><b>Outcome 3.</b> An accessible and safe transport system.</p>	<p><b>Service 3.</b> Coastal Infrastructure</p> <p><b>Service 4.</b> Marine Safety</p> <p><b>Service 5.</b> On-demand Transport</p>

## Key Performance Indicators

The following table shows DoT's corporate KPIs and how they fit within the Department's Outcome Structure:

Departmental desired outcomes	Effectiveness indicators	Departmental services	Efficiency indicators
<b>Outcome 1.</b> Integrated transport systems that facilitate economic development.	Percentage of containerised freight transported via rail in relation to total metropolitan container movements to and from Fremantle Port	<b>Service 1.</b> Strategic Transport Policy and Integrated Planning	Average cost per policy hour for strategic transport policy development
	Percentage of regional Local Government Areas (LGAs) that have access to regular public transport air services between the LGA and Perth		Average cost per planning hour for integrated transport planning development
<b>Outcome 2.</b> Vehicles and road users that meet established vehicle standards and driver competencies to deliver safe vehicles and safe drivers.	Percentage of vehicle examinations completed in accordance with the Australian Design Rules (Safe Vehicles)	<b>Service 2.</b> Driver and Vehicle Services	Average cost per vehicle and driver transaction
	Percentage of driver licences issued that comply with the Graduated Driver Training and Licensing System (Safe Drivers)		Average cost per vehicle inspection performed by Vehicle Examination Centres
	Percentage of driver's licence cards issued within 21 days of completed application		Average cost per vehicle inspection delivered through Authorised Inspection Stations  Average cost per driver assessment
<b>Outcome 3.</b> An accessible and safe transport system	Percentage of time maritime infrastructure is fit for purpose when required	<b>Service 3.</b> Coastal Infrastructure	Average cost per day per maritime infrastructure asset managed
	Rate of reported incidents (accidents) on the water per 10,000 registered recreational vessels	<b>Service 4.</b> Marine Safety	Average cost per private recreational vessel registration  Cost to maintain Marine Pollution Response preparedness per registered vessel
	Percentage by which, the waiting time standard, for Metropolitan Area Taxis, is met	<b>Service 5.</b> On-demand Transport	Cost of regulation per taxi plate administered

## Outcome 1: Integrated transport systems that facilitate economic development

DoT develops, integrates and regulates Western Australia's transport systems and infrastructure, which is integral to servicing the State's business and social communities.

DoT determines the location of major transport routes and infrastructure, their suitability for a range of transport services and how each route integrates into the broader transport system for boats, trains, aircraft and vehicles.

Providing regular and adequate public transport air services to key Western Australian regional communities is the responsibility of the Freight, Ports, Aviation and Reform Directorate.

DoT ensures all aircraft that carry passengers for regular public transport or charter purposes within the State are licensed annually.

DoT measures its effectiveness in meeting this outcome through the:

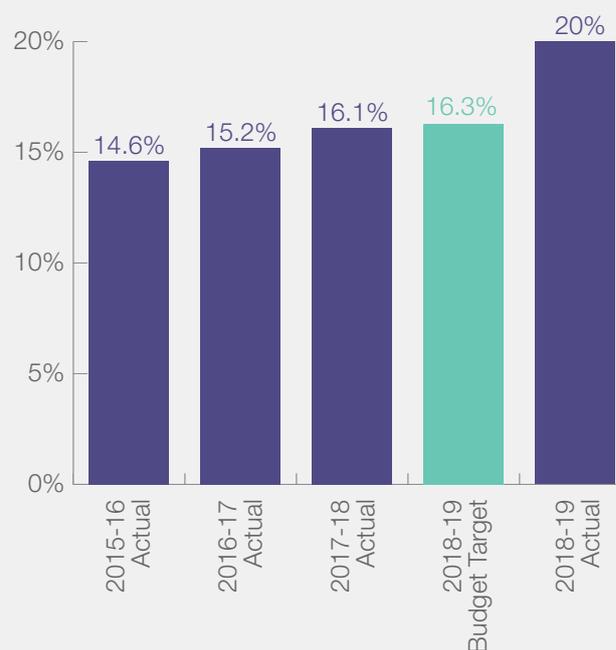
- Percentage of containerised freight transported via rail in relation to total metropolitan container movements to and from Fremantle Port.
- Percentage of regional Local Government Areas (LGAs) that have access to regular public transport air services between the LGA and Perth.

### Percentage of containerised freight transported via rail in relation to total metropolitan container movements to and from Fremantle Port

This indicator informs how effectively DoT's container rail subsidy is shifting the transportation of containerised metropolitan freight from road to rail, thereby reducing heavy vehicle movement on arterial port roads. A significant proportion of metropolitan container movements occur on roads between the key freight precinct of Kewdale-Forrestfield and Fremantle Port.

The indicator compares the proportion of containers transported by rail through the North Quay Rail Terminal with the total number of containers moving through Fremantle Inner Harbour.

### Percentage of containerised freight transported via rail in relation to total metropolitan container movements to and from Fremantle Port



#### Reason for significant variance

There was no significant variance between the 2017-18 Actual and the 2018-19 Budget Target.

The growth in Actual container rail volumes in 2018-19 compared to Budget Target was driven by State Government increasing the Container Rail Subsidy from \$30 per twenty-foot equivalent unit (TEU) to \$50 per TEU from January 2018 and an excellent grain harvest.

**Percentage of regional Local Government Areas (LGAs) that have access to regular public transport air services between the LGA and Perth**

This indicator measures DoT’s effectiveness in meeting its responsibility in ensuring regional communities have access to regular public transport (RPT) air services to Perth for economic and social purposes.

The outcome of this indicator is measured by determining the percentage of Local Government Areas (LGAs) that have a population greater than 500 and are within 250 kilometres of an airport by sealed road which receives two or more RPT air services per week in each direction.

The high percentage achieved indicates that regional communities have access to RPT air services within 250 kilometres of the airport receiving two or more RPT air services per week. A reduction in the percentage of LGAs being serviced by RPT air services would indicate that services to remote communities are not being maintained.

**Percentage of regional Local Government Areas (LGAs) that have access to regular public transport air services between the LGA and Perth**



**Reason for significant variance**

There was no significant variance between the 2018-19 Budget Target and the 2018-19 Actual or between the 2017-18 Actual and the 2018-19 Actual.

A minor variance between the 2018-19 Budget Target and the 2018-19 Actual is due to an increase in the number of LGAs with a population greater than 500. In 2017-18 Mukinbudin and Mount Marshall LGAs population grew above 500. Both LGAs do not receive RPT air services within 250 km. This information wasn’t available at the time of setting the 2018-19 Budget Target.

The 2018-19 Actual data was further adjusted to 91.5 per cent as a result of Wyalkatchem no longer having a population above 500 but maintaining access to RPT air services within 250km.

## Outcome 2: Vehicles and road users that meet established vehicle standards and driver competencies to deliver safe vehicles and safe drivers

Driver and Vehicle Services (DVS) is responsible for licensing the State's drivers and registering vehicles under the *Road Traffic (Authorisation to Drive) Act 2008*, *Road Traffic (Vehicles) Act 2012* and *Road Traffic (Administration) Act 2008*. Drivers must demonstrate that they are competent to drive a vehicle through complying with the requirements of Section 16 of the *Road Traffic (Authorisation to Drive) Regulations 2014*. Vehicles must be registered before they may lawfully be used on the road. The *Road Traffic (Vehicles) Regulations 2014* details the specific requirements for examination against the Australian Design Rules, which allow a vehicle to be deemed roadworthy.

DoT measures its effectiveness in meeting this outcome through:

- the percentage of vehicle examinations completed in accordance with the Australian Design Rules (Safe Vehicles).
- the percentage of driver licences issued that comply with the Graduated Driver Training and Licensing System (Safe Drivers).
- the percentage of driver's licence cards issued within 21 days of completed application.

### Percentage of vehicle examinations completed in accordance with the Australian Design Rules (Safe Vehicles)

This indicator measures the extent to which vehicles meet established vehicle standards to deliver safe vehicles.

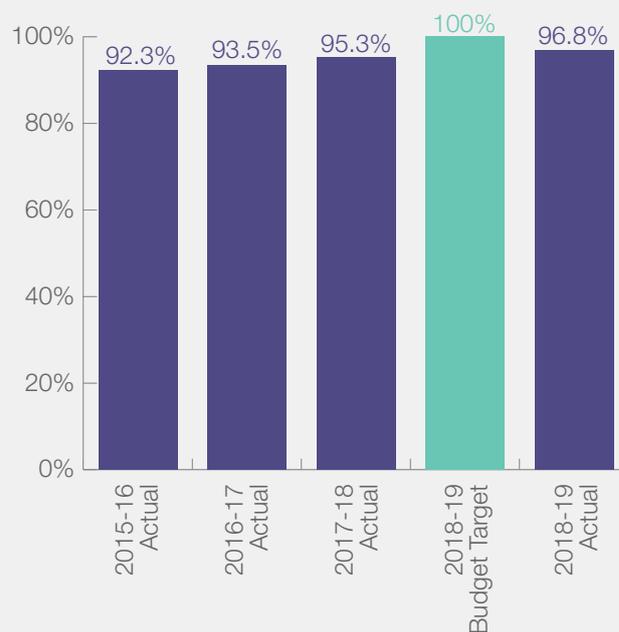
The data is derived from a sample of completed examination forms (Certificates of Inspection), which are reviewed by DoT's auditor.

The number of forms that pass the criteria are counted and divided by the total number of forms audited. The results are then expressed as a percentage.

The sample audit is conducted on a weekly basis. The system is based on using automated (HYPERION) reports that provide details of vehicles that passed examinations in the last week as recorded in Transport Executive Licensing Information System (TRELIS), of which 10 samples are selected at random to a total of 100 per quarter.

The Certificates of Inspection created by TRELIS and/or the Vehicle Inspection System for each identified record are then checked and compared against the data in TRELIS to determine that all relevant sections of the examination have been completed and integrity of data maintained.

### Percentage of vehicle examinations completed in accordance with the Australian Design Rules (Safe Vehicles)



### Reason for significant variance

There was no significant variance between the 2018-19 Budget Target and the 2018-19 Actual or between the 2017-18 Actual and the 2018-19 Actual.

### Percentage of driver licences issued that comply with the Graduated Driver Training and Licensing System (Safe Drivers)

This indicator measures the extent to which the licensing processes of drivers establish levels of competencies that will deliver safe drivers.

A sample of all driver licences issued under the Graduated Driver Training and Licensing System (GDT&LS) are reviewed by DoT's auditor and the number of licences that complied with each key component in the GDT&LS are recorded and divided by the total number of licences assessed. The resulting figure is then expressed as a percentage.

The sample audit is conducted on a weekly basis. The system is based on using automated (HYPERION) reports that provide the driver licences issued in the last week, of which 10 samples are selected at random to a total of 100 per quarter. All process components related to the GDT&LS are then checked to determine that compliance with each criterion is met.

### Percentage of driver licences issued that comply with the Graduated Driver Training and Licensing System (Safe Drivers)



#### Reason for significant variance

There was no significant variance between the 2018-19 Budget Target and the 2018-19 Actual or between the 2017-18 Actual and the 2018-19 Actual.

### Percentage of driver's licence cards issued within 21 days of completed application

DoT is committed to issuing driver's licence cards in a timely manner to provide an effective service to its customers.

This measure is calculated by dividing the total number of licence cards issued within the timeframe (21 days) by the total number of licence cards issued (multiplied by 100), to determine the percentage.

This indicator demonstrates that DoT is providing an effective service to its customers by issuing all driver's licence cards within 21 days of completed application.

### Percentage of driver's licence cards issued within 21 days of completed application



#### Reason for significant variance

There was no significant variance between the 2018-19 Budget Target and the 2018-19 Actual or between the 2017-18 Actual and the 2018-19 Actual.

## Outcome 3: An accessible and safe transport system

Under the *Transport Coordination Act 1966* (the Act), the *Jetties Act 1926* and the *Shipping and Pilotage Act 1967*, DoT is responsible for coordinating and planning the accessibility and safety considerations for the transport system.

A range of business units are involved in ensuring the accessibility and safety across the transport system. DoT's Coastal Infrastructure business unit is responsible for accessibility to marine related infrastructure and waterways while its Marine Safety business unit provides regulation, education, training and compliance monitoring to ensure safety of marine vessels and their users.

DoT's On-demand Transport business unit is responsible for ensuring an adequate taxi service is provided to the public of Western Australia. Vehicle and driver safety in taxis is the responsibility of Driver and Vehicle Services in its role in administering road laws, as defined in the *Road Traffic (Administration) Act 2008*.

This is covered under Outcome 2 of DoT's outcome structure: 'Vehicles and road users that meet established vehicle standards and driver competencies to deliver safe vehicles and safe drivers'. However, safety for taxi operators and passengers, not related to use of vehicles on the road (for example, speeding or careless driving), is the responsibility of the Western Australia Police in its community safety role.

The effectiveness indicators below measure transport system accessibility and safety for DoT.

### Accessibility

- Percentage by which the waiting time standard, for Metropolitan Area Taxis is met.
- Percentage of time maritime infrastructure is fit for purpose when required.

### Safety

- Rate of reported incidents (accidents) on the water per 10,000 registered recreational vessels

### Effectiveness key performance indicators – Accessibility

#### Percentage by which the waiting time standard, for Metropolitan Area Taxis is met

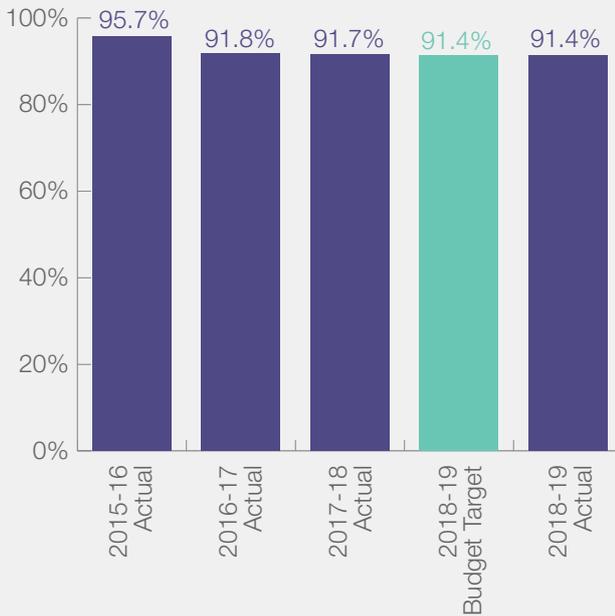
Following the 1999 National Competition Policy Review of the Perth Metropolitan Taxi Industry, the then Department for Planning and Infrastructure introduced performance standards for the industry. Performance standards have been in place since 1 July 2000 and the taxi industry is required to meet these standards.

This indicator assists in identifying supply versus demand requirements for the taxi industry and its customers. The wait times for taxis, both pre-booked and requested 'as soon as possible', have been measured during both peak and off-peak times. Orders that meet the performance standard, as detailed in the table below, are determined and presented as a percentage against all bookings.

Booking type	Period	Target time
Pre-booked	Peak	5 min
Pre-booked	Off-peak	5 min
ASAP	Peak	20 min
ASAP	Off-peak	15 min

This assessment gives DoT the ability to provide the Minister for Transport with evidence-based policy recommendations and, therefore, directly assists the regulatory function of DoT.

**Percentage by which the waiting time standard, for Metropolitan Area Taxis is met**



**Reason for significant variance**

There was no significant variance between the 2018-19 Budget Target and the 2018-19 Actual or between the 2017-18 Actual and the 2018-19 Actual.

**Percentage of time maritime infrastructure is fit for purpose when required**

DoT is responsible for the planning, creation, enhancement and management of new and existing land and water-based maritime facilities for small craft boats throughout WA.

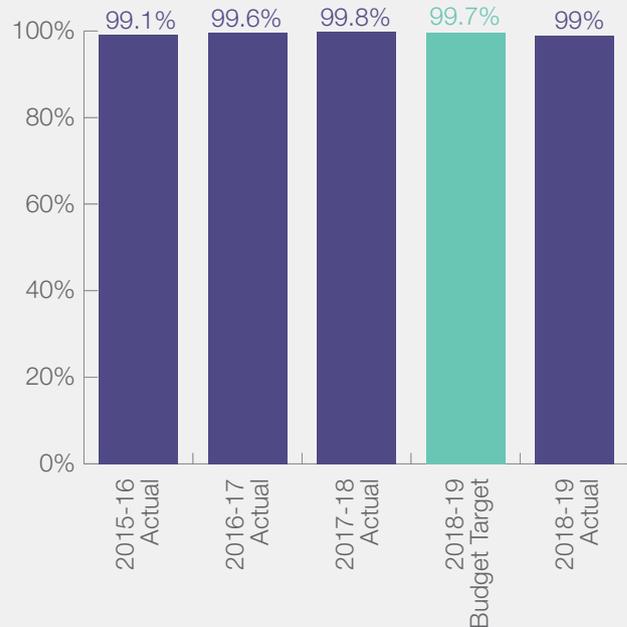
DoT manages and maintains facilities at approximately 50 discrete locations throughout the State, including a variety of maritime infrastructure assets, such as jetties, boat launching facilities, pens and mooring areas, as well as associated navigational aids and access to facilities via dredged channels.

This indicator measures the percentage of time that these maritime facilities under DoT’s managerial control were accessible to the public throughout 2018-19.

The accessibility of four maritime facilities — pens, jetties, navigational aids and dredged channels — is individually calculated in terms of percentage. These individual percentages are then aggregated and divided by four to arrive at the indicator’s result.

The high percentage of availability achieved indicates that maritime facilities under DoT’s managerial control were appropriately maintained and accessible to the public.

**Percentage of time maritime infrastructure is fit for purpose when required**



**Reason for significant variance**

There was no significant variance between the 2018-19 Budget Target and the 2018-19 Actual or between the 2017-18 Actual and the 2018-19 Actual.

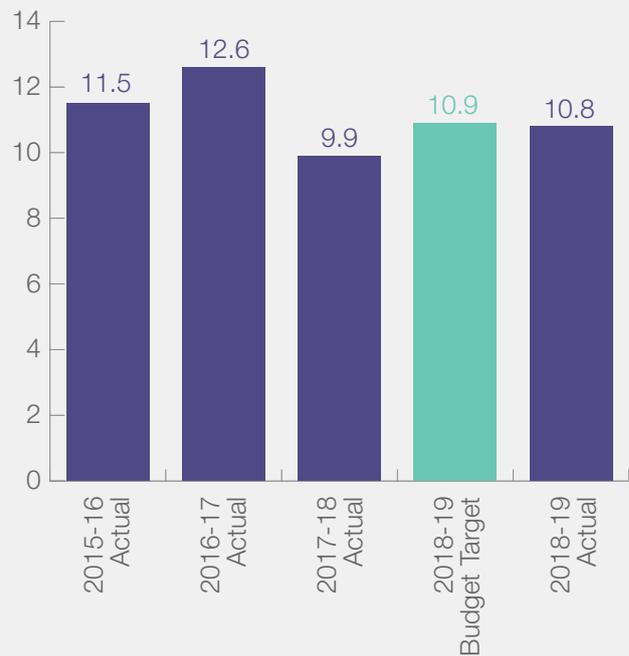
### Rate of reported incidents (accidents) on the water per 10,000 registered recreational vessels

This indicator measures the effectiveness of DoT’s safety initiatives on recreational boating behaviour.

The data for this indicator is sourced from DoT’s recreational vessel registration and the marine incidents database. It is calculated by dividing the number of incidents by the number of registered recreational vessels (expressed as a rate).

Under the *Navigable Waters Regulations 1958*, all vessels that have a motor or have the capacity to have a motor fitted, must be registered to operate on navigable waters in Western Australia. In addition, it is a requirement under the *Western Australian Marine Act 1982* for people to report any accident or incident that results in serious injury or death, or the vessel being damaged enough to make it unseaworthy or unsafe.

### Rate of reported incidents (accidents) on the water per 10,000 registered recreational vessels



#### Reason for significant variance

There was no significant variance between the 2018-19 Budget Target and the 2018-19 Actual.

The variance between the 2017-18 Actual and the 2018-19 Actual is due to an increase of incidents reported during 2018-19 driven by DoT actively promoting the need for insurance companies to report minor incidences.

## Measures of efficiency

The measures of efficiency relate to the outputs (services provided) to the level of resource inputs required to produce them (e.g. cost per unit of output). Whilst the effectiveness indicators measure the success in achieving the Departmental desired outcomes, the efficiency indicators measure the efficiency (in most cases the cost per unit of the service delivered)

in providing the service that relates to the Departmental outcome.

When calculating cost measures of efficiency all costs involved with providing the service such as corporate, division and business unit overheads are included.

The measures of efficiency used for DoT and how they relate are as follows:

## Service 1: Strategic transport policy and integrated planning

This service contributes to the provision of leadership for strategic management and development and protection of economic nodes and networks through the provision of a range of services including:

- analysis, planning and implementation of urban infrastructure projects and models to manage future travel demands;
- strategic policy development which supports the achievement of sustainable, effective and practical solutions for Western Australian transport networks and addresses capacity issues;
- policy advice and strategic transport solutions to Government;
- representation and negotiation, on behalf of the State Government, at national level transport-related forums to produce positive outcomes that promote and protect Western Australian interests;
- program management and delivery of major intermodal infrastructure planning and development activities that assists in economic development;
- quality assurance and assessment of the return on investment for government funds in transport projects; and
- monitoring industry and public demand-growth to provide best practice transport channels and access which alleviated environmental impacts.

### Average cost per policy hour for strategic transport policy development



#### Reason for significant variance

The variance between 2018-19 Budget Target and 2018-19 Actual is due to several factors resulting in reduced costs including:

- the transfer of resources from policy development to planning areas; and
- the realignment of the Policy, Planning and Investment Division.

The variance between 2018-19 Actual and 2017-18 Actual is due to an increase in costs associated with policy development attributable to:

- an increase in works associated with the Your Move Bassendean program; and
- the realignment of the Policy, Planning and Investment Division from a policy to a planning focus resulting in a reduction in policy hours.

### Average cost per planning hour for integrated transport planning development



#### Reason for significant variance

The variance between 2018-19 Budget Target and 2018-19 Actual is due to several factors including:

- the realignment of the Policy, Planning and Investment Division resulting in reduced costs; and
- a significant increase in planning hours undertaken to facilitate the Westport project, which reduced the unit costs.

The variance between 2018-19 Actual and 2017-18 Actual is mainly due to an increase in costs associated with planning works including:

- the carryover of the Local Projects Local Jobs election commitment from 2017-18;
- expenses incurred for undertaking the evaluation of the Principal Shared Paths program; and
- an increase in planning works for the Westport project.

## Service 2: Driver and Vehicle Services

This service contributes towards the provision of safe, accessible, sustainable and efficient transport services and systems through the provision of driver licensing and vehicle registration services for:

- setting motor vehicle standards in accordance with national and State Government requirements, examining motor vehicles for compliance with those standards and registering and transferring compliant motor vehicles;
- setting standards and requirements for the issue of a driver's licence in accordance with State Government legislation and national identity and security and privacy policies;
- assessing driver competency, issuing and renewing driver licences in accordance with national and State Government requirements and driver competency standards;
- securing and maintaining a database of registered vehicles and drivers and managing vehicle identification numbers to support the enforcement of road traffic and other relevant laws;
- collecting revenue on behalf of government; and
- informing and educating road users about driver licensing, vehicle registration and related requirements.

### Average cost per vehicle and driver transaction



### Reason for significant variance

The variance between 2018-19 Budget Target and 2018-19 Actual is due to the reduction in operating costs.

There was no significant variance between the 2017-18 Actual and 2018-19 Actual.

### Average cost per vehicle inspection performed by Vehicle Examination Centres



### Reason for significant variance

The variance between 2018-19 Budget Target and Actual is mainly due to the 64 per cent increase in transaction volumes, being 1,604 vehicle inspections above the Target. This is due to the increase in demand for specialised light and heavy vehicle inspections, a higher than anticipated number of re-inspections, work order inspections and inspections to grant WA vehicle licences for vehicles which were previously registered under the Federal Interstate Registration Scheme (FIRS).

FIRS was previously established under the *Interstate Road Transport Act 1985* as an alternative to state-based registration for heavy vehicles weighing more than 4.5 tonnes for vehicles engaged solely in the interstate carriage of passengers or goods.

On 10 May 2018, the Federal Parliament passed the Interstate Road Transport Legislation (Repeal) Bill 2018 which closed FIRS to new applicants and renewals, resulting in vehicles which were previously exempt from holding a WA vehicle licence requiring a vehicle inspection to be performed.

The increase in inspections due to this change in federal legislation was not included within the Budget Target, resulting in a significant variance in inspections performed.

The variance between 2017-18 Actual and 2018-19 Actual is due to the expansion of the Authorised Inspection Stations (AIS) partnership model resulting in the shift of inspections from DoT's Vehicle Examination Centres (VEC) to AIS. In 2018-19 DoT's VECs only inspected highly specialised and modified light and heavy vehicles and vehicles that are high risk from a safety perspective, with all other inspections being undertaken by AIS.

**Average cost per vehicle inspection delivered through Authorised Inspection Stations**



**Reason for significant variance**

There was no significant variance between the 2018-19 Budget Target and the 2018-19 Actual or between the 2017-18 Actual and the 2018-19 Actual.

**Average cost per driver assessment**



**Reason for significant variance**

There was no significant variance between the 2018-19 Budget Target and the 2018-19 Actual or between the 2017-18 Actual and the 2018-19 Actual.

## Service 3: Coastal Infrastructure

This service contributes towards the Department's outcome of an accessible and safe transport system through a range of coastal infrastructure services including:

- planning, building and managing new and existing land and water-based maritime facilities;
- the provision of coastal engineering advice and solutions for new and existing land and water-based maritime facilities; and
- the provision of oceanographic, cartographic and geographic information.

### Average cost per day per maritime infrastructure asset managed



#### *Reason for significant variance*

There was no significant variance between the 2018-19 Budget Target and the 2018-19 Actual.

The variance between the 2017-18 Actual and the 2018-19 Actual is due to the decrease in a number of assets as a result of decommissioning pens in Two Rocks Marina as part of redevelopment works, partially offset by the release of new pens at Hillarys Boat Harbour.

## Service 4: Marine Safety

This service contributes towards the safe and sustainable navigable waters through the provision of a range of marine safety regulatory and education services including:

- regulation and administration of marine industry services and safety standards, including on water compliance patrols;
- licensing of recreations vessel, marine safety education, navigational services and aids in accordance with relevant legislation; and
- marine protection through provision of a pollution response team.

### Average cost per private recreational vessel registration

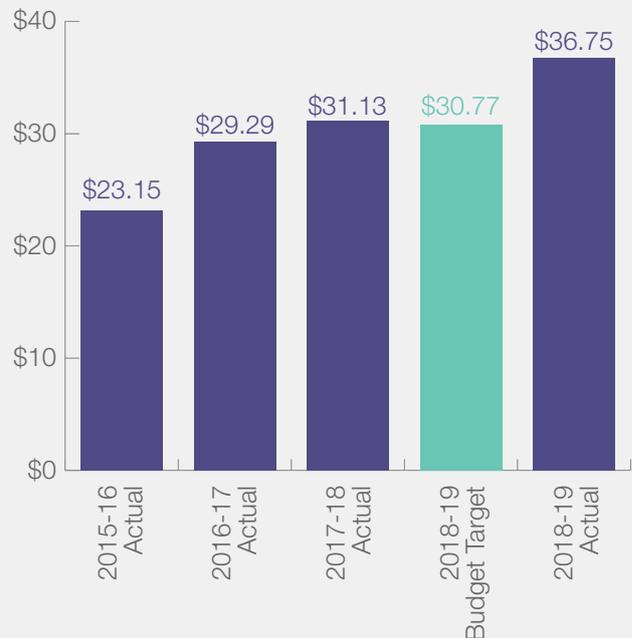


#### Reason for significant variance

The variance between the 2018-19 Budget Target and the 2018-19 Actual is due to the reduction in costs driven by a Business Unit realignment and moving from printing publications to digital technologies.

There was no significant variance between the 2017-18 Actual and the 2018-19 Actual.

### Cost to maintain Marine Pollution Response preparedness per registered vessel



#### Reason for significant variance

The variances between the 2018-19 Budget Target and the 2018-19 Actual and the 2017-18 Actual and 2018-19 Actual are due to an increase in one-off costs, such as training, travelling and equipment, to enhance DoT's ability to provide Maritime Environment Emergency Response as part of its Hazard Management Agency obligations.

## Service 5: On-demand Transport

This service provides a regulatory environment that encourages competition and innovation in the on-demand transport industry to deliver safe, accessible and efficient on-demand transport services for our community through:

- collecting and analysing data to regulate new and existing taxi and omnibus providers in the industry through education and compliance;
- administering travel subsidies for taxi users, students and pensioners; and
- supporting government planning and policy development for on-demand transport services.

### Cost of regulation per taxi plate administered



#### *Reason for significant variance*

The variance between the 2018-19 Budget Target and the 2018-19 Actual and the variance between the 2017-18 Actual and 2018-19 Actual is due to cost savings achieved through the implementation of efficiency measures.

# MINISTERIAL DIRECTIVES

No Ministerial directives were received during the 2018-19 financial year.

## OTHER FINANCIAL DISCLOSURES

### Pricing policies of services provided

DoT reviews its fees and charges annually to reflect, where legally permissible, full cost recovery in the provision of its services pursuant to the departmental policy for costing and pricing.

The following gazettes contain variations to DoT's fees and charges for the 2018-19 financial year:

- *Western Australia Government Gazette No. 75 dated 25 May 2018*
- *Western Australia Government Gazette No. 76 (Special) dated 25 May 2018*
- *Western Australia Government Gazette No. 93 dated 22 June 2018*

### Major capital projects

DoT's major capital projects, those over \$5 million, for the 2018-19 financial year are detailed in the table below.

#### Incomplete Capital Projects

Project Name	Expected Year of Completion	Capital Expenditure up to 30 June 2019 \$'000	Estimated Capital Cost to Complete \$'000	Estimated Total Capital Cost of Project \$'000
On-demand Transport Reform Business System	2020-21	5,868	8,432	14,300
Transforming Bunbury's Waterfront – Stage 2 (Jetty Road)	2019-20	4,886	8,034	12,920

#### Completed Capital Projects

Project Name	Year of Completion	Estimated Total Capital Cost of Project Reported in 2018-19 \$'000	Total Capital Cost of Project as at 30 June 2019 \$'000	Explanation for Significant Variances
Nil.				

## Employment and industrial relations

Full-time equivalents (FTE) and headcount at 30 June 2019 are detailed in the table.

Status	Headcount	FTE
Permanent Full Time	1,059	1,059.00
Permanent Part Time	230	152.75
Senior Executive Service	15	15.00
Temporary Full Time	136	136.00
Temporary Part Time	18	11.68
	<b>1458</b>	<b>1,374.43</b>

## Freedom of information

DoT's Freedom of Information (FOI) Coordinator is the initial contact point for all FOI related matters.

In accordance with the *Freedom of Information Act 1992* (the Act), DoT is required to respond to FOI access applications within 45 days of receipt, unless an extension of time is negotiated. The average time to process applications in 2018-19 was 22.2 days.

## FOI fees and charges

FOI fees and charges are set under the Act. Apart from the application fee for non-personal information, all charges are discretionary. Details of fees and charges are listed below.

Application	Amount
Personal information about applicant	No fee
Application fee (for non-personal information)	\$30.00
Charge for time taken dealing with the application	\$30.00 per hour
Charge for access time supervised by staff	\$30.00 per hour
Charges for photocopying	\$30.00 per hour for staff time and 20 cents per copy

## Rights of review

The Act allows dissatisfied applicants to request an internal review of the initial decision made by DoT. In accordance with Section 40 of the Act, a request for an internal review must be forwarded to the FOI Coordinator, in writing, within 30 days of the date of the initial decision.

Following an internal review, matters remaining in dispute can be submitted to the Office of the Information Commissioner for external review. Such applications must be submitted within 60 days from the date of internal review decision.

No fees or charges apply to internal or external reviews.

## FOI statistics for 2018-19

FOI statistics for 2018-19, compared with previous years, are detailed in the table below.

Application	Amount 2015-16	Amount 2016-17	Amount 2017-18	Amount 2018-19
Total received (not including those transferred to another agency)	351	310	274	333
Internal reviews	15	13	15	10
External reviews	7	2	5	2
Transferred to another agency	10	2	9	8
<b>Total</b>	<b>383</b>	<b>327</b>	<b>303</b>	<b>353</b>

## Customer feedback

DoT values customer feedback to assist in delivering excellent service to meet the changing needs of our community.

Customer feedback, including complaints, is managed via the Customer Feedback System (CFS), a fit-for-purpose workflow within Objective – DoT's electronic document and record management system (EDRMS).

DoT provides an accessible, fair and equitable complaints handling process in line with the Australian Standard on Complaints Handling (AS ISO 10002-2006).

In 2018-19 the following types of feedback were managed through the CFS.

Type of feedback		%
Complaints (including repeat complaints)	2,128	64.06
Compliments	109	3.28
Feedback and information	1,085	32.66
<b>Total</b>	<b>3,322</b>	<b>100.00</b>

*Customer providing feedback at a Driver and Vehicle Services centre*



A breakdown of customer feedback received by business unit in 2018-19 is shown below.

Business units	Complaints	Feedback, Information and Compliments	Total Customer Feedback	Total Customer Feedback by Percentage
Driver and Vehicle Services	1,805	991	2,796	84.17
Marine Safety	46	59	105	3.16
Coastal Infrastructure	10	27	37	1.11
Regional Services	118	29	147	4.43
On-demand Transport	128	44	172	5.18
Other**	21	44	65	1.96
<b>Total</b>	<b>2,128</b>	<b>1,194</b>	<b>3,322</b>	<b>100.00</b>

\*\* all other DoT Business Units combined.

In 2018-19 there was a significant decrease in the number of complaints received relating to DoT's On-demand Transport business unit. Greater awareness and understanding of the on-demand transport reforms, which are now well underway with Stage 1 implementation complete, could be a contributing factor to this decrease.

There was also a significant decrease in the number of complaints received relating to DoT's Coastal Infrastructure business unit, which could be attributed to an ongoing focus on process and customer service improvements.

In 2018-19 DoT established a Customer Feedback Working Group to identify improvements to policies, processes and systems, including the Feedback Management Policy and supporting procedures, to improve outcomes for customers.

## Creating a values-driven organisation

### Building capability

#### People Managers Program

DoT continued to deliver its People Managers Program to empower managers to effectively lead and manage their people to support the achievement of DoT's strategic objectives.

The engaging and practical program, now in its sixth year; provides participants with the opportunity to obtain a nationally accredited Certificate IV in Leadership and Management.

In 2018-19, 28 people managers completed the program.

In 2019-20, DoT will introduce a choice of electives to ensure learning is aligned to business strategy and to capabilities required by the business. These electives will include project management, change management and data based decision-making.



*L-R: Portfolio Emerging Leaders Program graduate with Acting Managing Director DoT Iain Cameron*

### **Portfolio Emerging Leaders Program**

The Portfolio Emerging Leaders Program, a collaboration between DoT, the PTA and Main Roads, was introduced to synergise the Portfolio's leadership practices and direction into the future.

The inaugural program was successfully completed by 10 participants from each agency in 2018-19 and will continue throughout 2019-20.

### **Performance Partnership Program**

DoT's Performance Partnership Program (PPP) provides a framework for all employees and people managers to have ongoing discussions about performance objectives, measures and learning and development needs to ensure all employees are set up for success.

DoT continues to build on the success of the program by providing tailored solutions to optimise employee performance and potential. In 2018-19 DoT continued to focus on building capability across the organisation through meaningful conversations, participation and coaching and providing useful and effective feedback.

As at 30 June 2019, the PPP returned the following results:

- 100 per cent of DoT employees had a performance review in the past six months.
- 100 per cent of DoT employees have a current Individual Performance Plan.
- 100 per cent of DoT employees have a current Learning and Development Plan.
- 98 per cent of DoT employees have been assessed as meeting expectations.

### **Future Ready Workforce**

As the transport industry continues to evolve and our customers become more sophisticated and technology enabled, DoT recognises that the complexity, scale and pace of these changes impacts its workforce.

In 2018-19 DoT embarked on a journey to identify these impacts in relation to the nature of work, workforce capability and composition and achieving strategic outcomes.

DoT's Future Ready Workforce is a program of work that will create a capable, adaptive and responsive workforce for the continued delivery of contemporary customer solutions, transport projects and future driven, sustainable solutions.

The mindset, capabilities and behaviours required to realise a future ready workforce were endorsed by DoT's Corporate Executive and representatives from across the Department were invited to participate in the program to ensure that the resulting outcomes are in line with the business requirements and meet the needs of our community.

The program of work which will deliver projects, systems and processes as enablers of the future ready workforce, will continue to be defined in 2019-20 as DoT explores natural business opportunities to implement the future ready workforce mindset, capabilities and behaviours.

By successfully enabling our people through the Future Ready Workforce program of work, DoT will continue to focus on creating meaningful experiences for its customers.

## Diversity and Inclusion Plan 2016-2020

DoT recognises that a diverse and inclusive workforce helps us understand the needs of our diverse community as we strive to deliver the best transport services and solutions.

DoT's *Workforce Diversity Plan 2016-2020* aims to further improve outcomes for employees from diverse groups. The plan outlines initiatives to help raise awareness of the benefits of a diverse workforce and provide opportunities to diversity groups, specifically in relation to the employment and retention of Aboriginal and Torres Strait Islander peoples, people with disability and women in leadership.

In 2018-19, the following was implemented in support of the plan:

- All DoT employees were encouraged to participate in significant events such as National Reconciliation Week, Disability Awareness Week, Harmony Week, NAIDOC and International Women's Day.
- DoT invited Rishelle Hume AM, Manager of Aboriginal Engagement at Chevron and 2016 Western Australian of the Year Aboriginal Award winner, to present the key note speech during NAIDOC Week celebrations and work with DoT to develop its Aboriginal Employment and Engagement Strategy for 2019-20.
- DoT formed partnerships with two disability employment services providers Edge Employment and VisAbility to increase the visibility of vacancies.
- DoT brokered a partnership agreement with Job Access, created by the Commonwealth Government as the national hub for workplace and employment information for people with disability, employers and service providers.
- DoT continued to successfully participate in the Public Sector Commission Aboriginal Traineeship Program, with two trainees completing their Certificate III in Government (Administration).

- DoT continued to explore opportunities to take on interns through the Autism Academy and Australian Computer Society Foundation and Curtin University.
- Mandatory Cultural Awareness training continued to be part of the DoT induction and onboarding program. This training helps employees to work more effectively with colleagues and customers from diverse backgrounds. In addition, regional specific Cultural Awareness training is occurring with local providers.
- Online discrimination and harassment training remained mandatory and was included in the DoT induction and onboarding program to ensure all employees and managers are aware of their obligations in preventing and responding to behaviour of this kind.

## Radar Awards program

DoT's reward and recognition program, the Radar Awards, continued to build a high performing, values-driven workforce by formally recognising individuals and teams who live the Department's values of Clear Direction, Fresh Thinking, Excellent Service and Great People.

In 2018-19 more than 30 nominations were received from employees wishing to recognise their peers for their outstanding contributions and achievements.



Director General Richard Sellers  
with Radar Award winner

## Employee Perception Survey

To continue to improve DoT's culture and employee engagement, the results of the Public Sector Employee Perception Survey informed four specific priority areas for the whole of DoT:

- Appropriate workplace behaviour;
- Fair recruitment and promotion;
- Effective people management; and
- Effective change management.

A comprehensive suite of strategies including improvements to communication, processes and training continue to be implemented and evaluated to address these priority areas.

In 2018-19 DoT conducted a pulse survey and ran focus groups to gather feedback from employees that will be used to shape future programs.

## Personnel Management

### Employee experience journey

DoT is proud to put its great people at the core of its business and in 2018-19 embarked on a journey to enhance the employee experience. The process of reviewing and redesigning various phases of the employee lifecycle, from on-boarding to off-boarding, commenced and several focus areas to support employees were identified.

In 2019-20, DoT will continue its employee experience journey by progressing initiatives related to the identified focus areas as well as aligning these to DoT's Future Ready Workforce program of work and investing in relevant tools to support employees.

## People technology solutions

DoT continues to utilise people technology solutions to make personnel processes more efficient and effective. SharePoint is utilised to store distinct people data that workflows employment and payroll variation forms through the correct approval pathways before processing, standardising data inputs and saving time.

In 2018-19 an additional six manual personnel processes were mapped to this automated workflow solution and DoT reviewed its future people technology requirements in line with its Future Ready Workforce program of work.

### Leave management

Through its values-driven culture and proactive approach to leave management, DoT continued to sustain low leave liability levels in 2018-19, with 85 per cent of employees remaining below the excess leave thresholds.

This assisted DoT to meet the revised Treasury Cap for leave liability of \$28.1 million set in January 2019, with DoT's liability at 30 June 2019 at \$27.4 million.

DoT will continue to proactively manage its leave liability in line with its commitment to good financial management and employee wellbeing and safety.



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*DoT continues to utilise people technology solutions to make personnel processes more efficient and effective.*

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# GOVERNANCE DISCLOSURES

## Unauthorised use of credit cards

DoT employees hold corporate credit cards (purchasing cards) where their functions warrant usage of this facility. Despite each cardholder being reminded of their obligations annually under the Department's purchasing card policy, 25 employees inadvertently utilised their purchasing cards in their personal capacity in 2018-19. None of these matters was referred for disciplinary action as the Chief Finance Officer noted that the nature of the expenditure was characteristic of an honest mistake.

The usage is detailed in the table below.

	2018-19
Number of instances the purchasing card has been used for personal use	36
Number of referrals for disciplinary action instigated during the reporting period	Nil
Aggregate amount of personal use expenditure for the reporting period	\$6,106
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	\$547
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	\$5,559
Aggregate amount of personal use expenditure outstanding at balance date	-



*Commuters on William Street, Perth*

# OTHER LEGAL REQUIREMENTS

## Act of Grace payments

DoT made no Act of Grace payments during the financial year.

## Advertising

As required under section 175ZE of the *Electoral Act 1907*, the following statement relates to advertising expenditure, which includes creative development, media placement, and direct mail.

Advertising agency	2018-19
The Brand Agency	\$3,500.00
Gatecrasher Advertising	\$13,123.00

Media advertising	
Media advertising – non-campaign	
Adcorp Australia Limited	\$728.53
Initiative Media Australia Pty Ltd	\$20,807.30
Facebook	\$2,128.00
Media advertising – campaign	
Market research	Nil
Polling	Nil
Direct mail – Campaign Monitor	\$11.00
<b>Total</b>	<b>\$40,297.83</b>

Notes:

The Brand Agency costs relate to the development of a campaign to promote PlatesWA. PlatesWA generates revenue for the State Government.

Gatecrasher Advertising costs relate to development and media placement of a campaign to raise community awareness and understanding of the on-demand transport reforms.

## Disability Access and Inclusion Plan

DoT is committed to providing WA's diverse community, including people with disability, their families and carers, with access to its facilities, information and services in a fair and non-discriminatory manner.

This commitment is demonstrated in DoT's *Disability Access and Inclusion Plan (DAIP) 2017-22* which identifies key strategies to improve access and inclusion for all Western Australians. A number of actions and initiatives outlined in the DAIP were progressed in 2018-19.

DoT completed disability access audits of the principal pedestrian entrances at all metropolitan Driver and Vehicle Services centres, and completed a review of disability access and signage at all of its metropolitan offices to compare the physical environments with current disability legislation, codes and technical standards, to identify and evaluate any potential barriers for people with disability. DoT is working with the Department of Finance's Building Management and Works to implement the recommendations of the review.

To ensure appropriate signage is in place to meet the needs of people with disability, DoT continued to undertake regular site inspections of maritime facilities in consultation with relevant project delivery and asset management teams as well as external stakeholders. DoT also ensured its maritime facilities provide adequate disability parking bays that are line marked where the parking surface is bituminised through its annual maintenance program delivered by Portfolio partner Main Roads. In line with this, works were undertaken at the Batavia Coast Marina in Geraldton to add a disability parking bay and concrete wheel stops to ensure cars do not overshoot the carpark and restrict access to the pathway or the universal access fishing platform.



*The use of a mobility scooter being assessed on speed bumps in an offline section of the Principal Shared Path network*

DoT assessed the impact of speed bumps in an offline section of Perth's shared path network to ensure they are suitable for the use of wheelchairs and mobility scooters as well as vision impaired pedestrians ahead of the launch of trial of speed bumps in high-traffic areas.

DoT continued to ensure and improve access to interpreter services for people with disability by completing a review of its Language Service Policy and Procedures and providing feedback to the external service provider, ONCALL Interpreters & Translators. DoT continued to monitor complaints received to identify areas for improving accessibility for people with different needs. Further, DoT reviewed its Complaint Management Policy and Procedures to ensure they consider those with different needs and raised employee awareness of the importance of this.

Employee awareness of the need to ensure documents are produced in an accessible format for people with disability was also raised through educational workshops and guiding materials available for employees on the intranet.

DoT continued to review Departmental events to ensure they are inclusive and accessible to people with disability. This included ensuring invitations to workshops and other events provide attendees with the opportunity to advise if they need special assistance.

To create additional employment pathways for people with disability, DoT developed relationships with disability employment services

providers Edge Employment Solutions and VisAbility and continues to notify these providers of all external recruitment opportunities, including fixed term contracts.

DoT continued to consider the personal circumstances of its employees with disability or those who care for someone with disability and provide flexible work practices where practicable.

In 2018-19 DoT partnered with Job Access to further improve HR practices, determine additional learning and development strategies, and provide increased support for employees with disability.

People and Organisational Development team will be partnering with Job Access to improve HR practices for employees with disability, including awareness raising and support.

## Reconciliation Action Plan

DoT is committed to increasing opportunities for Aboriginal and Torres Strait Islander peoples to participate in the State's economy.

This commitment is demonstrated in DoT's *Reconciliation Action Plan (RAP) 2017-19* which outlines strategies focusing on promoting awareness, strengthening relationships and providing employment and business opportunities for Aboriginal and Torres Strait Islander peoples.

A number of successes were achieved in 2018-19.

In early 2019 DoT participated in Reconciliation Australia's evaluation of their RAP program which has now been in operation for 12 years. DoT was one of 36 organisations from across Australia to participate in the evaluation, which included a small group interview with five of DoT's leaders and Yarning Sessions with metropolitan and regional employees.

The discussions were facilitated by Ernst and Young in collaboration with the Wollotuka Institute and findings will be presented to Reconciliation Australia and assist DoT in developing future RAPs.

DoT continued to raise employee awareness and understanding of reconciliation through its induction program, regular intranet content and the celebration of events such as National Reconciliation Week and NAIDOC week.

Culturally diverse DoT employees participated in DoT's Customer Experience Working Group and other process improvement committees, offering varied perspectives to benefit our diverse community. For example, Aboriginal trainees provided valuable input to improve the way in which services are delivered to Aboriginal communities in regional WA.

DoT continued to improve access to services and break down barriers associated with the driver licensing system in remote communities through the ongoing success of its Remote Services program.

In 2018-19 DoT officers conducted more than 180 visits to more than 60 remote locations.

Through these visits:

- 359 driver's licences were issued, reissued or transferred;
- 205 theory tests and 377 Practical Driving Assessments were conducted; and
- 252 learner's permits were issued or reissued.

*Wendy Hayden at the Perth Stadium Jetty with her Aboriginal art installation*



Through program partnerships, private industry, not for profit organisations, Aboriginal corporations and WA Police Force continued to deliver learner's permit theory testing, providing an alternate service delivery channel to ensure learner drivers have a full understanding of the road rules prior to getting behind the wheel. To date, more than 7,000 learner drivers have successfully completed the theory test through these partnerships.

In February 2019, DoT entered a partnership with the Department of Justice which allows Remote Services Officers to access the Department of Justice's Integrated Courts Management System. This gives Officers the ability to lift Licence Suspension Orders in real time, streamlining this process and addressing barriers to obtaining a driver's licence for remote customers.

In recognition of some customers in remote communities being unable to provide birth certificates when applying for a driver's licence or WA Photo Card, DoT continued to partner with the Registry of Births, Deaths and Marriages to pilot a program allowing both agencies to verify birth details in the Goldfields. Given its success, DoT will expand the pilot program to include the Pilbara, Mid-West and Kimberley regions in 2019-20.



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*To date, more than 7,000 learner drivers have successfully completed the theory test through program partnerships.*

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While still primarily focused on driver and vehicle licensing, Remote Services has broadened its scope of work to include other regional and remote transport issues.

DoT participated in the Clontarf Aboriginal College ID Forum and provided an information session on the process of obtaining a driver's licence to Aboriginal students from the college and other identified high schools. As a result, DoT issued learner's permits and learner log books to those who had completed the Keys4Life pre-driver program.

DoT worked in consultation with the Whadjuck Working Party to facilitate the installation of artwork by local Aboriginal artist Wendy Hayden at the Perth Stadium Jetty.

DoT continued to support Aboriginal businesses such as Kulbardi for the supply of office stationery and supplies. Further, DoT investigated the use of an Aboriginal business to provide temporary personnel and cultural awareness training. To allow for the direct engagement of Aboriginal businesses, DoT updated its procurement policies and raised staff awareness through its intranet.

In another demonstration of its investment in Aboriginal economic participation, DoT engaged Indigenous Management Services, a registered Aboriginal company, as its sole supplier of temporary employees.

In February 2019 DoT's Access and Inclusion Committee formed a working group to develop its next RAP for 2019-21. Both the Access and Inclusion Committee and the RAP working group include Aboriginal and Torres Strait Islander representatives.

DoT's new RAP, expected to be finalised in October 2019, will outline strategies to improve services, opportunities and outcomes for Aboriginal and Torres Strait Islander peoples.

## Compliance with Public Sector Standards and ethical codes

DoT is committed to promoting and sustaining the highest standard of ethical behaviour in the workplace by all its employees. DoT has a number of initiatives, policies, processes and systems in place to ensure that the highest standard of ethical behaviour is adopted at all times.

During 2018-19, DoT's activities to achieve compliance with public sector standards and ethical codes included:

- conducting a pulse survey to gather feedback from employees to understand areas that affect organisational performance and culture;
- acting on employee feedback and other insights to evolve human resource management policies and procedures to provide an enhanced employee and customer experience;
- updating DoT's Code of Conduct;
- business units introducing targeted People Plans, incorporating desired values and behaviours;
- ongoing requirement for all employees to undertake the Accountable and Ethical Decision Making training online, with a 99 per cent completion rate as at June 2019;
- ongoing Equal Employment Opportunity training to enable a workplace free of discrimination and harassment; and
- addressing allegations of misconduct in a timely and responsible way.

### Compliance issues

One Breach of Standard claims relating to the Employment Standard was received in 2018-19. The claim was considered and dismissed by the Public Sector Commissioner.

In 2018-19, 13 cases of non-compliance with the Code of Ethics/Code of Conduct were reported. Eleven cases resulted in disciplinary investigations.

## Better recordkeeping

DoT is committed to continuously improving its recordkeeping culture, tools and practices to ensure compliance with the *State Records Act 2000* (the Act) and best business outcomes for the department. The following information is provided in accordance with the State Records Commission Standard 2, Principle 6.

### Efficiency and effectiveness of DoT's recordkeeping systems

DoT's corporate Electronic Document and Records Management System (EDRMS) is Objective. All DoT staff have access to Objective, enabling them to capture and manage records in line with agency policies and procedures.

In 2018-19 DoT commenced a project to upgrade Objective to ensure ongoing version currency and enhance its functionality and usability.

In addition to Objective, business-specific systems are in place across DoT to capture both digital and hard copy records, enabling efficient and compliant recordkeeping throughout. DoT's Information Management Services (IMS) Branch works closely with business areas to provide advice and review process to ensure a fully digital recordkeeping environment.

In 2019-20, DoT will focus on implementing an information classification process to provide clear guidelines around the handling of DoT information according to sensitivity and the sharing of this information to support multi-agency service delivery.

## Recordkeeping training and induction programs

DoT's online Recordkeeping Awareness Training (RAT) is mandatory for all staff and contractors and covers their obligations to comply with both internal recordkeeping policies and procedures and the Act.

All new employees, including contractors, are automatically enrolled in the course as part of DoT's on-boarding process. As at 30 June 2019, 95 per cent of those enrolled have completed the course.

Assessment of the course is integrated into the online module and feedback provided is monitored and reviewed. Course content is regularly assessed to ensure it continues to encompass prevailing operational and administrative practices and processes.

DoT's employee induction program also includes information on recordkeeping responsibilities and the use of Objective. This assists employees in understanding how to create, manage, maintain and use government records in line with DoT policies and procedures.

An Objective online training program is available to all staff and is complemented by face-to-face training sessions for individuals and groups where required.

## Training effectiveness

The effectiveness of DoT's recordkeeping training is reflected in the use of Objective across all parts of the department. This is evidenced by the increasing number of corporate documents stored and managed in Objective and reinforced by positive feedback provided by employees.



*DoT employee on the phone*

# GOVERNMENT POLICY REQUIREMENTS

## Substantive equality

DoT is committed to ensuring the needs of the whole community are met by improving access and outcomes for people with different needs.

In 2018-19 DoT continued to implement actions to achieve equitable outcomes for all Western Australians consistent with the State's Substantive Equality Framework.

DoT worked closely with its Portfolio partners – the PTA and Main Roads – to develop a Transport Portfolio Access and Inclusion Policy. The policy demonstrates the Portfolio's commitment to ensuring its workplaces, information and services, (including employment) are inclusive and accessible to all Western Australians.

DoT continued to partner with North Metropolitan TAFE to place work experience students enrolled in the Settlement Language Pathways to Employment and Training program allowing them to gain on-the-job experience and transition to work in Australia.

DoT conducted usability testing with members of the public to understand how key user groups navigate DoT's website. DoT drew on its successful partnership with North Metropolitan TAFE to engage two students for whom English is second language to be involved in the testing. They were each allocated 15 tasks related to obtaining a learner's permit and driver's licence and provided feedback on how useful the website was in completing these tasks. They also shared their personal experience with WA's Graduated Driver Training and Licensing process.

The tests provided DoT with valuable data to improve the information and functionality of the learner and novice driver sections of the website and inform ongoing improvements to its website.



*L-R: Website usability tester with DoT facilitator*

The Practical Driving Assessment (PDA) online booking system was amended to allow customers subject to ongoing fitness to drive assessments, to book an available PDA within the period for which they have been assessed as fit to drive. Among others, this improvement benefits those required to satisfy DoT of their fitness to drive due to a medical condition. The online booking system is now more customer service centric, allowing all drivers online access to plan their licensing responsibilities and activities. The change still retains the safety and risk mitigation smarts to prevent a driver booking a PDA beyond a period in time for which they have been satisfactorily assessed.

DoT continued to raise employee awareness and understanding of substantive equality through its induction program, regular intranet content including employee profiles and the celebration of diversity events such as Harmony Day.

DoT will continue to implement strategies to improve access to services, facilities and information for the diverse Western Australian community in 2019-20 and beyond.

## Audit and Risk Management Committee

The Audit and Risk Management Committee (ARMC) provides independent assurance on corporate governance and monitoring responsibilities in relation to reporting, internal control structure, risk management systems and internal audit functions.

The ARMC Chaired by the Director General includes the following members:

- Managing Director — Department of Transport;
- Director – Office of the Director General (ODG); and
- Executive Director— Finance and Commercial Services, Main Roads as the cross-Portfolio representative.

The Committee contains two ex-officio members, the Executive Director Finance and Procurement Services (Chief Finance Officer) and Manager Governance Review and Audit, Office of the Director General. A representative from the Office of the Auditor General also attends meetings as an independent member, and contracted internal auditors Ernst & Young attend as independent observers.

Project Director Westport and Project Director METRONET are guests to the Committee.

The Audit and Risk Management Committee met four times in 2018–19.

## Internal Audit

The Internal Audit function operates under the approved Internal Audit Charter and provides an independent and objective assurance and consulting activity designed to add value and improve the operations of DoT. It assists DoT in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, controls, and governance processes.

DoT's internal audits are conducted by Ernst & Young, in accordance with the *Financial Management Act 2006* and Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing.

The annual Internal Audit Plan is aligned with DoT's strategic objectives and risks and with a focus on core functions and controls.

Internal audits conducted in 2018–19 included:

- Freight Industry Grant Subsidy
- TRELIS Access Management
- Charter Vehicle Licences Inspection Process
- Travel (end-to-end process, including allowances)
- Capital Works in Progress
- Risk Management Frameworks
- Driver and Vehicle Services Transactions in Customer Support Services
- Data Governance
- Driver and Vehicle Services Development and Management of Vehicle Policy Standards
- Penetration Testing
- Aquatic Events Approvals Management

Recommendations from internal audits are managed and monitored through DoT's Audit Recommendation Management System. The status of implementation of recommendations are reported on a quarterly basis to the ARMC.

## Risk Management

DoT is committed to ensuring a comprehensive risk management process that meets the requirements of Treasurer's Instruction 825, the Public Sector Commissioner's Circular: 2015-03 Risk Management and Business Continuity Planning and is aligned to the international standard AS/NZS ISO 31000:2018 Risk Management – Principles and Guidelines.

DoT's structured risk management approach is integrated into management, planning and operational processes, and assists DoT to achieve its desired outcomes by providing a transparent process that identifies what is essential to success and demonstrates the decision-making process regarding the acceptance of risks.

DoT's fraud and corruption risk management process is incorporated within DoT's risk management framework. DoT's Fraud and Corruption Control Plan sets out the relevant policies and obligations for all employees with respect to preventing, detecting and responding to incidents of fraud and corruption.

## Occupational safety, health and injury management

DoT's executives, safety and health representatives and employees are committed to achieving a workplace environment that is free of work related injuries and disease and to achieving a standard of excellence in occupational safety and health management.

In accordance with the Public Sector Commissioner's Circular 2018-03: Code of Practice: Occupational Safety and Health in the Western Australian Public Sector (the Circular), DoT complies with the requirements of the Occupational Safety and Health Act 1984, the Workers' Compensation and Injury Management Act 1981 and the Circular.

## DoT's Work Health and Safety (WHS) Strategy

DoT is committed to its corporate legislative responsibility to promote health and safety in the workplace.

In support of this commitment, DoT strives to promote and maintain a values-driven workplace that encourages employees to bring their passion for life to work and to nurture an environment where all employees can thrive.

In readiness for the new incoming Work Health and Safety (WHS) legislation, the Department rebranded its safety team from Occupational Health and Safety (OHS) to Work Health and Safety. DoT's 2018-2019 WHS Strategy is designed to provide a structured approach to WHS, for both proactive and reactive health and safety activities undertaken by the People and Organisational Development (POD) WHS Team. It is based on a partnering model with other POD areas of expertise and with DoT business units. It provides DoT with a structured and fit-for-purpose safety management system that addresses its legislative obligations and enables business units and line managers to actively manage safety.

The Department has an established injury management (IM) program, detailing the steps taken to assist injured employees to return to work as soon as medically appropriate. The procedure focuses on early intervention IM strategies to effectively allow the injured employee to remain at work or return to work at the earliest appropriate time. The Department's IM procedure is compliant with the requirements of the Workers' Compensation and Injury Management Act 1981 and the Code of Practice (Injury Management) 2005.

All employees can access the Department's WHS and IM information through DoT's WHS Management System on the intranet site. WHS and IM information is widely communicated through various training sessions designed for both employees (Employee Induction) and people managers (WHS and IM for Managers). WHS information is also provided through various WHS Subcommittees.

DoT has three WHS Subcommittees:

- Marine House and Regional Services;
- Driver and Vehicles Services and Business Information Systems; and
- 140 William Street and On-demand Transport.

Each committee is chaired by the Executive Director or General Manager of the relevant business unit.

DoT's Corporate Executive is strongly committed to WHS management in the workplace. This is demonstrated by its endorsement of The DoT WHS Policy Statement and the establishment of the Corporate WHS Management Committee on behalf of the Director General, DoT.

The Corporate WHS Management Committee supports the effective management of WHS at DoT. More specifically, it is responsible for identifying and implementing WHS initiatives and making recommendations on policy and strategy to the Corporate Executive. The members of the Corporate WHS Management Committee include the Executive Directors, General Managers and POD WHS (DoT WHS Team). The Committee is chaired by the Managing Director of DoT.

## Consultation mechanisms

Management and employees are committed to improved and effective consultation in the workplace.

The three WHS Subcommittees include safety and health representatives and management representatives. They meet quarterly to discuss matters relating to workplace issues that affect the health and welfare of employees, as well as the continuous improvement of WHS performance. The agenda and meeting minutes for each of the WHS subcommittee meetings and the Corporate WHS Management Committee Meetings are displayed on dedicated WHS noticeboards across all DoT sites and via the DoT WHS Virtual Noticeboard on the intranet.

During the year, the Department discussed and resolved issues raised by employees; reviewed accident and incident forms to ensure that hazards were addressed to eliminate or reduce future issues; discussed injury trends; and identified preventative measures that promote a safe working environment, at the various committee meetings.

The safety and health representatives, in consultation with management, are responsible for updating the noticeboards. The effectiveness of the WHS Committee meetings is measured by member attendance rates, which subsequently forms part of the key performance indicators reported to Corporate Executive.

## Workers' Compensation and IM

DoT has a strong focus on early intervention and return to work. People Managers are trained in the importance of good injury management and return to work procedures, all with the purpose of promoting a supportive, productive and positive workplace.

DoT has a dedicated Employee Experience team who manage the workers' compensation claims and supports the management of the non-work related injury management issues.

## OHS Management System Audit and Results

The DoT WHS Management System was audited in 2016-2017 to ensure alignment with relevant health and safety management system specifications (including Australian Standard 4801), its core principles of relevant OHS legislation and DoT's risk profile. The audit was conducted by an external auditor from Ernst and Young, utilising an AS 4801 Audit Tool. The following actions were addressed and implemented:

- DoT has developed and implemented a formal and pro-active process to identify WHS risks across all sites. 626 job roles were risk assessed and risk rated accordingly. All roles that presented with a medium or high risk have been thoroughly reviewed and Safe Work Practices (SWPs) created.
- A DoT WHS Position Risk Register (electronic form) was then created and includes common public-sector hazards described in the Circular, such as aggression, manual handling, working in isolation, organisational change, inadequate workstations and inadequate work organisation. The register details the WHS risks associated with each of the 626 job positions within DoT. It also provides links to all the supporting SWPs and WHS procedures that are relevant to the position. All DoT employees have access to the register and all managers have been advised on how to best utilise the register. The DoT WHS Position Risk Register and supporting documentation facilitates a comprehensive risk management approach DoT.
- Each DoT workplace has a Site Specific Chemical Register. The register is used to document all chemicals brought into the workplace. The register is managed by both management and the safety and health representative of the site. POD WHS manages the DoT Chemical Register which contains the combined information from the site-specific registers. Every chemical at a DoT workplace has a corresponding Safety Data Sheet (SDS) that has been uploaded to the safety page on the intranet.

It is proposed that in the 2019-2020 financial year, the DoT WHS Management system will be audited again in readiness for the new incoming WHS legislation.

## OHS training

In 2018-19, WHS and IM training programs were reviewed with the following results:

- POD WHS continued to roll out WHS and IM for Managers training sessions, with 87 per cent of managers trained in their WHS and IM responsibilities.
- POD WHS continued to roll out WHS and IM for Managers refresher training, which is required to be completed by DoT people managers every three years.
- Ergonomic training sessions were conducted throughout the year for all employees. Vehicle Ergonomics Training was also conducted in all regional offices and for the Remote Licensing Team, to promote good ergonomics on long distance driving.
- Manual Tasks, Ergonomics and WHS Induction one-hour training sessions were available to all employees. All new starters at DoT attend the Employee Induction Day, which includes the WHS Induction session.
- The Maritime Environmental Emergency Response (MEER) Safety Training session (available to all MEER responders) was introduced to educate the responders on their WHS responsibilities and requirements during an emergency response.

The above training was undertaken on site at each business unit and via video conferencing for the regional sites, allowing for a greater number of managers and employees to benefit from the sessions.

## Other key achievements

In 2018-19, the following achievements and activities supported DoT's management of WHS in the workplace:

- The development and implementation of the DoT Maritime Environmental Emergencies Response (MEER) Safety Management System (SMS) which provides guidelines for the development of site WHS Plans for MEER / Marine Oil Pollution (MOP) Emergencies, in alignment with the relevant Occupational Safety and Health legislation.
- Successfully implementing the MEER SMS in two state MEER Exercises in Albany in September 2018 and Dampier in June 2019, involving approximately 200 responders from 23 organisations (both government and private industry). Responders were deployed for both shoreline clean up and marine based operational activities.
- Scheduling of DoT proactive site visits, to conduct workplace inspections, risk assessments, WHS audits and onsite training, as per the POD WHS Site Visits calendar for 2019.
- Development of the 'Fee for Service Contractor OHS Induction' process and checklist to ensure all non-DoT staff working within DoT workplaces are inducted accordingly and understand DoT's OHS requirements.
- Successful relocation to the new Success Business Centre. This included reviewing the office layout, ergonomics, emergency procedures, traffic management, risk assessments and first aid requirements.
- Collaborating with the Transport Portfolio WHS teams to share and align safety initiatives across the portfolio. DoT's WHS Team presented at the Main Roads Safety Champions Forum in February 2019.
- The implementation of the DoT Corporate Health strategy which includes flu vaccinations, an updated intranet page for wellbeing ideas, corporate gym memberships discounts, corporate health insurance discounts and the promotion of awareness of a number of Safe Work Australia National Priorities which include Mental Disorders, Asthma and Musculoskeletal disorders in the workplace to encourage physical activities and minimise sedentary behaviours through the '*Sit Less, Stand Up and Move More*' campaign.
- Successful roll out of the 2019 DoT Flu Vaccination Program. A total of 632 DoT employees were vaccinated, representing 43 per cent of the workforce.
- Empowering management and employees to adopt a culture of safety accountability within their day-to-day jobs as part of DoT's Future Ready Workforce program of work.
- Ensuring resilience programs form part of the DoT Change Management strategy. The WHS team is part of the Fremantle 2020 Change Squad, to assist the Marine Safety and Coastal Infrastructure business units to safely navigate through the move to the new Fremantle office and to embrace the agile working arrangements in the new building.

## WHS and Injury Management performance

DoT's WHS and Injury Management performance is detailed in the table below.

Measure	2016-2017 <sup>(1)</sup>	2017-2018 <sup>(1)</sup>	2018-2019	Target	Comments towards targets
Number of fatalities	0	0	0	0 (zero)	Target achieved.
Lost time injury and/or disease incidence rate	1.2022	0.984	1.601 <sup>(2)</sup>	0 or 10% reduction in incidence rate	Target not achieved There were 22 LTI claims in 2018-19 as compared to 13 LTI claims in 2017-18 and 19 LTI claims in 2016-2017.
Lost time injury and/or disease severity rate	0.00	23.0769	4.54 <sup>(3)</sup>	0 or 10% reduction in severity rate	Target achieved Whilst there was an increase in the number of LTI claims in 2018-19, only one claim had greater than 60 days off work.
Percentage of injured workers returned to work within 13 weeks	100%	76.92%	95.45 <sup>(4)</sup>	Actual target to be stated	95% achieved. 21 of the 22 LTI claims lodged in 2018-19 were returned to work within 13 weeks.
Percentage of injured workers returned to work within 26 weeks	100%	100%	100% <sup>(5)</sup>	Actual percentage result	Target achieved. All 22 LTI claims lodged in 2018-19 were back at work within 26 weeks.
Percentage of managers trained in occupational safety, health and injury management responsibilities	84%	88%	87%	Greater than or equal to 80%	Target achieved

### Notes:

(1) The results are sourced from DoT's Annual Reports 2016-2017 and 2017-18.

(2) There were 22 lost time injury (LTI) claims lodged in 2018-19, while the number of full time equivalents was 1374.33

(3) There was one workers compensation (WC) claim lodged in 2018-19 with greater than 60 days or more lost from work.

(4) There were 21 WC claims with registered LTIs that were returned to work within 13 weeks.

(5) All 22 WC claims with registered LTIs were returned to work within 26 weeks.



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**PUBLISHED BY**

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Perth Western Australia 6000

SEPTEMBER 2019

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